

## **Small boats and black markets in wartime Greece (1940-1944)**

Vasilis G. Manousakis

*University of Crete, Rethymno, Greece*

*Abstract:* Wartime Greece experienced a near economic collapse during the occupation, with high inflation, interruption of imports, famine and the dislocation of its transport network causing especially serious problems. As a result commerce – both legal and especially illegal – was increasingly conducted with boats no larger than a few hundred tons of displacement (often much smaller), sometimes powered by wind or at best a small petrol engine. This paper aims to shed light on questions around the strategies chosen by merchants to deal with the restrictions imposed by the occupation forces and by widespread state regulations, the opportunities presented to them and the profitability of such enterprises. The main focus of this paper is the partnership between two medium sized businesses: that of a boat owning family (based at the port of Piraeus) and that of a merchant in Thessaloniki. Their archive, despite its incomplete nature, provides especially interesting material for the study of commerce and the black market during wartime. Small boats, like the ones owned by the subjects of our focus, played a crucial role in the transport of goods in occupied Greece, often combining legally and illegally transported foodstuffs and other cargo in an effort to circumvent the widespread controls and avoid the high fines that black market activities incurred. The combination of high inflation and confiscations or damages caused by war meant that prices changed rapidly and boat owners needed a network of merchants and local agents to constantly inform them of emerging opportunities and looming dangers. The collaboration of the boat-owning family with a merchant from Thessaloniki allowed them to acquire such a network in northern Greece, which they combined with other contacts on Greek islands in order to secure profitable deals and transport various goods all over Greece. They managed to navigate the dangers, delays, missed opportunities, rising costs and competition, largely avoiding arrest and the critical loss of their boats until the last year of the war.

The black market was nothing new in 1940. Greeks had experienced it during the First World War and the interwar years, especially after the collapse of international trade and the series of regulations in the 1930s. However that experience was rather limited for

most and it certainly did not play a significant role in their lives. The beginning of World War II and particularly the serious economic and social problems that the occupation of Greece brought after the spring of 1941 would soon change all this.

Within the very first weeks of the war Greeks became aware that many goods could only be found on the black market and suspected that those involved were making huge profits. An article by a well known journalist of the time (Spyros Melas) pronounced the black marketeers “the new aristocracy” that would come out of the current war, just like ship-owners had become a kind of new aristocracy after World War I.<sup>1</sup>

Some aspects of this phenomenon have always been somewhat difficult for historians to study given the scarcity of sources and its clandestine nature. Everyone at the time knew that most goods could be found on the black markets – and sometimes only there – and that those involved stood to make huge profits, but there is limited evidence as to how much profit they made, what methods they used to get access to the goods they needed and what problems they faced (other than the law). This paper aims to address this lack of evidence by using microhistory, based on the archive of a legitimate commercial partnership that was simultaneously involved in the black market.

### **The protagonists**

The main characters of our story were business partners in Greece since the interwar years. Michail Dimitriadis was a merchant (mainly of cereals and pulses before the war) based in Thessaloniki, the country’s second largest city. He had entered into a business partnership with another business in the port city of Piraeus, limited to exchanging trading information and facilitating the shipment of goods across the country. Dimitriadis’s business partners were Costas and Themis Hatzopoulos, who run a family business, who owned percentages in at least three or four motor-sailboats, ranging from

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<sup>1</sup> *Estia* newspaper, 7/5/1941.

about 10 to a few dozen gross register tons. Part of the archive of that business partnership, which mostly includes correspondence between the years 1939 and 1944, can be found at the Hellenic Literary and Historical Archive (ELIA) in Athens.

The partners were not amongst those who rose seemingly out of nowhere during the occupation like some gardeners, porters, shoemakers and other professionals who dealt in the black market.<sup>2</sup> They were established traders before the war and were interested in continuing their trade, which meant they would have to at least appear to abide by the rules. Their involvement with the black market is therefore interesting in that they belonged to a “grey” category, those who were involved in both official and illegal transactions – often at the same time – and who usually preferred to bend the rules rather than operate entirely outside of them.

The ownership of the sailboats was a significant asset, since it allowed the transportation of goods to and from the country’s numerous islands and coastal towns at a reduced cost. Greece at the time had only one major railway line and a subpar road network. As a result, according to – not always trustworthy – official statistics, the cargo space of ships docking in Greek harbours was about eight times that of the cargo transported by rail, although about 95% of marine transport was done by larger steamships. After the start of the occupation however many of the steamships carrying Greek trade left the country or were sunk. As a result smaller sailboats increased in

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<sup>2</sup> Mark Mazower mentions the examples of a gardener and a bank clerk who became black marketers, (*Inside Hitler’s Greece. The experience of Occupation, 1941-1944*, Yale University Press, pp. 57-61) while Giorgos Theotocas: notes in his diary on January of 1943 (*Tetradia Imerologion, 1939-1953*, fourth edition, “Estia”, 2005, pp. 376-379) that often black marketers had only been professional vehicle drivers or clerks before the war.

significance, their carrying capacity accounting for 40% to 45% of the total marine cargo space by 1942-43.<sup>3</sup>

### **Trading in wartime**

By 1939, Greece, like most of Europe, was accustomed to trade restrictions and market regulations. However the start of the war brought general market turmoil and a new wave of restrictions was imposed. Our protagonists begun complaining that farmers were now reluctant to sell their produce and that “speculators immediately store anything they can get their hands on”.<sup>4</sup>

Several months later the price paid for beans (and possibly other foodstuffs as well) had risen above the officially fixed price, and Dimitriadis was complaining that he found it more difficult to obtain a permit to transport foodstuff. These difficulties drove him to look for ways to bypass official procedures, since getting a permit might be easier “if one knows the right people inside the ministry”.<sup>5</sup> The partners also started loading contraband into railway carriages, often with false permits.<sup>6</sup>

However buying above the official price or employing illegal methods to raise profits was dangerous. In 1940 we encounter the partners’ first problems with the law,

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<sup>3</sup> Statistique Générale de la Grèce: *Bulletin mensuel de statistique*, Janvier - Décembre 1943, 1944, Imprimerie Nationale, [n.d.], pp. 16-18.

<sup>4</sup> ELIA, Mercantile Marine – Hatzopoulos Archive (MM-HA): M. Dimitriadis to C. Hatzopoulos, 9/11/1939.

<sup>5</sup> In January they discussed putting some cargo on a railroad carriage as contraband but they rejected it, although they had used that method other times during that period. ELIA, MM-HA: Dimitriadis to C. Hatzopoulos, 31/8/1940. A few days later (21/10/1940) Hatzopoulos answered that he knew someone who said he could help with the permits, but we don’t know if indeed he was able to “help”.

<sup>6</sup> Sometimes they transported goods different from the ones mentioned in the permit they had secured. ELIA, MM-HA: Hatzopoulos to Dimitriadis, 20/1/1940 and 28/8/1940.

when Dimitriadis had a railway carriage confiscated<sup>7</sup> and Hatzopoulos was arrested by the Market Police (Αγορανομία).<sup>8</sup>

### **The law...**

The Market Police was a department of police that oversaw compliance to the markets regulation code. Hoarding food and other necessary goods and selling them on the black market had been considered serious offences since the last war. Under a 1916 law penalties for this offence included not only considerable fines but also prison sentences.<sup>9</sup> When the dictator Ioannis Metaxas took over in 1936 he published a new Market Regulations Code. The new code created several bodies (the Market Regulations Boards, the Price Regulation Committees and the Advisory Committees for Excessive Profits) that were to control many aspects of the economy, especially prices.<sup>10</sup> After Italy invaded Greece in 1940 the state's willingness to clamp down on black market activities was demonstrated by sending market regulation offences to military courts.<sup>11</sup> At the very beginning of the occupation the state machinery was complemented by the creation of

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<sup>7</sup> ELIA, MM-HA: Dimitriadis to C. Hatzopoulos, 13/1/1940.

<sup>8</sup> ELIA, MM-HA: Dimitriadis to C. Hatzopoulos, 15/10/1940. Thirteen days later Greece was drawn into the war, when Italy decided to invade.

<sup>9</sup> Official Government Gazette (OGG) 39A/24.2.1916, Law 703 «Περί πλεονεξίας και αισχροκέρδειας επί των τιμών των τροφίμων και άλλων αντικειμένων εν καιρώ επιστρατείας» [On greed and profiteering of prices of food and other articles in time of mobilisation"].

<sup>10</sup> OGG, 552A/23-12-1936, Emergency Law 382, «Περί αγορανομικού κώδικος» [on market regulations code].

<sup>11</sup> OGG, 405A/26-11-1940. Emergency Law 2661 «Περί υπαγωγής των αγορανομικών εγκλημάτων εις τα Στρατοδικεία» [On subsumption of market regulations crimes to the Military courts].

special profiteering courts (Αισχροδικεία) in the capital<sup>12</sup> and other cities and towns in the country.<sup>13</sup> New courts were also created to try the most severe cases.<sup>14</sup>

One of the restrictions that seriously influenced the lives of producers, merchants and the ordinary population was the collection of grain by the state, which later expanded to a few other goods as well. The produce collected was considered a form of taxation. It was usually stored in warehouses owned directly or indirectly by the state (often belonging to the state-owned Agricultural Bank) and could only be transported with special permits to larger population centres for consumption. During the occupation many farmers considered the evading the collection as a form of resistance, since they feared that the produce collected was feeding the Germans and the Italians. This hidden produce was one of the main sources of food that reached the black market.<sup>15</sup>

A growing number of other goods – particularly foodstuffs – had their price fixed by the state when the war began. When the occupation began a further wave of regulation imposed by the occupation authorities fixed the price of many consumer, industrial and semi-finished products.<sup>16</sup> In many cases the only way to transport goods

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<sup>12</sup> OGG, 158A/8-5-1941, Legislative Decree no. 13/41, «Περί συστάσεως Ειδικού Αισχροδικείου» [on establishment of Special Profiteering Court]. See also: Emergency Law 131 (OGG, 188A/7-6-1941).

<sup>13</sup> OGG, 139B/7-8-1941, Ministerial Decision no. 12, «Περί συστάσεως Ειδικών Αγορανομικών Δικαστηρίων» [on establishment of Special Market Regulation Courts].

<sup>14</sup> OGG, 315A/23-9-1941, Legislative Decree no. 501/41 «Περί συστάσεως Ανωτέρων Αγορανομικών Δικαστηρίων και συμπληρώσεως του Αγορανομικού Κώδικος» [“On establishment of Higher Market Regulation Courts and supplementation of the market Regulation Code”].

<sup>15</sup> For more details see: Vasilios G. Manousakis: *Οικονομία και Πολιτική στην Ελλάδα του β' παγκοσμίου πολέμου (1940-1944)* [*Economy and politics in wartime Greece (1940-44)*], unpublished PhD thesis, School of Political Sciences, Aristotle University of Thessaloniki, 2014, pp. 264-287.

<sup>16</sup> To give just a few examples: OGG, 76B/8-5-1941 regulated the price of flour and bread, and forbade the sale of olive oil without state permission, while OGG, 132B/29-7-1941 imposed restriction on the sale

out of a specific region, particularly food, was to obtain a special permit that took into account other similar goods that were imported into that region (the so called exchange).

The explosion of inflation towards the second half of 1941 and the starvation that began at about the same time caused the deaths of tens of thousands of Greeks. It also fueled the black market, as it was becoming increasingly difficult to find anything sold at legal prices. The situation was made worse by the serious problems of the Greek transportation network. Roads and bridges that had been blown up during the battle for Greece took months to repair. Trains and cars had been destroyed or requisitioned, ships had been sunk or left the country. The opinion of a journalist at the time that the explosion of prices in urban centres was mainly caused by transportation difficulties probably downplayed the role of other factors, but was not completely false.<sup>17</sup>

The near domination of the black market towards the end of 1941 impacted not only the lives of ordinary people, but also their views on the government and its inability to solve the problem. The government's answer was a campaign against the black market that started around November 1941. The campaign featured in all major newspapers, presenting the prime minister as its leading fighter and hundreds of names of people arrested as black marketeers paraded on the front pages.<sup>18</sup> A special task force at the security department of the police was tasked with the discovery of black marketeers.<sup>19</sup> The legislative decree on the market regulations courts was also amended and

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of potatoes, ice, animal skins and sewing machines. Sometimes these general, country-wide restrictions were complemented by local ones, often imposed directly by the occupation forces.

<sup>17</sup> *Eleftheron Vima* newspaper, 7/11/1941.

<sup>18</sup> See for example the front pages of *Acropolis* and *Proia* in 16/11/1941 and *Eleftheron Vima* in 18/11/1941.

<sup>19</sup> The creation of the task force has not been traced back to the OGGs during that period. In one of the newspapers it's mentioned as the special agency of the prosecution of the black marketeers (*Eleftheron Vima*, 19/11/1941) and in another (*Proia*, 16/11/1941) simply as "members of the security department".

supplemented,<sup>20</sup> and the “abuse of food” destined for public foundations or the large scale hoarding, destruction or illegal sale of food could result in the penalty of death or at minimum life in prison.<sup>21</sup>

### **...And how to escape from it**

Some of the names listed in the first articles of the campaign against the black market were of sailboat owners. In one such case, two motor-sailboats, named “Agia Varvara” and “Panagia”, were caught as they arrived from Thessaloniki to the small provincial port of Skala Oropou (about 50 km north of Athens) carrying more than 2 tons of salted food and other foodstuff, meant for the black market.<sup>22</sup> The small coves around Attica (the prefecture of the capital) had become the main points of entry for the goods destined for the Athenian black market.<sup>23</sup>

Our protagonists were of course well aware of these developments. They appear to have preferred not to transport goods entirely outside the law (without any paperwork), but they used several ways to bend the rules: bribe to get seemingly legal permits, adding extra cargo to the one they were legally transporting etc.

Since getting a permit to transport cargo was not easy and one had to find the (legal) cargo first, store it and then attain the permit, Hatzopoulos and Dimitriadis often had to buy permits sold by corrupt Greek and German officials. In the summer of 1943 (30/6/1943) Dimitriadis mentions in a letter to C. Hatzopoulos that he found a new source of permits: someone in Thessaloniki who sold German permits, certified by the “food directorate”. There was some difficulty with the procedure for loading, but he

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<sup>20</sup> OGG, 394A/15-11-1941, Legislative Decree no. 699.

<sup>21</sup> *Eleftheron Vima*, 16/1/1942.

<sup>22</sup> *Proia*, 19/11/1941.

<sup>23</sup> *Proia*, 22/11/1941.

believed he could bypass this with a small bribe.<sup>24</sup> By 1943 there was a thriving market for permits, with several people, probably known to most merchants, acting as middlemen. Nevertheless, getting a permit was not always easy, even if one was willing to pay. The small number of permits and the profitability of trade meant that most people who had permits were hesitant to sell them. Dimitriadis, who was afraid of the stricter measures against contraband, was sometimes forced to wait and use all the middlemen he knew to find the one he wanted.<sup>25</sup> That renewed effort to fight contraband was likely the result of several discoveries by the state and occupation authorities of illegal cargoes that year. A few months earlier Dimitriadis mentioned that new orders had been issued for permits to always accompany the cargo, after the authorities discovered 11 train carriages loaded with extra, undeclared cargo, or with completely different goods from the ones they were supposed to transport (butter and fabrics instead of tomato paste, grain instead of maize).<sup>26</sup>

Loading extra, undeclared cargo was a method our protagonists appear to have frequently used as well. Port officials sometimes allowed for a limited amount of extra cargo, for a little extra cost at official prices.<sup>27</sup> Other times officials needed to be bribed or the some extra cargo was simply hidden in the boat (or train carriage) in the hope it would go unnoticed. In October 1943, for example, they attained an exchange permit signed by the Germans to transport 13.090 okas (about 16.780 kilos) of cargo, but after “his” customs clearer tested the waters at the office, Dimitriadis believed he could load

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<sup>24</sup> The “food directorate” («διεύθυνσις επισιτισμού») was possibly the former deputy ministry of market regulations (υφυπουργείο Αγορανομίας) which in 1941 was renamed the deputy ministry of food (υφυπουργείο επισιτισμού).

<sup>25</sup> Dimitriadis mentions that about 100 motor-sailboats were waiting for permits at Thessaloniki. ELIA, MM-HA: Dimitriadis to Hatzopoulos, 20/8/1943 and 10/9/1943.

<sup>26</sup> ELIA, MM-HA: Dimitriadis to Hatzopoulos, 30/5/1943.

<sup>27</sup> ELIA, MM-HA: Dimitriadis to C. Hatzopoulos, 20/8/1943.

an extra 3-5.000 okas.<sup>28</sup> A few months earlier the partners loaded “Kaiti” (one of the boats belonging to Hatzopoulos) with 8.000 okas (10.256 kilos) of grain, despite having a permit for only 5.000 despite knowing that in the same week the authorities had made surprise inspections.<sup>29</sup> They were of course not the only ones to follow that profitable path: according to the information supplied to Hatzopoulos, grain was arriving in Athens mainly by boat, often laden with double the cargo allowed in the permits, “and everyone made money”.<sup>30</sup>

Surprise inspections were a real danger. One of the tactics used to avoid them was to drop anchor at the end of the beach of port, as far as possible from the customs house.<sup>31</sup> That way they could see the officials from a distance and have some time to prepare – or simply hope that they would be a bit lazy and choose a closer boat. If that failed, officials could be bribed: in October 1943 the partners gave 8 okas of soap to “the Control”, 2 okas to the interpreter, 1,5 okas to the clerk at the Agricultural bank for preparing the papers for the exchange of goods (necessary for the permit to be approved) and 1,5 okas to the employee and the food office for approving the permit.<sup>32</sup>

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<sup>28</sup> ELIA, MM-HA: Dimitriadis to C. Hatzopoulos, 19/10/1943.

<sup>29</sup> ELIA, MM-HA: Dimitriadis to C. Hatzopoulos, 14/8/1943.

<sup>30</sup> ELIA, MM-HA: Hatzopoulos to Dimitriadis, 21/6/1943.

<sup>31</sup> Dimitriadis mentions this tactic specifically in a letter to C. Hatzopoulos in 11/0/1943.

<sup>32</sup> ELIA, MM-HA: Dimitriadis to C. Hatzopoulos, 18/10/1943 and 15/10/1943 (where he specifically mentions bribing “the Germans at the Control”). In the same letter he mentions convincing officials to let him take one bag of soap from the cargo destined for the exchange to use in their homes. He was quite unhappy about these quantities however. Dimitriadis was not so much afraid of getting caught at the customs office, since he was certain he could bribe his way out of trouble. He was more worried that the deficit caused by the bribes might result in problems with the permit for the food exchange (Dimitriadis to Hatzopoulos, 11/10/1943).

Knowing the right people was also useful. The secretary of the Chamber of Commerce was considered to be one such well connected person. A new acquaintance who spoke German was another. The partners sometimes considered including them in their business dealings and certainly tried to maintain contact with them in case they were needed.<sup>33</sup>

Occasionally even people completely unrelated with marine trade decided to “invest” in permits. In the spring of 1944 Dimitriadis wrote that permits outside the exchange system had ceased – something he attributed to the replacement of the German “Commandant” Merten who had a more “relaxed” policy towards them.<sup>34</sup> They therefore suddenly became more difficult to obtain and in April their price rose to 40-50.000 drachmas per oka (or nearly one gold sovereign per ton). At the time Dimitriadis had only managed to find two unsuitable permits in Thessaloniki and they were in the hands of a shoemaker!<sup>35</sup> A way to get around the lack of permits was to get legal permits for islands such as Mytilini instead of Athens. One could then pay a small amount of money and get to the capital.<sup>36</sup>

### **Discovering the bargains**

The documents often mention prices, but rarely the exact profits from the business dealing of our merchants. In general, however, it appears that they did well for themselves.

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<sup>33</sup> ELIA, MM-HA: Dimitriadis to C. Hatzopoulos, 15/4/1943; Hatzopoulos to Dimitriadis, 2/9/1943.

<sup>34</sup> ELIA, MM-HA: Dimitriadis to C. Hatzopoulos, 21/3/1944. Max Merten, better known for his complicity in the holocaust of the Thessaloniki Jews, was military administration counselor (Kriegsverwaltungsrat) in the Military Commander (Wehrmachtbefehlshaber) of Saloniki-Ägäis

<sup>35</sup> ELIA, MM-HA: Dimitriadis to C. Hatzopoulos, 12/4/1944 and 19/4/1944.

<sup>36</sup> The secretary of the Chamber of Commerce was allowed to participate at least once as a 1/3 partner of a cargo. ELIA, MM-HA:, 14/10/43 and 20/8/1943.

One of the few cases that allow us to track the cost of buying and transporting their merchandise is from September 1941, when they transported first 105 and then another 50 barrels of sardines. Buying the fish was not cheap (the Jewish merchant that sold the barrels demanded 83 drachmas per oka)<sup>37</sup> but the bill of lading was written in a way that the partners would make up for the high cost of purchase.<sup>38</sup> The cost of transport was more manageable: slightly more than 8%, including the port fees, loading costs, captains pay, the middleman's and ship owner's (in that case Hatzopoulos) commission.<sup>39</sup> The documents do not include the profit they made, but given that starvation had already begun in Athens, it must have been considerable.

Further indications of profit is given in another letter from 1943: an official trip to exchange of olive oil for maize gave our merchants the opportunity to load an extra 10-15% of maize and sell 20-30% of the olive oil they transported on the “open” (black) market, thus making – according to Hatzopoulos – “a very serious profit.”<sup>40</sup>

In their correspondence they also frequently mention opportunities for profit which they often take advantage of. In October 1942 for example Hatzopoulos acknowledges happily that Dimitriadis finished a deal for carob syrup in the best way possible.<sup>41</sup> They often exchanged information that could be valuable, such as the loss of much of the beans yield of Macedonia due to lack of rain, the drop in price of olive oil

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<sup>37</sup> Oka was an ottoman unit that measured mass which was still the official unit at the time in Greece. It was equal to 1,282grams.

<sup>38</sup> The bill was for 108 drachmas per oka, or about 23% higher than the purchase cost. ELIA, MM-HA: Dimitriadis to C. Hatzopoulos, 6/9/1941

<sup>39</sup> ELIA, MM-HA: “Αξία και έξοδα 50 βαρελιών σαρδελών φορτωθέντων επί του π/κινήτου «Παναγία» δια λ/μον Κων. Χατζοπούλου» [Value and Cost of 50 barrels of sardines loaded on the motorboat “Panagia” on behalf of Con. Dimitriadis], Thessaloniki, 13/9/1941.

<sup>40</sup> ELIA, MM-HA: Dimitriadis to C. Hatzopoulos, 7/4/1943.

<sup>41</sup> ELIA, MM-HA: Hatzopoulos to Dimitriadis, 12/10/42.

and soap due to the arrival of several ships from Mytilini in the spring of 1943,<sup>42</sup> or the lack of buyers for maize and the higher crop yield in grain in Thessaloniki a bit more than one year later.<sup>43</sup>

One major opportunity for investment, as they saw it, arose in the spring of 1943. Between March and early August almost the entirety of Thessaloniki Jews were transported to concentration and extermination camps. That fact was hard to miss, since the Jews accounted for roughly 25% of the city's population. The holocaust had a large impact on the city and its economy, as thousands of Jewish businesses closed down or changed owners in a short time. Many of the Jewish properties ended up in the hands of collaborators, but the gap in the market could be potentially filled by anyone with enough capital and the willingness to risk an investment in wartime. Those who decided in favour of that risk were apparently not so few.

As early as April Dimitriadis, who was based in Thessaloniki, talks about an opportunity for business that was presenting itself “with the removal of the Jews” and proposes a full partnership with another merchant.<sup>44</sup> In a following letter he adds that he had been thinking for a long time about this opportunity but was afraid of developments, repeating that if they would both invest a considerable amount of money (he could invest 10-15.000.000 drachmas) they could see real results, as he expected the entire market to end up in the hands of 4-5 groups of merchants of which they could be a part.<sup>45</sup> The partnership proposed by Dimitriadis did not take any official form, but according to official statistics the Greek region of Macedonia in 1951 had a higher number per year of businesses established during the period 1941-45 (1726 or 345 per year) than during the

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<sup>42</sup> ELIA, MM-HA.; 30/4/43.

<sup>43</sup> ELIA, MM-HA: Dimitriadis to C. Hatzopoulos, 15/6/44.

<sup>44</sup> ELIA, MM-HA: Dimitriadis to C. Hatzopoulos, 7/4/43

<sup>45</sup> ELIA, MM-HA: Dimitriadis to C. Hatzopoulos, 15/4/43.

previous 10 years (3.204, or 320 per year).<sup>46</sup> It is reasonable to assume that many of them were established after the loss of the Jewish businesses which created a vacuum and therefore business opportunities.

### **Operating challenges**

Being a merchant and a ship-owner in occupied Greece meant also facing a number of problems and risks. Our protagonists were able to adapt and get around some of them, such as the problems with insurance they mention in 1941 and the ban on the transportation of goods like salted fish without special permission.<sup>47</sup> Others caused more problems, but were temporary, such as the detainment of the person (probably German) who was selling them permits for an unrelated military offence.<sup>48</sup>

Dealing with the occupation authorities was always a complex issue for the black marketeers. Strict officials could destroy their way of living. There were several arrests by the German police of both Greeks and Germans who fed the black market. There were also repeated efforts to get authorities to deal more effectively with the phenomenon. The Germans complained about the corruption and complicity of some Greek policemen and customs officials, asking for them to be replaced and punished.<sup>49</sup>

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<sup>46</sup> National Statistical Service of Greece: *Statistical Summary of Greece, 1954*, National Printing House, [n.d.], p. 79.

<sup>47</sup> In Thessaloniki the transportation of all foodstuffs and the making of salted fish and pickles were banned in November. ELIA, MM-HA: Dimitriadis to C. Hatzopoulos, 15/9/1941 and 30/9/1941; Grigorios Papadopoulos to C. Hatzopoulos, Thessaloniki, 27/11/1941.

<sup>48</sup> ELIA, MM-HA: Dimitriadis to C. Hatzopoulos, 6/7/1943. As he mentions they waited for him to get out and start the “permit producing engine” again.

<sup>49</sup> In Crete they complained that the local police was acting “as business” involved in the black market. Historical Archives of Crete – Archive of German Occupation (HAC-AGO): File 2. German documents of 1941, Bundle Στ: Kreiskommandantur 718, Verwaltung to the prefect of Iraklio, “Schlenleder”,

On the other hand members of the occupation authorities were often part of the black market, not just by taking money to look the other way, but by getting personally involved in the trade. The cases of the Italian military commander of Korinthos, who was accused of arbitrary tolls and of selling confiscated goods on the town's black market,<sup>50</sup> the German consul at the island of Samos who was labeled as “the greatest black marketeer” among the locals,<sup>51</sup> the Italian garrison of the island of Sifnos which monopolised the local olive oil trade and the German garrison at Chios island (which did something similar with olive oil, fruit and mastic) show just how rich and powerful these could become.<sup>52</sup> Having them as enemies or competing with them on the black market was very dangerous, but if one managed to do business with them one could gain some powerful protectors and a constant (and less dangerous) source of goods.<sup>53</sup>

In any case Hatzopoulos and Dimitriadis were able to avoid angering powerful members of the occupation authorities. They sometimes expressed concern when local

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31/10/1941. Tsolacoglou, the prime minister of the first collaboration government, also attacked the “handful” of policemen who acted that way in an article published in major Greek newspapers (see for example *Akropolis*, 11/12/1941).

<sup>50</sup> See the resistance newspaper *Ellinikon Ema*, 15/5/1943.

<sup>51</sup> Antonios Volterakis.: *Is tin ypiresia tis Gestapo* [n.p.] 1946, p. 96.

<sup>52</sup> Mazower: *Inside Hitler's Greece*, p. 58.

<sup>53</sup> In early 1942 for example, when the Greek authorities arrested and convicted a local black marketeer in Iraklio Crete, the German complained and asked for the name of the judge, because the black marketeer was working for one of their suppliers. HAC-AGO: File Γ'. Archives of the German military command of Crete 1941-42, Bundle 26: letter of the general secretary of the governor of Crete of the district attorney in Chania, no 51, 11/1/1942. After the war the Kardasilaris brothers were accused, among others, of securing the monopoly on transportation of fruit from Chios to the mainland because of their good relations with the Germans and having similarly profitable business with the Bulgarians in northern Greece (GSA- SCA, minutes vol. 2/1948, trial no. 175 & 187 and *Rizospastis* newspaper, “Eleftheros o megalokarcharias Saloustrous kai o Karasilaris”, 7/4/1946).

oligopolies have forming that might make their business more difficult, like in 1942, when Dimitriadis complained about how transporting goods from Macedonia could only be done with exchange permits, and these “have been monopolised by two or three individuals”.<sup>54</sup> Like most businessmen however they wouldn’t have minded being part of a strong group that would monopolise the local market.

Despite the problems, most of the trips they organised appear to have made money. Among the few that were less successful was one in 1942. In the summer of that year Hatzopoulos complained that while all the sailboats were making profits one of his captains had insisted making a trip to Mytilini and had gotten stuck for two months, requesting money and wasting opportunities.<sup>55</sup> At other times it was the “loss” of part of the legally transported cargo that created problems with the authorities. In May 1943 they asked for the intervention of the Agency for the Control of Coastal Ships when the Agricultural Bank decided not to pay the rest of their fee, after the discovery of a deficit of 388 okas of their cargo (probably most of it sold on the black market or taken for home consumption).<sup>56</sup> Having one of their boats damaged and forced to spend weeks for repairs,<sup>57</sup> or dealing with untrustworthy individuals in their crew was also a costly affair, although being aware of this seems to have protected them for most of the period.<sup>58</sup>

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<sup>54</sup> ELIA, MM-HA: Dimitriadis to Th. Hatzopoulos, 22/6/1942.

<sup>55</sup> ELIA, MM-HA: Hatzopoulos to A. Patikis, 23/6/1942.

<sup>56</sup> ELIA, MM-HA: Hatzopoulos(?) to the Agency for the Control of Coastal Ships (Υπηρεσία Ελέγχου Ακτοπλοϊκών πλοίων), 10/5/1943. In the letter they argue that the deficit had “natural” causes and was not extraordinary among boats doing the same trips, adding that boats at the time were making a real loss (which might have been true sometimes if they were limited to legal cargo).

<sup>57</sup> An May 1943 they had to repair “Evaggelistria” (the bill of 361.000 drachmas from 11/5/1943 is included in the archive)

<sup>58</sup> In August Dimitriadis informs Hatzopoulos that “the Mollados gang” (probably a local group involved in the black market) loaded one of their boats which they had chartered, but in their efforts to hide their

### **A time of rapid changes**

The Occupation was not a time of stability. Things were changing rapidly and both internal and external events could influence both the official and – probably even more – black markets. October-November of 1942 was one such period. The serious Axis defeats in El Alamein and Stalingrad and the landings at northwestern Africa convinced the average Greek that the end of the war was near. As a result most of the goods that had been stored as a protection from inflation and scarcity suddenly flooded the open market and prices dropped considerably. Black marketeers were recorded crying for Rommel to hang on and for Timoshenko to stop his advance before they got ruined.<sup>59</sup>

Our protagonists do not mention anything about this black market crisis, although there are only a handful of documents in their archive between October 1942 and the beginning of 1943. They mention more about a second, smaller crisis in the black market the following year. In October 1943, when prices had started to rise rapidly again (after the lull that followed the last crisis) EAM, the largest of the Greek resistance organisations, targeted the stores that were selling at high prices, forcing many of them open and selling their goods to the public at the official prices. These actions, aimed at the black marketeers, unsettled many of the businessmen and well to do Athenians at the time.<sup>60</sup> The phenomenon was apparently less common in Thessaloniki, where most

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business from Dimitriadis chose a different customs clearer from the one Dimirtiadis normally used and were robbed. ELIA, MM-HA: Dimitriadis to C. Hatzopoulos, 14/8/1943. One of their captains however managed at least once to get about 400-500 okas of cargo illegally on board for himself, before he was discovered by Hatzopoulos (Hatzopoulos to Dimitriadis, 2/9/1943).

<sup>59</sup> Eleni Vlachou: *Peninda kai kati...Dimosiorgafika chronia. Vol. A: O kosmos is odou Sokratous (1935-1951)*, Eleftheroudakis, 2008, p. 148.

<sup>60</sup> The novelist Giorgos Theotokas recorded in his journal (*Tetradia Imerologion*, p. 434): "...economic panic. For the first time there is looting of shops and warehouses in Athens." It was not the first time of course

stores discovered selling undeclared merchandise were simply sealed and the contents taken over by the authorities. Dimitriadis mentions that he escaped that fate by paying his workers well who then did not turn him over to the authorities, but he later declared the contents himself to the authorities out of fear.<sup>61</sup> The explosion in prices and the mass hiding of merchandise that followed caused the authorities to lift many of the price regulations. Our protagonists could have made serious money selling cargo they had bought before the crisis, but were unlucky enough to have sold it two days before.<sup>62</sup>

Allied and resistance bombings also caused shifts in the market. In November 1942 Gorgopotamos bridge was blown up, cutting the main railway line for months. Next June Asopos bridge met the same fate causing new – albeit shorter – disruptions. Every time there were problems with overland transport, the value of being a boat-owner increased. In April Dimitriadis recorded the loss of some overland opportunities due to transport difficulties (possibly a result of the destruction of Gorgopotamos bridge),<sup>63</sup> while in June Hatzopoulos called the boat-owners lucky because they sometimes transported goods faster than trains making for higher profits.<sup>64</sup>

The constantly increasing need of the occupation authorities for ships resulted in the requisition of an ever growing number of them. By 1943 our protagonists were experiencing the effects of these measures. At first one, and later two of their boats were requisitioned leaving them with only one with which to perform their trade. They therefore had to use more and more overland transport, especially trains. Bribes and the

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(himself recording lootings by German troops in 1941), but the impact in the bourgeois Athenian circles was real (EAM belonged to the left).

<sup>61</sup> The contents of his store were about 10.000 okas of maize, 5.500 of grain and about 3.000 of beans. ELIA, MM-HA: Dimitriadis to C. Hatzopoulos, 8/10/1943 and 11/10/1943.

<sup>62</sup> ELIA, MM-HA: Dimitriadis to C. Hatzopoulos, 9/11/1943.

<sup>63</sup> ELIA, MM-HA: Dimitriadis to C. Hatzopoulos, 30/4/1943.

<sup>64</sup> ELIA, MM-HA: Hatzopoulos To Dimitriadis, 16/6/1943.

right connections allowed them to use many of the same methods, loading extra cargo on trains or securing false permits. They even took over supplying some Italian units as a way of securing access to more railway carriages.<sup>65</sup> In the beginning of 1944 the growing threat of allied planes took their toll on them: the only unrequisioned boat, the 9,7 ton “Evaggelistria” was sunk in the Platy harbour at the island of Limnos. Despite efforts to release some of the other ships it appears that nothing was done.<sup>66</sup> They were able to salvage “Evaggelistria”, but the damages needed extensive (and expensive) repairs.<sup>67</sup> 1944 was to be for them mostly a year of overland trade.

### **Concluding remarks**

1941-44 was a period of great upheaval, in which thousands of people died, a significant percentage of wealth changed hands and market distortions allowed for considerable profits if one was unscrupulous or simply adventurous enough and had the necessary means. Capital and boats were some of those means, and our protagonists certainly had both. They sometimes appear to have had reservations about risking too much or acting like a “gang”.

The image they had of themselves and their trade was certainly not negative. In their view it was the war, the authorities and the black market “gangs” who were to blame for the situation. Staying completely legitimate was foolish. It is no surprise that, just as most merchants, they usually referred to the black market (at least when it didn’t involve the “gangs”) as “the free market”. Similar, semi-positive views of the black market were not rare at the time. In 1942, the writer Panselinos calls the black market a

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<sup>65</sup> ELIA, MM-HA: Hatzopoulos To Dimitriadis, 5/5/1943.

<sup>66</sup> ELIA, MM-HA: Petitions of C. Hatzopoulos to Admiral Aegais (22/2/1944) and to the Agency for the Control of Coastal Ships (16/3/1944.)

<sup>67</sup> ELIA, MM-HA: Συμφωνητικό επισκευής [repair agreement], 20/4/1944.

natural market. The official one existed only to feed the government and those around it just as the government existed only to be fed by the legal market.<sup>68</sup> The industrialist Katsabas even went as far as to write that “the statue of the black marketeer” should be erected in Athens, for he resisted the occupation troops and without him half the population would have died.<sup>69</sup>

At the same time, most people considered the black marketeers who became suddenly rich (sometimes buying the homes of their clients in return for food) as the worst kind of utterly unscrupulous people. Hatzopoulos and Dimitriadis were not among the few well known black marketeers and appear to have escaped the worst of fates, something that could be related to the fact that they were established merchants and ship-owners before the war. The exact fate of their partnership after the liberation has not yet been traced.

The black market did not immediately disappear after the war. It continued, although at a much smaller scale, to be part of the experience of Greeks for years. The dominant role played by the black market in 1941-44 has never been repeated however.

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<sup>68</sup> Asimakis Panselinos: *Fylla imerologiou (1941-1943)*, Kedros, 1993p. 134.

<sup>69</sup> Christoforos A. Katsabas: *Pistevontas eis to mellon. To chroniko mias prospathias*, [n.p.], 1966, p. 200.