Lard, lice, and longevity: a comparative study of the standard of living in occupied Denmark and the Netherlands, 1940-1945
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The Shadow Economy

The suspect had bought, for 1400 kroner, without coupons, 3 sacks of dry chicken feed, 60 kilograms each, believing them to contain coffee beans. (Copenhagen court report\textsuperscript{273})

Introduction

Buying on the black market was always risky, both because of the efforts of law enforcers to eradicate illegal trade and, especially, because of the often unreliable salesman. As in the case quoted above, one could spend a fortune on coffee, only to find it not to be coffee at all – and get arrested into the bargain. Despite such risks, virtually everybody in occupied Denmark and the Netherlands engaged in black marketeering as buyers or sellers (or both), at least occasionally. For many citizens the black market was an integral part of daily life during the occupation. The attractiveness of black marketeering lay in the fact that the illegal economy operated precisely in the manner that the controlled economy no longer did: prices were freely determined and purchase was unrestricted. On the downside, there was no careful management of supplies, no setting or even publication of prices, and no government inspection of quality. Being utterly uncontrolled, the black market was the antithesis, but of course also the product, of economic controls. As soon as the controls were dismantled, in the course of the late 1940s and early 1950s, much of the rampant black marketeering of the previous decade disappeared.

That said, the black market never disappeared altogether, and in fact still exists in every modern economy. Whether to evade taxation, to buy and sell illegal goods, or to avoid registration, wherever there is legislation banning, taxing or regulating certain transactions, illegal markets flourish. In Denmark and the Netherlands today, cigarettes and alcohol are smuggled to evade taxes, heroin is sold on Copenhagen’s Istedgade and the Amsterdam Wallen alike, and a clandestine sex industry thrives in both countries, all despite extensive efforts to curb these activities. During the 1940s, when various economic activities were far more

\textsuperscript{273} LAS KBB, \textit{Domsbøger} 11-2-1941.
regulated, black marketeering was much more common and directly affected the lives and livelihoods of millions. It seems that the degree of economic regulation in a country overwhelmingly determines the extent of black marketeering in that country, whereas the level of repression against it, however draconian, usually has much less impact.274

Even in the best of circumstances, the gradual development of an ever greater monetary overhang combined with rigid consumption controls would have given rise to a demand for clandestinely supplied goods. Bulging as they often were with money that they could not easily spend, many people in Denmark and the Netherlands were keen to pay prices far above the controlled level if this enabled them to consume more than they were officially allowed to. In so far as it can be reconstructed, the shadow economy in Denmark and the Netherlands made up a sizeable portion of each country’s economy, allowing the happy few to live a relatively sumptuous lifestyle despite wartime shortages. Only the most scrupulous of producers and entrepreneurs were entirely insensitive to the lure of the high profits that could be earned on the black market, so that people with enough money were usually able to get much of what they wanted through illegal channels.

As the previous chapters have made clear, however, monetary overhang was hardly the only, let alone the worst, economic problem plaguing Denmark and the Netherlands. Whilst the top end, and indeed the majority of the population, was becoming excessively liquid, people at the lower end of the income scale were struggling to cope with wartime inflation. On the one hand, then, many people tried to increase their consumption and spend some of their income beyond the strict limits imposed on them, while others were keen to sell goods to raise money. Hence, in Denmark and the Netherlands alike, the black market was more than merely a place where people could buy goods in excess of their ration, more than a clandestine delicatessen for the well-off. Rather, illegal markets were an integral part of the wartime and postwar economies, in which diverse people developed diverse strategies to increase their standard of living, against the grain of official policies.

The black market played a role in determining both incomes and levels of consumption in wartime Denmark and the Netherlands, and thus cannot be overlooked when studying the economies of these countries. The official reality of rations, prices and wages simply do not tell the whole story of the circumstances under which people in Denmark and the Netherlands lived. Having established that the official economy, while comparatively stable and successfully controlled, had several shortcomings, the question arises how people used the black market to earn and spend, and to what extent they benefited from doing so. The problem in investigating black markets, however, is that the very secretiveness inherent in illegal trade makes such trade notoriously difficult to investigate. The question to be answered in this chapter, hence, is not only how Dutch and Danish people used the black market to improve the material circumstances of their lives, but also to what extent it is possible to establish such.

Parallel markets

Black markets are not only cumbersome to investigate, but also their very existence is disputed. In 1950, with wartime black markets still in recent memory, A.K. Das Gupta wrote that 'The so-called black market is a bundle of isolated transactions which, strictly speaking, do not form a market at all. The illegal character of the transactions naturally precludes the possibility of that degree of intercommunication between buyers and sellers which makes for a perfect market with a uniform price.'²⁷⁵ Das Gupta, admittedly, has a point. A market, in the economic sense, only exists where the price level can balance supply and demand. This presupposes a high degree of shared knowledge among both suppliers and their customers, notably of prices paid in other transactions. To what extent people were aware of the prices paid for similar products in different black market transactions is certainly questionable. Both traders and customers, although the latter group undoubtedly more than the former, had at best incomplete knowledge of the price level prevailing on the black market as a whole. Prices were not advertised, obviously, so the only way to find out the price of a certain product was to ask the seller. Since even approaching a black marketeer could lead to prosecution, prolonged investigations of

²⁷⁵ Das Gupta, A.K., Planning and Economic Growth (London 1965) 100.
prices from various suppliers would hardly have been feasible. It is unlikely, moreover, that sellers would have treated all customers equally. It was certainly less risky to sell to an established contact than to a stranger, who could have been an agent, and it would therefore have made sense to charge strangers more. Incomplete information inevitably led to price discrimination, meaning that those who were able to develop a relationship of mutual trust with their illegal trading partner presumably had an advantage over those who were not able to.276

Although Das Gupta’s critique of theories of black market price formation makes theoretical sense, his conclusion that black markets should not be described as markets at all seems more than a little far-fetched. True, price discrimination will likely be rampant on any black market, just as fraud, hastily concluded deals and misinformation are, but such problems plague other markets as well, and an imperfect market is still a market. To claim that problems of information would categorically stop black markets from achieving uniform or semi-uniform prices is clearly going too far: if products were fairly homogenous and bought frequently, one suspects that consumers could gather a good notion of reasonable asking prices with relative ease. This is also the impression one gets from empirical investigations. Both contemporaries and historians assert that while, obviously, there were differences in prices in different transactions, the price level on the Dutch and on the Danish black market at least approached uniformity. Although of course a hindrance, the illegal nature of black markets did not make the formation of a uniform and coherent price level, at least locally, a priori impossible.277

The black market in occupied Denmark and that in the Netherlands, for all their imperfections, did form a market, one that existed parallel to the regulated economy. A certain good, say cigarettes, could be bought either legally, at controlled prices but in strictly restricted quantities, or illegally, at high prices but in unrestricted quantities. Whilst two separate markets for the same good thus coexisted, these were of course not independent: the quantities available through rationing, as well as

276. Cf. D.N. McCloskey, Bourgeois Virtue (Forthcoming Chicago) 94.
the price thereof, obviously had an impact on the price and availability of goods on
the black market. Several economists have attempted to model mathematically the
relation between legal and illegal markets, but most such models are difficult to make
operational in a historical (or indeed any) research.\footnote{278} This is partly because of the
abominable quality of the available data, and partly because many such models
suffer from a fundamental flaw, namely the no-resale clause.\footnote{279} Through this clause,
students of black markets assume that once goods have been allocated in the legal
economic sphere (e.g. through rationing systems), they do not enter the illegal
economy later on; that is, the black market is fed only by goods taken out of the
production process before being sold to a consumer. This clause makes black
markets easier to model, but also renders such models completely unrealistic. There
are many references in a wide range of sources in both Denmark and the
Netherlands to people selling on the black market goods that they themselves had
bought legally.

This implies that black markets were supplied in two ways. In the first place,
through the diversion of goods: producers or retailers could withhold some products
from the regulated economy, preferring to sell at a high price on the black market
than legally at controlled prices.\footnote{280} The total volume of diverted goods can be
estimated, in certain cases, by comparing the estimated production of a certain
sector with the amounts distributed through the controlled economy. As shown
below, such estimates can be very useful, but they cannot incorporate resold goods.
The goods that were resold after having been acquired legally, were of course
registered as having been legally distributed, irrespective of whether they entered the
illegal economy later on. Because the volume of goods traded in this manner cannot
be estimated with any degree of reliability, the size of the black market as a whole
cannot be estimated either.

One type of resale typical of the wartime economies was the sale of coupons
by their legal owners. The Dutch and Danish rationing systems, as said, rationed

\footnote{278} The most extensive examples to date are Buttersworth, *The Theory of Price Control
and Black Markets*; Dell, *Maximum Price Regulations and Resulting Parallel Black Markets*.


\footnote{280} Buttersworth, *The Theory of Price Control and Black Markets*, 36; Dell, *Maximum Price
Regulations and Resulting Parallel Black Markets* 17.
rights to purchase rather than goods themselves. These rights, which theoretically were linked inexorably to their owners, were represented by paper coupons, which could easily be (and often were) traded. By purchasing coupons, people could acquire the 'right' to buy extra goods at controlled prices, which were lower than black market prices. The difference may appear insignificant, since the end result of black marketeering was the same in both cases, namely that those who were willing to pay high prices and face the risk of prosecution, ended up consuming more than their legal allotment. Under closer scrutiny, however, the distinction is an important one: the trade in coupons had the enormous advantage that coupons could very easily be hidden, carried or even sent through the post. Compared to a sack of potatoes or a carton of cigarettes, a pile of coupons was easily smuggled, and the risk of detection was correspondingly low. Moreover, the costly transportation and storage of often bulky goods was avoided — or rather left to be done in the legal economy.

An indication of how advantageous trade in coupons could be is given by the example of a farmer in the Dutch village of Wijhe, who provided locals with their full butter ration as well as a small sum of money in exchange for their butter coupons. The ease with which butter coupons could be sold to people living in distant urban areas was apparently so advantageous that coupons were more valuable in the provinces than was the equivalent amount of butter itself. (Which is not to say that this particular farmer's strategy was a very successful one; before long local butter sales declined so dramatically as to raise suspicion, and the culprit was caught.)

The rise of the shadow economy
Although black markets may have been an inevitable by-product of economic controls, they did not bloom immediately after controls had been introduced. Rather, black markets grew gradually as economies became encapsulated by the economic administrations. Initially, black marketeering in wartime Denmark and the Netherlands was mostly of a modest scale and a friendly nature. Exchanges were made cordially, were not thought of as being illegal and, initially, were hardly ever prosecuted. Certainly in the countryside, neighbourly exchanges at moderate prices

281. NA, RBVVO, Weekverslagen 18-1-43.
continued throughout the 1940s, but even in more urbanized areas many transactions took place in a non-criminal context of mutual help. As late as April 1941, the Dutch Society of Housewives – which by all means was a law-abiding organization – organized a large fair for its members to swap coupons among each other, so as to adapt rations to taste and income. The organizing committee was, it appears, genuinely shocked to learn that such a fair would be considered a black market and was therefore illegal.\textsuperscript{282} Their amazement is indicative of the relatively innocent beginnings of black marketeering. Even at that time, however, both Denmark and the Netherlands had already been confronted with the emergence of more professional and generally less friendly black marketeers and the consequent criminalization of the informal economy.

In the case of Denmark, where the primary source for the investigation of the black market is court records, a further observation can be made. The earliest cases of the prosecution of black marketeering, which took place in the summer and autumn of 1940, all involved large quantities being sold illegally between retailers and their suppliers, rather than to ordinary consumers. For example, about 1500 kilos of raw coffee were intercepted in September, 2300 kilos of flour in October and 2300 kilos of coal (sold to a baker) in November. There is no trace in judicial sources of small-scale black marketeering during this period, but this is most likely due to a lack of interest on the part of law enforcers. Until black marketeering developed into visible street crime, the small fish appear to have been left alone.\textsuperscript{283} Eventually, however, black marketeering did become very visible, concentrating in commonly known streets and cafes, and provoking a clampdown from the police and other authorities. Consequently, more is known about the black market in both countries from about 1941 onwards. Whilst the authorities turned their attention to street-level traders, black marketeering slowly became a criminal profession of sorts – and in most cases it was a squalid, unpleasant and risky one.

The black market, once it had arisen and formed an infrastructure, was fluid and quick to respond to the opportunities arising from changes in the legal sphere of the economy. The transformation of Dutch agriculture, for example, led to an upsurge

\textsuperscript{282} NA RBVVO Weekverslagen 13-4-1941.

\textsuperscript{283} LAS KBB Domsbøger 1941.
in illegally produced meat and the subsequent trade therein.\textsuperscript{284} In Denmark, the building of defence works on the west coast created a sudden boom in trade in fuel and tyres, which were needed by contractors who wanted a share of the highly lucrative work created by the German defence works. As early as 1942, cases were reported of entire cars being used as mere packaging for a set of good tyres.\textsuperscript{285} Apart from such sudden opportunities, the black markets appear to have developed slowly but steadily. Prices rose gradually over the years, and the supply chain became increasingly sophisticated, especially in Denmark. The relative importance of the shadow economy increased throughout the occupation as people became ever more moneyed and ever more scantily clad, fed and heated. The resulting high prices in turn attracted more black marketeers and more illegally diverted goods. The black market was a lethal threat to economic controls, gnawing away at the controlled economy like a degenerative disease. Black markets were self-amplifying, since each unit of produce diverted to illegal street markets was no longer available on ration coupons, making it ever more attractive, and ultimately necessary, for consumers to resort to illegal purchases. In Belgium, where it had become patently impossible to survive without black market purchases, it proved quite impossible to regain enough public confidence in the controlled economy to enable a reversal of rampant black marketeering even after liberation.\textsuperscript{286} Before it could come to that point in Denmark or the Netherlands, however, the imminent collapse of the Reich speeded up the development of black marketeering.

The crumbling of the Reich after D-Day had a strong and immediate impact on black markets. In the western Netherlands, the virtual collapse of the legal economy during the winter of 1944-45 caused an explosion of clandestine economic activity. When the amounts of food that were legally available dropped below a point where survival (let alone comfort and good health) was guaranteed, people were forced to resort to illegal channels to feed themselves. Many ventured into the countryside in

\textsuperscript{284} See page 97 below.
\textsuperscript{285} RA, DiV, Beretning 1-10-1942.
search of food, an activity that, it should be noted, was not commonly considered black marketeering during the famine months, at least not in the criminal meaning of the term. On the other hand, at least some of the people who ventured into the countryside were also involved in black marketeering within cities. By buying up more food than they themselves needed, they could peddle the rest on city streets at astronomical prices, often in order to finance their own purchases. Although such practices were understandably frowned upon, they formed an indispensable stream of foodstuffs into the starving urban cores.

In Dutch cities, the black market underwent two fundamental changes during the Hunger winter. On the one hand, prices rose spectacularly, and in some cases hundreds or even thousands of guilders were paid for relatively small amounts of food. The second development, which reduced the significance of the former markedly, was the strong tendency towards demonetization. Money was losing its value very rapidly during the Hunger winter, because, firstly, almost nothing was available in the shops, making it relatively unattractive to sell anything for money, and secondly because people were now acutely aware that Germany was losing the war and that soon the Allies would arrive and the Dutch government would return from exile. Many expected (quite rightly) that the Dutch government would target those who had enriched themselves, either by carrying out monetary rehabilitation or by prosecuting them. Consequently, there was little incentive for black marketeers to amass even more money than they already had. Rather, black marketeers, farmers and others were primarily interested in barter, either to obtain scarce goods – such as textiles – or goods with a lasting value, such as jewellery, paintings, or tableware.

Famine-era black marketeering in the western Dutch cities played an entirely different role than it had done before September 1944. The black market, although sizeable, had been secondary to that of the regulated economy, but during the famine months it became the linchpin of many people’s nutrition – that is, if they had something to trade or could offer such vast amounts of money that black marketeers

were willing to sell foodstuffs without barter. There also were people who were neither able to go and get food, nor able to barter for or buy it on the black market. The thousands of deaths that resulted from the relatively brief famine occurred predominantly among those who for some reason did not have access to foodstuffs through informal channels. Typically, over half of the people who starved during the famine were over 65, and were unable, financially or physically, either to move out of cities to find food or to buy it on the black market.\(^{290}\)

The gradual collapse of the Reich had a wholly different impact in Denmark. Even in this relatively chaotic period, deliveries of food to Denmark's cities continued unabated and there was no fighting on Danish soil to disturb the economic order. German officials, however, were becoming nervous and the atmosphere between them and local officials turned increasingly sour. This culminated in Günther Pancke's order to arrest the entire Danish police force.\(^{291}\) Black marketeers, unsurprisingly, rejoiced: freed from the cumbersome interference of the police, they expanded their activities quickly and profoundly. Already in October, the management of Copenhagen soup kitchens reported that black marketeers were openly operating in and around their building, and that the black market was expanding rapidly. That is not to say, however, that the authorities were entirely powerless. Danish towns established Vagtværn corps—groups of civilian volunteers who took up basic policing tasks. Virtually untrained and ill-equipped, these bands of men were hardly a replacement for a professional police service. Nevertheless, while completely ineffective in combating economic crimes of a more sophisticated nature, such as illegal price raising or smuggling, they were at least a hindrance to the black market on the streets.\(^{292}\)

Apart from the well-meant but only moderately effective actions of the Vagtværn, citizens began to take action against black marketeers on their own accord. Black marketeers caused a moral outrage in Denmark, unlike in the Netherlands, where they were despised by many but mostly left alone. Throughout

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290. Banning, 'Voeding en voedingstoestand' in Boerema, Medische ervaringen 37; also see page 65 above.
291. See page 45 above.
292. Bundgård Christensen, 'På vagt i en lovøs tid'.
the war the social standing of black marketeers had been comparatively low, but they became even less esteemed in the course of 1944. After the dismantling of the police, burglary and theft had increased explosively and stolen goods were easily traded on the black market, alongside diverted and resold goods. This was too much for many Danes. On 27 September 1944, workers from the Aalborg wharfs convened at the end of the working day and formed bands to cleanse their city of black marketeers. Armed with tools and pieces of scrap metal, they hit the town centre, molesting any black marketeer they encountered. In the town of Kolding, where similar riotous opposition seemed imminent, the mayor arranged for black marketeers who had been caught by the public to be beaten up by local boxers in the basement of the city hall, albeit in the presence of a doctor.\textsuperscript{293} Such forms of public defence against black marketeering perhaps reveal the weakness rather than the strength of a non-policed society. Spontaneous actions against black marketeers could do nothing against any but the very lowest strata. Incidental beatings of black marketeers operating on the street obviously were a deterrent to them, but for all their bravado, neither volunteer police corps nor roaming bands of violent workers could do much more than dent the shadow economy. Combating the black market is difficult under any circumstances, even for professional policemen. Good-willed amateurs proved quite unable to form a bulwark against it.

**Crime and criminals**

Black marketeering, as said, was a serious threat to the survival of the controlled economy, as well as a blatant attack on the solidarity that rationing aimed to enforce upon Danish and Dutch society. Nevertheless, black marketeering has been described as a ‘victimless crime’.\textsuperscript{294} Victimless crimes, in the terminology of criminologists, include all activities that are outlawed but where no (self-perceived) victim is apparent, although understandably there is ample disagreement about the victimless nature of, say, drug-trafficking or prostitution. Black marketeering clearly posed a threat to the rationing system and thereby to the availability of goods to the

\textsuperscript{293} Bundgård Christensen, *Den sorte børs* 261.

population at large, and was a victimless crime only in the sense that black market transactions were conducted on the basis of mutual consent and, normally, none of the immediate participants considered themselves victims.  

Black marketeers and their customers at the time may well have adhered to this view. On the other hand, the economic controls they were corrupting were, it seems, grudgingly supported by the majority of the Danish and Dutch populations, and black marketeering was not commonly condoned in either country. Black marketeers were seen as profiteers or criminals (their customers appear not to have been quite so unpopular), and although many people made use of their services, it remained, at least in the eyes of many, morally questionable to do so. That said, many illegal transactions, especially when small and local, would simply not have been termed black marketeering. To an extent, terms such as black market and poison trade were reserved for those transactions that people considered morally reprehensible, and were not necessarily used for all illegal economic activity. Still, Denmark and the Netherlands differed fundamentally from a country such as France, where black marketeering was seen as a reflection of the 'spirit of defiance'. The French saw the rationing system as a German measure introduced to the detriment of their nation, and the circumvention of rationing was therefore often considered a patriotic deed. In Denmark and the Netherlands, on the other hand, the economic authorities were more commonly identified as indigenous institutions acting at least partially for the greater good of their own country, notwithstanding widespread discord and complaints. Black marketeering, consequently, was sooner seen as a deed against one's own people than as an attack on German interests, and certainly not as a victimless crime.  

Attitudes towards black marketeers in Denmark and the Netherlands, while similar, were not identical. Moral authorities in Denmark – whether it be the Samarbejde government or their political adversaries in the resistance – universally and unreservedly condemned black market activity. In the Netherlands, on the other

295. M. Friedman, interviewed in Yergin and Stanislav, Commanding Heights.
hand, there was at least an undercurrent of opinion that claimed that black marketeering kept goods out of German hands and thus saved them for consumption by the Dutch. In 1942, the pervasive myth that Germany was exporting enormous amounts of food from the Netherlands enticed a resistance newspaper (Het Parool) to write in defence of black marketeering: ‘We repeat our call to farmers and crisis inspectors: keep as much food as possible out of the occupiers’ hands to ensure that as much as possible of the fruits of our soil benefit our people.’

Although some Dutch black marketeers were eager to have their activities appear as a form of resistance, their patriotic attitude was at best skin-deep. While it is certainly true that some people believed that they were withholding products from the occupiers (a belief not altogether wrong in the case of non-foods), this hardly appears to have been their main motivation. The fact that black marketeering continued after liberation suggests that the role of anti-German sentiments as a motivating force behind black marketeering was very limited indeed. Black marketeers, whatever one thinks of their behaviour, were not resistance heroes.

Who were these alleged criminals, and what drove them onto the black market? In both countries, many of them were people who had the opportunity to sell products illegally on account of their otherwise legal profession. Many shopkeepers, craftsmen and farmers could not resist selling some of the products at their disposal at high black market prices. In both Denmark and the Netherlands, a second category of people without criminal backgrounds who nevertheless became involved in black marketeering comprised low-paid workers and the unemployed, who expanded their meagre incomes through small-scale black marketeering.

Relatively poor people were repeatedly reported to have bought relatively large amounts of a certain good, such as butter or tobacco, and to have sold some of it at a profit on the black market in order to pay for the share they consumed. A dismayed social worker from the southern Dutch town of Maastricht complained that even the ‘respectable family men’ among them were selling smuggled Belgian

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298. *Het Parool* 9-11-1942. Available at www.hetillegaleparool.nl
301. Bundård Christensen and Futselaar, ‘Zwarte markten in de Tweede Wereldoorlog’.
tobacco door to door in the more affluent neighbourhoods. Most of the black marketeering carried out by the lower working classes in both Denmark and the Netherlands was small scale, improvised and aimed at obtaining an immediate profit. Some Danish men rolled legally purchased packets of loose tobacco into cigarettes and then made a small profit by selling the cigarettes. Occasionally, such petty black marketeers became entangled in more sizeable operations. In Denmark, where the black market became the terrain of organized crime, many petty traders eventually became employed as middlemen.

People on low incomes also were, unsurprisingly, the champions of resale. The fact that the pattern of consumption mapped out by the rationing system was more expensive than many people felt they could afford, or wanted to pay for, drove them to sell some of their allotment on the black market. In some cases the situation was dramatic; in 1943, for example, a 31-year-old impoverished widow in Copenhagen who had sent her 11-year-old daughter to sell their butter and sugar coupons, received only a suspended sentence because the judge accepted that her dire economic circumstances had left her little choice. In other cases, the resale of coupons was clearly an aspect of more general social ineptitude, such as in the case of a vagrant in the Dutch town of Wageningen, who sold his entire ration book, and then proceeded to sing to farmers in exchange for food. Such extreme cases aside, ration coupons were a valuable asset to those who were strapped for cash. Monetary overhang was spread very unequally: the relatively rich held vast reserves of money. As a consequence, black market prices for the products most coveted by the rich rose far more than did those for other products. Poor people, especially poor urbanites, could sell some of their allotment of luxurious goods at steep prices, replacing them with less luxurious goods that could be had cheaply on the black market, because the people primarily interested in them were not quite as moneyed.

The advantages of such arrangements can easily be demonstrated. In January 1943, the Dutch Prisdirektorat (price directorate) estimated, on the basis of

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302. NA RBVVO *Weekverslagen* 15-6-1942.
303. LAS KBB, KBB, *Domsbøger* e.g. 15-12-43.
304. Bundårð Christensen and Futselaar, 'Zwarte markten in de Tweede Wereldoorlog' 102.
305. LAS KBB, KBB, *Domsbøger* 21-6-1942.
an undercover investigation of the black market in The Hague and Rotterdam, that a coupon for 250 g of butter was worth an average of 7.50 guilders. A coupon for an 800 g loaf of bread, which has a roughly similar calorific value, cost roughly 2 guilders.\textsuperscript{307} Hence, a poor household could earn a welcome 5.50 guilders (not counting the price difference between the products when actually bought) by merely replacing a packet of butter with a loaf of bread – and 5.50 guilders was about a week’s rent for a small apartment.\textsuperscript{308} Of course, there is more to eating than merely amassing calories, and low-income families were not insensitive to the charms of a fatty diet. Their prewar staple sources of fat, such as margarine, whole milk and lard, had had all but disappeared from shops, and parting with the more luxurious alternatives such as meat and butter probably was not easy, but the gains from doing so were large enough that a sizeable black market thrived on resold luxury products or coupons for such.\textsuperscript{309}

The gains to made from selling one’s allotment of food were far less spectacular in Denmark than in the Netherlands, a consequence of the far larger rations in the former country. Since much more could be had legally in Denmark than in the Netherlands, especially foodstuffs, demand and (hence) prices on the black market were comparatively low. Still, the sale of coupons by low-income households was considerable. Bundgård Christensen estimates that during the early years of the occupation, resold coupons made up the bulk of black marketeering in Copenhagen.\textsuperscript{310} For the most part, sugar and butter coupons were sold, as well as fuel coupons during winter. Because butter and sugar rations were relatively generous, prices for these coupons were hardly spectacular, fluctuating between 1 and 1.50 kroner per coupon. Fuel coupons were more lucrative to sell (in 1943, they could be sold for as much as 5 kroner per hectolitre of coal) and were expensive to use, because of high fuel prices. The consequences of selling them, however, were

\textsuperscript{307} NA, Directoraat-generaal voor de prijzen 2. (Calorific values taken from United States Department of Agriculture National Nutrient Database for Standard Reference).

\textsuperscript{308} NA, Directoraat-generaal voor de prijzen 62.

\textsuperscript{309} R.N.M. Eijkel et al., Voeding, gezondheid en financiële toestand van 700 werklozengezinnen, verspreid over geheel Nederland (1940).

\textsuperscript{310} Bundgård Christensen, Den sorte børs 91.
grave, because rations were far from generous to begin with.311 Those who did sell their fuel ration or their fuel coupons faced the acute discomfort of living through the Danish winter in an insufficiently heated house.

On the black market, the economically disadvantaged occasionally rubbed shoulders with German and, later, Allied troops. Soldiers were the ideal partners for black marketeers, because they were largely exempt from the measures of the police and other indigenous authorities, and because they often had access to means of transportation. There were cases (though how many is impossible to estimate) of collaboration between German soldiers and black marketeers in both countries. Soldiers also sold, on their own accord, the goods to which they had access, such as fuel, cigarettes and foodstuffs. After liberation, the role of German troops was quickly taken over by their Allied counterparts. Especially the English and American cigarettes they brought with them were in high demand in the newly liberated countries. American GI s in liberated Europe were economically so active that, on average, they sent home thrice the sum they received as pay.312

It is hard to overestimate the advantages soldiers had in the Dutch and the Danish black market. In the Netherlands, for example, a black marketeer set up an intricate scheme to smuggle coffee into Germany in 1941. Unable to travel unhindered across the German border on his own, he crossed it in the company of a teenage woman and a soldier. Because of the soldier’s military pass, crossing the border was no problem and the deal was soon done. The informer commented in a perhaps somewhat affected matter-of-fact tone that ‘the girl gets half the proceeds, and the soldier gets the girl.’313 In liberated Denmark, black marketeers became so friendly with some of the Allied troops that they were taken on the board minesweepers that were operating in the Baltic, so that they could make their purchases undisturbed. Obviously, the sale of supplies by the troops was illegal, but little appears to have been done to stop it. This is also why it is nigh impossible to quantify the role of military personnel in black market dealings, either during or after

311. See figure 8.4 below and page 121 above; Bundgård Christensen, Den sorte bærs 95.
312. NA, Economische controledienst 9; LAS KBB, KBB Domsbæger 1945.
313. NA, RBVVO, Weekverslagen 18-8-1940.
the occupation; where no prosecution took place, black marketeering left very few traces.314

Soldiers, farmers, shopkeepers and others, even though they engaged in clandestine behaviour on a considerable scale, were not career criminals but people who had been tempted into reaping the opportunities provided by abnormal economic circumstances and abnormal legislation. Few of these people would have engaged in illegal activities on any significant scale without the remarkable economic circumstances of the 1940s. It seems unlikely that they would have engaged in, say, burglary or mugging quite as readily. Not all those active on the black market, however, were such relative innocents. The development of an illegal market provided professional criminals with opportunities that were perhaps even greater. Not only did these people have few or no qualms about doing illegal things, but they also had a great advantage over their more amateurish colleagues through their experience with violence, criminal networks and evading the police. Criminals who had already been active in the 1930s were quick to branch out into black marketeering, both to rid themselves of stolen goods and to benefit from the newly arisen criminal trade.315

Compared to the more amateurish black marketeers, relatively little is known about the serious criminals who were active on the Danish or Dutch black market. Few experienced criminals appear to have been trading on street markets, where risks were relatively high and returns low, other than to sell stolen goods. Rather, they appear to have preferred large-scale operations, often covering large distances, making quick, relatively safe and supposedly substantial profits. The relative invisibility of the higher echelons of black marketeers resulting from the nature of their operations and from the professionalism with which they undertook them, make it difficult to estimate their relative importance in especially the Netherlands. The sizeable quantities of foodstuffs and fuel that were moved around the Netherlands suggest, however, that the role of organized, or at least sophisticated, crime was

314. LAS KBB Domsbøger 22-4-1945.
considerable. Moving thousands of kilos of goods over hundreds of kilometres is unlikely to have been undertaken by lone traders on decrepit bicycles.

Some archival proof of professional and large-scale black marketeering does exist in the Netherlands, although not in abundance. For example, it was reported in the Netherlands in 1941 that black marketeers regularly hired entire German army trucks to transport their wares to the larger cities, a practice that was largely outside the jurisdiction of the Dutch authorities and therefore impossible to reconstruct from the available sources. In September 1942, a truckload of 3900 tubes of rubber solution, 6000 combs, 300 watches and 7000 spectacle frames was uncovered on its way from Belgium to the Netherlands. Apart from the rather remarkable cargo, the sheer quantity of goods reveals a degree of professionalism and investment most shopkeepers, street peddlers or soldiers are unlikely to have mustered. In most cases, however, Dutch police found little more than traces of large black market operations. To actually apprehend the people behind them was troublesome work for an overstretched police force, not to mention the protection that some black marketeers apparently enjoyed from German troops. The infamous Riphagen, who was both a kingpin of sorts among Amsterdam black marketeers and an aggressive National Socialist, benefited significantly from his good contacts in German circles to avoid being prosecuted. Even after liberation, however, such organizations as the Economische Controledienst remained far more concerned with stamping out the street peddling of goods than with targeting the larger players who were supplying the market.

In Denmark, the role of organized crime is easier to investigate, not least because there was so much more of it. It is difficult to compare the level of professionalism and organization in the two countries, but it is clear that in Denmark the role of career criminals in the black market was far more pervasive than it was in the Netherlands. Not only did much of black marketeering take place under the auspices of highly professional and well-organized criminals, but at some (unknown)

316. See page 223 below.
317. NIOD, Gemachtigde voor de prijzen 192.
319. NA, Archief Economische Controledienst.
point their activities appear to have been merged into a single, highly regimented
criminal organization led by the man who has a reasonable claim to the title of
Scandinavia's greatest modern criminal — although he was perhaps not the most
likely candidate for this distinction. Copenhagen court records contain a handful of
cases dating from around 1941 against a petty criminal from Aalborg by the name of
Svend Aage Hasselstrøm, who before the war had been convicted for pimping and
selling stolen goods. Although Hasselstrøm — the owner of a small cigar-shop and a
small-time crook before the occupation — fitted the profile of a typical black
marketeer, he proved to be anything but typical. Throughout the war and
reconstruction years he ruled over much of the Danish underworld as over an
empire, but nevertheless lived in relative anonymity. To a casual observer, the black
market in Denmark was no different from the black market elsewhere: men and
women gathering on street corners and in coffee bars, selling cigarettes or butter
coupons.

Hasselstrøm remained relatively anonymous until as late as 1948, when his
importance was outlined in the left-wing newspaper *Socialdemokraten*, which also
gave him his imaginative nickname the *Edderkop* (spider) and claimed that he had
infiltrated the Danish police, the legal system and even politics. A government
investigation brought to light a criminal organization of a size hitherto unparalleled in
Danish history. Throughout the years of occupation and restoration, the syndicate
had gradually expanded into a Mafia-style organization, with Hasselstrøm — a Nordic
Al Capone — at its head. Infiltration of the police had protected both Hasselstrøm and
many of his underlings from prosecution. It was not until 1949 that Hasselstrøm
himself was finally convicted, albeit for only a fraction of his actual criminal activities,
namely his involvement in a number of hold-ups during which some 155,000 ration
coupons had been stolen, the illegal purchase of 100,000 butter coupons and the
illegal sale of a million cigarettes. Even though this was the mere tip of the iceberg, it
was enough to imprison him for a number of years. Many stones remained unturned
in the investigation of the *Edderkop* syndicate, doubtlessly to the relief of many. As
an organization, however, the syndicate appears to have ceased to exist after 1949.

320. The following description of the *Edderkop* syndicate is based entirely on Bundgård
Christensen, *Den sorte børs* 83-90.
In the space of a decade, an unprecedented criminal organization had arisen in Denmark and exerted a strong grip on the sizeable clandestine economy. After the dismantling of controls, however, it evaporated just as quickly as it had come into being.

It is difficult to establish at what point the Edderkop syndicate came to dominate the black market in Denmark. The fact that Hasselstrøm was caught in 1941 for storing black market wares in his own shop suggests that he had not at that time risen much above the ranks of ordinary black marketeers. But from 1942 onwards his activities appear to have been focused on managing his rapidly expanding organization, which by then employed a considerable workforce and even provided a degree of social care. By, for example, providing the families of jailed underlings with an income, Hasselstrøm managed to maintain relatively strong links of reciprocity with (or, perhaps better, of blackmail of) those he employed.

**The horn of plenty**

The motley population of black marketeers, ranging from the incidental opportunist to the career criminal, supplied the Danes and the Dutch with a wide array of goods. Very few people in Denmark or the Netherlands completely abstained from buying on the black market, even though for many it long remained exceptional to do so. Even people eager to buy on the black market could still be discouraged, to a degree, by the roughness of the black market, the unreliability of its merchants, the threat of the police or personal reservations about subverting the rationing systems. The rich, therefore, routinely sent their personnel to incur the risk, shame and irritation of dealing on the black market. Some black marketeers, ready to oblige their affluent but reputation-wary clientele, sold their goods door to door in fancy neighbourhoods, sparing their patrons a trip to a physical clandestine market. Zander (a large pikeperch) and sausage were reportedly sold in this way in the Netherlands, as tobacco and dairy products were in Denmark. The undoubtedly higher price would not have deterred the highly liquid upper classes. Not having to go to a physical clandestine market was something they were certainly willing to spend somewhat
extra on. As the historian Mark Roodhouse has put it, wealthy people were rarely seen on the British black market because they could afford to stay away.\footnote{Roodhouse's book on black markets in Britain is expected to be published soon.}

To these rich patrons, the black market was primarily a means of maintaining a luxurious lifestyle, and especially of maintaining their prewar diet. Even in food-rich Denmark, butter and sugar coupons, as well as eggs, made up a large chunk of black market trade. Obviously, these products were bought not to combat hunger but to maintain a luxurious, tasty and pleasant diet. Danish food rations may have provided ample calories, but were not necessarily to the taste of the population. What is perhaps more interesting is where these goods, and especially the more commonly traded coupons, came from. In part, coupons were counterfeited, a practice that bears the unmistakable hallmark of the organized crime that was so dominant in Denmark.\footnote{Bundår Christensen and Futselaar, \textit{Zwarte markten in de Tweede wereldoorlog} 97.} Counterfeiting coupons required considerable investments in material, as well as professional know-how. The twelve known cases of counterfeit coupon production discovered in Denmark (most of them, it should be noted, were discovered only after liberation) concerned the production of many thousands of sheets of coupons, which suggests that coupons were distributed via a large network of black marketeers.\footnote{Bundgård Christensen, \textit{Den sorte børs} 76.}

The same goes for the Danish Afvaskningscentraler (washing centres), where coupons were 'washed' in order to recycle them. Coupons, when taken in by retailers, were normally stamped to make it impossible to use them again; Danish criminals, however, developed a chemical process to remove the stamps. Consequently, used coupons, either stolen from or voluntarily provided by retailers, could be recycled. How important, quantitatively speaking, the role of these Afvaskningscentraler was in providing the black market with coupons is difficult to estimate, but reports of the theft of stamped coupons far antedated the actual uncovering of the Afvaskningscentraler.\footnote{Bundgård Christensen, \textit{Den sorte Børs} 56.} Like counterfeiting, the washing of coupons bears the unmistakable fingerprints of organized crime. Used rationing currency had to be appropriated and resold on a large scale to make advanced
processing in remote locations economically feasible and to minimize the risks—hurdles only a fairly sophisticated criminal network could overcome.

A third, less complicated manner of appropriating coupons was to buy them from their original, legal owners. Especially in the early years of the occupation of Denmark, this appears to have been by far the most common source of coupons for the black market. Because rations were generous and prices high, many Danish families found it easy to abstain from some luxuries. Not for nothing did black marketeering in Copenhagen initially bloom around the soup kitchens in the Suhmsgade and the Mølleløgade, where the least fortuitous mingled with black marketeers to exchange especially butter and sugar coupons for quick and easy cash.\(^\text{325}\) The Danish black market for foodstuffs, however, was more than an exchange between poor sellers and rich buyers. In a recent thesis, Mogens Rostgaard Nissen emphasizes the sizeable unofficial production of pork. Farmers were allowed to home-slaughter pigs for personal use, which they set about doing with remarkable enthusiasm. Partly because of the under-registration of pigs (in order to evade paying tax on them) during the 1930s, farmers were able to produce vast amounts of pork, which found its way to consumers either through social networks or through more advanced covert infrastructures. In addition to an already considerable domestic consumption of 80,000 tonnes annually, Rostgaard Nissen estimates that the illegal production of pork fluctuated between 40,000 tonnes in 1940 and 58,000 tonnes in 1944.\(^\text{326}\)

A considerable share of this illegally produced pork was consumed locally. A lack of fuel for heating, involuntary abstinence from tobacco and the partial de-mechanization of agriculture for want of fuel may well have whetted the appetite of Danish farmers. The quantities produced, however, were clearly too great to have been consumed by the agrarian population alone, and a considerable amount must have been channelled into the black market. According to court records, little pork was sold on city streets, and evidence of illegal pork trade is rare. In one of the few cases that were brought to justice, a well-versed production line was unearthed: carcasses were professionally butchered and the end product was neatly canned and

\(^{325}\) Bundgård Christensen, Den sorte børs 42.

\(^{326}\) Rostgaard Nissen, Til fælles bedste 184.
carted off to assorted retailers. This suggests that much of the illegally produced Danish pork found its way to consumers through normal retail channels.

**Figure 8.1 Diverted pork production per annum**

<table>
<thead>
<tr>
<th>Year</th>
<th>1940</th>
<th>1941</th>
<th>1942</th>
<th>1943</th>
<th>1944</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diverted quantity (x 1000 tonnes)</td>
<td>40</td>
<td>49</td>
<td>44</td>
<td>55</td>
<td>58</td>
</tr>
<tr>
<td>Per capita (kg)</td>
<td>10.5</td>
<td>12.7</td>
<td>11.3</td>
<td>14.0</td>
<td>14.6</td>
</tr>
</tbody>
</table>

Source: Rostgaard Nissen, *Til fælles bedste*

While the illegal production of pork met with remarkable tolerance from the Danish authorities, the diversion of other products was not taken so lightly. The home production of butter, for example, was categorically forbidden, although little can be said about the frequency with which this rule was breached. However, the fact that so many butter coupons were sold suggests that resale was far more important than clandestine production. It is possible that rural dwellers sold their butter coupons after buying locally produced butter, as happened at least occasionally in the Netherlands, but no trace of such practices has yet been found. Resale appears to have been much more prominent on the Danish black market for foodstuffs, or at least in the cases that were detected and brought to justice, than clandestine production.

Although extensive, the black market for foodstuffs in Denmark was not a serious threat to the provision of a minimum diet through regulated channels, not only because legal food supplies were at all times ample but also because the food sold through illegal channels was very predominantly luxurious, whereas cheap staples were rarely traded on the black market. There were even cases in which Danish black marketeers simply threw away coupons for such staple foods as bread, as they were interested only in selling the more valuable butter and sugar coupons.

Such behaviour would have been unthinkable in the Netherlands. Although the Dutch were far from starving, little food was wasted and all kinds of food could fetch a decent price on the black market. That said, in the Netherlands as in Denmark,

327. LAS KBB *Domsbøger* 4-1944.

328. Bundgård Christensen, *Den sorte børs* 91.
luxurious foodstuffs made up a large share of the food that changed hands on the urban black market. The Institute for War Documentation (NIOD) in Amsterdam has a collection of several thousand letters sent in the second half of the 1940s after a call to report any illegal transactions that had taken place during the war. Some of these contain long lists of rather exquisite foods bought by rich households that were unwilling to adapt to the meagre regime of rations. One correspondent in The Hague listed not only expensive foods – with an emphasis on game and other meats – but also various wines, including several bottles from prestigious French chateaux. Even during the Hunger winter, some people were eating not merely sufficient diets but luxurious ones.\textsuperscript{329} The authors of these, somewhat rare letters were certainly not typical consumers. In most of the letters, as indeed in many of the diaries collected by the same institute, a much more modest pattern of black market purchases is evident. Most middle-class diarists and correspondents (for the vast majority of respondents were middle class) appear to have bought extra food much less frequently, and rarely in excessive measure. Before 1944, the middle classes in the larger Dutch cities resorted to the black market for extra fats, meat for special occasions, an extra loaf or a few ounces of sugar, but were not great consumers of illegally purchased foods until the Hunger winter.\textsuperscript{330} By then, of course, virtually all urbanites had to resort to the clandestine economy to remain alive. Looking through the letters and diaries kept at the NIOD, it is evident that the bulk of their authors were middle-class women and men from urban environments, and as such not a representative sample of the Dutch population. Just as the data from the Copenhagen court records used above are inevitably biased towards the people primarily targeted by the police, the data distilled from letters and diaries are biased towards the middle classes.\textsuperscript{331}

That said, there is information on working-class black market activity in the Netherlands as well. The agents who were observing them often reported their concern that people on low incomes were either not earning enough to afford their

\textsuperscript{329} NIOD, DOC II, \textit{Zwarte Markten, Map Den Haag.}
\textsuperscript{330} NIOD, DOC II, \textit{Zwarte Markten.}
\textsuperscript{331} NIOD, DOC II, \textit{Zwarte Markten.} Insofar as professions are mentioned, administrative workers, small businessmen and civil servants make up the overwhelming majority.
full ration or were imprudently wasting their money on other things, and therefore resorted to the black market to raise money. According to some authors, notably the rather snobbish A.J.A.C. van Delft, this led to great riches in working-class neighbourhoods, as well as to widespread lewd and criminal behaviour. Although such descriptions should be taken with more than a grain of salt, they are typical of middle-class horror at the behaviour of the poor. Given the observed decline in Dutch real incomes, it is certainly likely that the relatively poor ventured onto the black market, as the gains potentially made by replacing relatively expensive foodstuffs with cheaper ones were considerable. Regional discrepancies in coupon returns can be used to illustrate the extent of such activities.

Coupons for one specific good – potatoes – ‘migrated’, as officials euphemistically called it, from potato-producing areas to the cities, because people in potato-producing areas bought potatoes locally from farmers or black marketeers, and sold their coupons to be sent to the west. This illegal stream of potatoes – the ultimate cheap, bulky food – from the countryside led to one of the few fundamental adaptations to the Dutch rationing system. In November 1942, the Dutch rationing office introduced two separate kinds of potato coupons, one for rural and one for urban areas. Because rural coupons were not valid in the cities, the trade in these coupons was expected to come to a halt. However, since even the bigger Dutch cities were fairly small, illegally obtained coupons could still be used in rural areas that were close to urban districts. From late 1942 onwards, rural and semi-rural areas directly adjacent to cities saw potato sales rise explosively, as urbanites and black marketeers bought their potatoes there, still with illegally bought coupons. This failed measure is of importance here, not so much because of its failure but because the evaluation of the policy required the collection of data on coupon returns. As all the other records of coupon returns in the Netherlands (as well as in, as far as is known, Denmark) appear to have been destroyed, the data gathered for this purpose

333. NA, Centraal distributiekantoor 232.
form the only reliable quantitative source for the investigation of inter-regional coupon trade. \(^{334}\)

Figure 8.1. Coupon returns for potato coupons in the Netherlands, November 1942, as a percentage of the number issued, per socio-economic region

![Map of the Netherlands showing coupon return percentages by socio-economic region.](image)

Source: NA, Centraal distributiekantoor 232. Coupon returns in percentages, per socio-economic region. Rotterdam, Amsterdam and The Hague are marked R, A and H, respectively.

The difference between the number of coupons that were issued and the number that were returned can be expressed as a percentage. Without the migration of coupons,

\(^{334}\) NA, Centraal distributiekantoor 232.
the percentage in every area should have been 100 per cent or less, save for some minor variation due to legal purchases outside people's place of residence, such as cigarettes bought by commuters. However, many of the discrepancies found are far too great to be attributed to the mobility of their owners, especially since potatoes were obviously not often bought far from home. Thus, coupons were being separated from their legal owners, through either trade or charity. With regard to the latter, some of the migration of coupons may have been caused by the (no less illegal) generosity of some rural households towards their urban friends and relatives. There is evidence of such charity, though by no means in abundance.\footnote{335} In total, approximately 10% of potato coupons were returned in regions that were neither in nor near the region in which they had been issued. The strongly positive regions, unsurprisingly, were all adjacent or close to the three big cities. Moreover, the regions with low return percentages are clustered in the north-east and south-east, where potatoes were grown. The opportunity to divert potatoes from the controlled economy was of course related to the relative number of potato growers in each area: there is a fairly strong negative correlation between the percentage of the population involved in the production of potatoes (who themselves did not receive coupons) and the return percentage.\footnote{336}

The 10% of total potato production moved in this manner far exceeded the migration of coupons for all other foodstuffs, at least in the autumn of 1942, for which data are available. Although, as the example of the farmer from Wijhe illustrates, a fraction of the coupons for butter, meat and the like did migrate, the exchange was marginal in late 1942 (not above 1% for meat, butter or milk), which explains why the authorities limited their countermeasures to potatoes. These observations of inter-regional coupon trade in the Netherlands have important implications for our understanding of the black market in Dutch cities. From investigations undertaken in late 1942 by, mostly, the Centraal distibutiekantoor (central rationing office), it is clear that black marketeers in Amsterdam, Rotterdam and The Hague were not short of coupons for meat, butter, dairy and many other luxurious foodstuffs. Given the very low migration percentages, these coupons in all likelihood did not come from outside

\footnote{335} NA, RBVVO, Weekverslagen 14-9-42, 28-9-42.  
\footnote{336} R = -0.77.
those cities. Indeed, potato coupons, which evidently did come from outside the main urban cores, make up only a small share (< 10%) of the observed coupon sales. This strongly suggests that the coupons for goods other than potatoes (and, to an extent, foodstuffs) that were sold illegally in the large Dutch cities came from households that were either unwilling or unable to use them. The massive influx of potato coupons was not put to use to consume potatoes in excess of the official rations; rather, it seems that they were consumed to replace foodstuffs that people on low incomes had sold on the black market. Officials at the time believed that the flow of potato coupons towards the cities was integral to the working-class strategy for dealing with economic controls, and in the light of this investigation that indeed seems likely.\textsuperscript{337}

However many more kinds of food were being produced illegally in agrarian regions. The Dutch historians Trienekens, Klemann and Knibbe compared registered production with estimated production, so as to arrive at a realistic estimate of illegal food production.\textsuperscript{338} Their estimates of illegal potato production – namely around 10% in late 1942 – wash particularly well with the quantities travelling from one side of the Netherlands to the other. But they also found that far more food than potatoes alone was channelled into illegal markets, not least during the transformation of agriculture: roughly a million pigs, 100,000 cattle and 143,000 sheep mysteriously disappeared from Dutch statistics.\textsuperscript{339} Unsurprisingly, there was frequent mention of illegal slaughtering during this period, often under amateurish and not quite hygienic circumstances.\textsuperscript{340} After 1941, many illegal slaughterers ran out of animals, although clandestine producers continued to turn out a significant amount of meat. In 1941, total Dutch clandestine production of pork even surpassed that of Denmark, albeit only in absolute rather than per capita terms.

Illegal beef production roughly followed the trend of illegal pork production, though on a less impressive scale. Unlike pigs and sheep, cows are difficult to slaughter and, of course, are a valuable source of milk. Only during the famine months of 1944 and 1945 did the illegal slaughter of cows become significant again,

\textsuperscript{337} NA, Weekverslagen; NA, Centraal distributiekantoor 232.
\textsuperscript{338} Trienekens, Tussen ons volk en de honger Appendix. Klemann, 'Die Koren onthoudt'.
\textsuperscript{339} Klemann, 'Die koren onthoudt'.
\textsuperscript{340} Klemann, 'Die koren onthoudt'; Trienekens, Tussen ons volk en de honger.
probably because of the exceptional prices that by then were being paid for beef and raw fat. It was only during those two years that illegal production increased to over 30% of total beef production. Before 1944, illegal beef production remained at a modest level (only a few per cent). Mutton, on the other hand, could very easily be produced illegally. Sheep were not normally kept close to farms, and thus were very easy to steal. Not that that needed to happen: because stealing sheep was feasible, so was reporting a sheep as stolen. Many sheep were probably embezzled by their owners, only to be diverted to the illegal market for mutton. Hundreds of thousands of sheep disappeared; in fact, in some years over half the official production disappeared. Similarly, an unknown number of fowl were channelled into the black market – unknown mostly for want of statistics on legal production.341 Not only were the animals themselves diverted on a large scale: already in 1942, some 25% of dairy products were directed to the black market; this figure increased to about 33% in the last three years of the occupation. Of course, milk cannot be kept indefinitely, and much of the diverted cow milk was processed into cheese or butter. How much loss of production resulted from the processing of dairy products or the souring of unprocessed milk is difficult to estimate. In the case of eggs, production is difficult to estimate, but here too it seems likely that clandestine production was very considerable.342

341. Klemann, Nederland 204.
342. Klemann, Nederland 204.
Figure 8.2. Estimated diversion of foodstuffs in Dutch agriculture; total illegal production ('Total') in 1000 tonnes, per capita production ('PC') in kg

<table>
<thead>
<tr>
<th></th>
<th>Meats</th>
<th>Milk</th>
<th>Grains</th>
<th>Potatoes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>PC</td>
<td>Total</td>
<td>PC</td>
</tr>
<tr>
<td>1940</td>
<td>31</td>
<td>3.5</td>
<td>153</td>
<td>17.1</td>
</tr>
<tr>
<td>1941</td>
<td>90</td>
<td>10.0</td>
<td>567</td>
<td>62.9</td>
</tr>
<tr>
<td>1942</td>
<td>48</td>
<td>5.3</td>
<td>1039</td>
<td>114.5</td>
</tr>
<tr>
<td>1943</td>
<td>28</td>
<td>3.1</td>
<td>1267</td>
<td>138.8</td>
</tr>
<tr>
<td>1944</td>
<td>111</td>
<td>12.0</td>
<td>1299</td>
<td>140.9</td>
</tr>
<tr>
<td>1945</td>
<td>82</td>
<td>8.8</td>
<td>1436</td>
<td>154.3</td>
</tr>
<tr>
<td>1946</td>
<td>43</td>
<td>4.5</td>
<td>772</td>
<td>80.9</td>
</tr>
</tbody>
</table>

Sources: Klemann, 'Die koren onthoudt' and 'Legale en illegale produktie'

Although the roughly 20-25% of agricultural production (to which the above figures amount) that was diverted is only a rough estimate, it is clear that a massive amount of food was channelled into the Dutch black market – and this massive amount must have gone somewhere. It is interesting to find that most of this diverted food was not, as in the case of potatoes, used to replace local rations and thus allow the selling of coupons (such activity would inevitably have resulted in similar regional discrepancies). Alternatively, these foodstuffs may have been smuggled in kind, although not in all likelihood over long distances. The relative proximity of cattle farming (in the provinces North Holland, South Holland and Utrecht) to large Dutch cities facilitated the smuggling of these foodstuffs into the densely populated conurbations, but the total volume of foodstuffs brought in from nearby areas was necessarily small compared to the densely populated cities. Only a fraction of illegally produced food can conceivably have found its way to urban dinner tables in that manner. Much more food was produced further away from the larger cities. If these foodstuffs did reach the larger Dutch conurbations, they must have been transported there in fairly large quantities. Although an instance has been discovered where a German army truck was used to this end (and this can hardly have been the only
attempt), there is little evidence that this happened on any significant scale.\textsuperscript{343} Nor, as said, does other evidence (e.g. the NIOD letter collection) suggest that middle-class urban dwellers were great consumers of these foodstuffs. There is little or no reason to assume that urbanites, other than the lucky few, consumed great amounts of the illegally produced foodstuffs.\textsuperscript{344}

If urbanites did not eat the bulk of these foodstuffs, who did? As noted above with regard to Denmark, it is quite possible that in the absence of adequate heating and clothing, people working in agriculture stepped up their own dietary intake, just as the relative lack of other pleasures such as smoking may have increased their desire for food. Other people living in the countryside likewise profited from the amply available foodstuffs. Within rural communities, there were of course people not directly employed in food production who may safely be assumed to have nevertheless consumed a diet similar to that of farmers. The roughly 30% of the Dutch population that lived in the countryside was in all likelihood the main beneficiary of the illegally produced foodstuffs — not least because in the course of 1942 and 1943 they got company.

After the introduction of mandatory labour service, there were some 300,000 men in hiding in the countryside; many of them, moreover, shifted from the modest urban diet to the far richer rural diet. In exchange, they worked illegally as builders and farmhands. Even today, in many parts of the Netherlands, the numerous farms and barns built in 1943/44 bear witness to the sudden availability of a veritable army of cheap, tax-free labour. Like other country dwellers, these workers received (and given their predominantly physical labour, probably needed) an ample share of the unregistered production of food in the Dutch countryside.\textsuperscript{345}

Finally, a sizeable proportion of the illegally produced foodstuffs in the Netherlands may not have remained in the Netherlands. While the Netherlands remained fairly well-fed in the early years of the occupation, neighbouring Belgium suffered a severe food shortage from the early years of the occupation onwards, as a

\textsuperscript{343} NA RBVVO Weekverslagen 15-9-1941

\textsuperscript{344} Cf. Klemann, 'Die koren onthoudt' 533.

\textsuperscript{345} At the time, the year of construction was still commonly made visible on the front of rural buildings. Klemann, Nederland 218. See also chapter 6 above.
consequence of both the mismanagement of agricultural policies and the unfavourable ratio of people to arable land: Belgium produced at best two thirds of the amount of food that was available in the Netherlands, while having to feed a similar-sized population. Although the country was allowed some imports from Germany, German troops were extracting foodstuffs from the country by making large black market purchases.\textsuperscript{346} Although patterns of mortality in Belgium were far from rosy, the Belgians nevertheless appear to have done quite well considering the food shortage in their country. Thus, if the haphazard assessment above were accurate, one would assume that Belgian cities had been plagued by persistent famine in the war years. The obvious explanation for the discrepancy between food shortages and relative health strongly suggests that more food was coming in than is commonly supposed.

A likely source of the Belgian ‘mystery meal’ is the Netherlands. The smuggling of foodstuffs to Belgium from the Netherlands was frequently reported, and seems logical from an economic point of view: black market prices were much higher in Belgium than in the Netherlands, and for many farmers in the southern Netherlands Belgium was much easier to reach that the big cities north of the Meuse and the Rhine. Unlike those rivers, the Dutch-Belgian border was virtually unguarded and the handful of customs officers appear to have been reluctant to apprehend smugglers. The notion that a lot of the foodstuffs illegally produced in the Netherlands were smuggled to Belgium would explain why tobacco grown in Belgium was one of the commonest products to be traded on the Dutch black market, and indeed was traded more than any other kind of tobacco. The fact that immediately after the war, the southbound transportation of livestock across the great rivers was made illegal suggests that the smuggling of creatures to Belgium had been serious business.\textsuperscript{347}

\textsuperscript{346} H. van der Wee and M. Verbreyt \textit{Oorlog en monetaire politiek: de Nationale Bank van België, de Emissiebank te Brussel en de Belgische regering, 1939-1945} (Brussel 2005), vol. 1, page 331; Gillingham ‘How Belgium survived’.

\textsuperscript{347} Klemann, \textit{Nederland} 331-338.
What, then, should we make of the black market for food in Denmark and the Netherlands? In the first place, it is evident that those living in the countryside continued to eat by and large as they used to, and very possibly even increased their calorific intake in reaction to fuel and textile shortages, absorbing a great deal of illegally produced foodstuffs among them. Likewise, it is beyond dispute that the very richest, if unhindered by scruples, ate very much the same diet as before, bar some exotic foods such as chocolate, and sometimes even those. Of course, there was a difference of scale between both countries: to maintain a prewar diet in the Netherlands required far more extensive purchases than it did in Denmark, because of the relative generosity of Danish rations. In Denmark, the group that consumed virtually unchanged diets was much larger. At the other end of the income spectrum, most of the poor sold their luxurious foodstuffs or their rights to access such foodstuffs. Again, however, the scale is a different one in each country: the Danish poor sold or traded a relatively small share of their food, mainly small luxuries such as sugar, while in the Netherlands, the black market enabled the poor to sell some of their more expensive, predominantly animal-source foodstuffs and replace them with cheap, starchy bulk, notably potatoes.

What both countries had in common, however, is that the black market caused an increase in dietary inequality. In an era of reduced food supplies (even when the reduction was as minimal as it was in Denmark), there was a tendency for dietary inequality to increase. While rationing was intended to avert such a development, the black market inevitably did the reverse. In the reality of Danish and Dutch life, despite relatively successful rationing, the black market did cause dietary divergence. Because some people maintained their prewar diets, or even expanded them, others inevitably bore the full brunt of dwindling supplies. The occupation was, in both countries, a period of considerably more dietary inequality than had existed before, even though the extent of this inequality was obviously much smaller in Denmark than in the Netherlands. In the latter country, the black market allowed some people, in addition to farmers, to maintain a prewar diet, so that the brunt of the declining food supplies must have been borne by the rest of the population.
Tobacco

Nicotine addiction was endemic in both Denmark and the Netherlands, affecting up to 90% of adult males as well as numerous females, and tobacco was widely regarded as something one should not normally be deprived of. Hence, it is no wonder that the Dutch and the Danish government intervened to regulate the supply of tobacco as if it were indeed a vital good. The methods used to do so, however, differed considerably. In the Netherlands, adult consumers had to choose between either sweet coupons or tobacco coupons. Unsurprisingly, the majority of men chose the former, which made one employee of the Centraal distributiekantoor wonder whether ‘they indeed went without sweets altogether’.

In Denmark, tobacco was rationed, similar to meat, by the retailers themselves, and vigorously price controlled. While in both countries the amount of tobacco legally available was structurally insufficient to satisfy a heavy smoker, it was enough to maintain his or her addiction. As a consequence, many despairing smokers turned to the black market to increase their consumption of tobacco products, and especially cigarettes remained at all times among the primary illicit products.

Like any other good, the tobacco sold on the black market had to come from somewhere. In the Danish case, the dominant sources of supply appear to have been tobacco that had been embezzled by tobacconists or that had been legally acquired and then offered for sale. As mentioned, a few people hand-rolled tobacco and then sold the cigarettes at a small profit. In the Netherlands, similar practices existed, but here a sizeable amount of tobacco was grown locally and even more was smuggled in from Belgium. Again, exchanges of coupons facilitated smuggling: in areas close to the Belgian border, return percentages of tobacco coupons were low, while in large cities (especially Amsterdam) they were somewhat higher. An employee of the Centraal distributiekantoor remarked: ‘Just as the primitives sacrifice some of their best food to the gods at every meal, all areas in our country sacrifice some of every new tobacco ration to Amsterdam.’

Not all Belgian tobacco, however, travelled in this fashion. Belgian tobacco was smoked throughout the country in very considerable quantities and made up a significant share of total black

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348. NA, Centraal distributiekantoor 234.
349. NA, Centraal distributiekantoor 234.
market turnover. There is good reason to suspect that soldiers, who as noted could cross borders with relative ease, played a significant role in this development.

Tobacco, apart from the pleasures it afforded when smoked, had the complementary advantage that it could be used as money. Unlike many other products, cigarettes did not go off, were not heavy or bulky, and could be counted on to remain valuable. Especially when money was becoming less and less attractive, cigarettes became the favoured medium of exchange. In postwar Germany, where the Reichsmark became almost worthless in the immediate aftermath of the war, the use of cigarette money was described and investigated quite thoroughly. An American official estimated that cigarettes could change hands as many as 100 times before being smoked. The use of cigarettes as money was probably less common in occupied Denmark and the Netherlands than in postwar Germany, but was nevertheless significant. In Denmark, the first months of 1945 saw a sharp upturn in the use of cigarette money on the black market. In May 1943, it was reported in the Netherlands that vegetable growers around Amsterdam preferred cigarettes to money.

One drawback of cigarette money was the fact that the quality of the tobacco sold on the black market was often divergent. The high-quality, mostly tropical and new-worldly tobacco to which Europeans had grown used could no longer be imported. Imports could, however, at least partially be substituted. Tobacco had been grown in Europe for centuries (and indeed still is) and it proved easy to resuscitate this old sector of agriculture. Although the indigenous production of tobacco saved smokers from going without tobacco altogether, it was hardly a satisfactory solution. Both the quantities and quality of tobacco grown in the temperate climate zone were nowhere near what had previously been produced in the tropical colonies of various European powers. As a consequence, prewar cigarettes, as well as the cigarettes that arrived with the Allied troops in 1944 and 1945, sold at far higher prices than the indigenous variant. This is not to say that German soldiers did not sell cigarettes:

351. LAS KBB 1-1945.
352. NA RBVVO, Weekverslagen 24-5-1943.
they in fact appear to have been among main suppliers of tobacco products during the occupation of both countries, in exchange for both goods and money. Soldiers, whether German or Allied, usually had ample supplies of cigarettes at their disposal, much to the benefit (though not the health) of Dutch and Danish smokers.

Figure 8.3: Price index of clandestine urban cigarette prices in Denmark (Copenhagen) and the Netherlands (Amsterdam, Rotterdam, The Hague), per half year (av. 1944=100)

Price data taken from LAS, KBB, Domsbøger and NIOD DOCII, 'Zwarte handel'. Dataset kindly provided by Hein A.M. Klemann. NA, Centraal Distributiekantoor. Large purchases (>100 cigarettes) have been ignored. Danish data before 1943 are too scarce to allow for the calculation of an average price.

As is evident from the figures above, the price of cigarettes on the black market rose gradually in Netherlands and, in all likelihood, also in Denmark. This rise was at least partly caused by the gradually increasing liquidity of consumers, as well as by a gradual loss of confidence in money. Average prices exploded, briefly, after the arrival of the first Allied troops, because people were willing to pay exorbitant sums for American and English cigarettes, which were of superior quality and bore the aura of liberation. Moreover, people were trying to get rid of their (often illegally acquired) money, which drove up prices even further. High prices, by the way, did not last long.
The quantities of cigarettes brought in by Allied troops were truly enormous and prices consequently soon dropped.\textsuperscript{353}

**Fuel**

Fuel shortages were among the gravest of wartime irritations. Consequently, the demand for fuels on the black market was high, especially in Denmark, where the fuel situation was dire. However, also in the Netherlands the black-market demand for fuel was always high, especially during the Hunger winter, when many people ravaged their own home (and those of others) to obtain firewood. Yet already before the advent of such serious problems, the sharply reduced supply of fuels drove many people to buy fuel illegally. Especially people on a high income were willing to go to considerable lengths to heat their home. One Danish man declared that ‘I simply can’t accept less than 22 degrees in my rooms’, while a woman claimed that she could no longer do with just her ration, now that the (illegal) extra stock she kept in her garden had been snowed over.\textsuperscript{354}

The supply of fuels to the black market was helped by the fact that there were excellent opportunities to divert them. The diversion of fuels appears to have been rampant especially in the Netherlands. The mining of coal – which is quite literally an underground activity – proved difficult to monitor for both indigenous and German officials, who took a keen interest in Dutch fuels. The Dutch coal mines were remarkably unproductive during the occupation, a fact that was blamed on various other circumstances by the management, but in all likelihood owed much to the covert production for clandestine markets. This suspicion is backed by the fact that fairly complex and long-standing structures for the smuggling of coal were established. While Meuse-going ships were being loaded with coal, their captains would pump out the water that had been taken on earlier, so that the vessel would now sit less deep in the water than would normally be the case. Hence, an amount of coal could be taken on unregistered. On the great rivers along which coal was transported, smaller vessels would sail up to the larger ships and take the extra coal.

\textsuperscript{353} Bundgård Christensen, *Den sorte børs* 93.

\textsuperscript{354} Bundgård Christensen, *Den sorte børs* 240.
ashore. Similarly, turf was commonly tampered with and often sold illegally. The low level of the official production of fuel in the Netherlands should therefore not be taken at face value, although it is impossible to estimate how much fuel was diverted to the black market.

In Denmark, where no coal was mined, fraud as committed in the Dutch coal mines was obviously impossible, so fraudsters devised other, more drastic schemes. For example, to increase the weight of fuel (notably turf), they would sell it with a higher than allowed water content, making it heavier and enabling them to embezzle part of a load of fuel, a practice that apparently was less common in the Netherlands. This, of course, dramatically lessened the usability of fuels, and there were numerous court cases against such practices. Fuel, and especially fuel coupons were also sold in considerable quantities. A cartoon by the Danish cartoonist Storm P. shows a Danish street teeming with black men (black-skinned people were routinely used in many European countries to depict black marketers) offering turfs to passers-by.

In reality, most of the illegal supply of fuel in Denmark stemmed from the sales of coupons by poor urbanites. As noted, buying fuel legally was much more expensive in Denmark than in the Netherlands, and black market prices were likewise high, so selling fuel rations was a financially attractive thing to do.

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356. Bundgård Christensen, Den sorte børs 158.
As can be seen in figure 8.4, prices for illegally sold coal initially rose more rapidly in Denmark than in the Netherlands. This relatively slight difference is dwarfed, however, by the booming inflation on the Dutch black market in the course of the Hunger winter. As people were desperate for heating, and often highly liquid, prices of over 15,000 guilders (more than five times the annual salary of a skilled worker) per hectolitre were no exception. In Denmark, no such crisis took place, and there prices consequently eased downwards in the course of 1945.

**Durables, soap and other items**

Durable goods were always easy to sell on the wartime black market, but were not so easy to come by. Coats, shoes and other scarce goods were in high demand in both countries, but few people were willing to part with them. Some illegal shoe production appears to have existed in the Netherlands, but the scant available data concerning the black market does not indicate that many pairs changed hands.\(^{358}\) It appears that

especially prewar-quality shoes and clothes sold at relatively high prices in both countries, an unsurprising finding given the bad quality of wartime products.

In the Netherlands, the men who were in hiding from the Arbeitseinsatz (and there were thousands of them from 1943 onwards) staffed a thriving industry for knick-knacks, royalist commemorative tiles, shopping bags and other such goods. However, the 'Negroes' (as illegal workers were called) were more predominantly employed in agriculture and building. Even with massive monetary overhang and rampant nationalism, the market could absorb only so many tiles celebrating the birth of Princess Margriet. In Denmark, as mentioned, the illegal sale of tyres was a thriving industry, which although certainly not unheard of was certainly less common in the Netherlands. The bottom line of wartime black marketeering was that there was enough unused money lying around to ensure that there was a demand on the black market for pretty much anything. Most things sold well on the black market, simply because there was so little else to buy. The array of goods sold on the black market included flower bulbs, brooms (both in the Netherlands, unsurprisingly) as well as lace and combs (in Denmark).359

Conclusion
This chapter opened with two questions: how the black market impacted the standard of living in Denmark and the Netherlands, and the extent to which this impact can be reconstructed from the available data. The second question, regrettably, is the easiest to answer: wartime black markets remain rather elusive. The thriving illegal economy, in which almost everybody partook, remains largely hidden from the historian’s eye. Worse yet, this situation will in all likelihood persist. Most of those who had extensive first-hand knowledge of wartime black markets have died, and archival sources more than anything reveal the relative ignorance of law enforcers and bureaucrats and their inability to come to grips with the bigger picture of the illegal economy.

Nevertheless, the investigation of wartime black markets has yielded a number of important insights. In the first place, their sophistication was remarkable. As time progressed, illegal economic activity developed from makeshift transactions into an

359. NIOD, DOC II, Zwarte Markten; LAS KBB, Domsbøger.
established clandestine business. That said, there were marked differences in this respect between the two countries at hand. The role of organized crime was far greater in Denmark than in the Netherlands, a difference that is difficult to explain. Perhaps Denmark offered better opportunities to develop a large network than the Netherlands did, but it is likewise possible that the talents and ruthlessness of the ignominious Hasselstrøm simply surpassed that of his Dutch counterparts. Easier to explain are the differences between the two countries with regard to the products traded. Since the availability of foodstuffs in Denmark was largely unproblematic, its black market was dominated by relatively luxurious foods (butter, sugar) and especially non-food products such as fuel and cigarettes. In the Netherlands, food was clearly the mainstay of black marketeers, together with the ever-present cigarettes.

Moreover, in the two occupied countries the black market played a crucial role in creating inequality of consumption. Fuel and foodstuffs had been available in such quantities in prewar Denmark that everybody, even the very poorest, ate a rich diet, at least in calorific terms. A diet of over 3000 kcal per AME was, and remained, the norm even for the very poorest, whereas in the Netherlands diets differed far more. At bottom line, wartime economic controls could not change the fact that some people were much richer than others, and the black market was quick to cater to those with sufficient spending power. That said, it would be wrong to think of black marketeering as benefiting only the rich. After all, the people in Denmark and the Netherlands who sold part of their ration increased their income by doing so, and were in all likelihood better off with this opportunity than without it. It is saddening in that respect to find that law enforcers appear to have been much keener to target those who traded to earn some much needed income, than those who used the black market to continue living a sumptuous life, against the grain of centrally enforced solidarity.