



Volume 5. Wilhelmine Germany and the First World War, 1890-1918 The Black Market (August 1916 and April 1918)

The black market survived as the competitor to the administered food supply. The forces of supply and demand thrived here, and practically any foodstuff could be found — for a price. The prolongation of the war fed the black market to the point where it became far more than a supplement; in the estimation of authorities, Germans were purchasing one-third of all food on the black market by war's end.

I.

There is no doubt that the offences mentioned here currently endanger the interests of the state to a high degree, and are also rightly perceived by the people as especially grave. A mild punishment is thus likely to provoke a feeling of uncertainty and bitterness, whereas a quick and emphatic punishment not only would deter further attempts at the dangerous practice of price-gouging; it is also likely to affect popular morale in a desirable way.

II.

The merchant Alfred Bürger – who is working without pay in Auxiliary Service at the Statistical Office as a special inspector for the Office of Price Review – is trying to exonerate himself by citing remarks that I made about the black market in a meeting of the Office of Price Review on February 22. My remarks were to the effect that strict measures against the commercial black market are absolutely necessary and would also be enacted in a federal law that will be passed shortly, but that small-scale black-market transactions, usually on the basis of connections among relatives or friends, are today being quietly tolerated within certain limits.

I also noted that one must admit that the small-scale black market simply cannot be policed, given its breadth and diversity. A certain degree of toleration would serve public morale better than would the overextension of regulation. Obvious abuses and price-gouging would, however, still have to be punished.

Source: I. Generallandesarchiv Karlsruhe, 456F8/344. Kriegsministerium an stellvertretende Generalkommandos, Berlin, 5. August 1916, betrf. Preistreiberei [The War Ministry to the Deputy Commanding Generals, Berlin, August 5, 1916, Concerning the Forcing up of Prices]. II. Stadtarchiv Freiburg, C3/C3/778-1, Marktinspektor Schmidt an Stadtrat [Market Inspector Schmidt to the City Council], Freiburg, April 12, 1918.

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