

HEADQUARTERS
U. S. STRATEGIC BOMBING SURVEY
(PACIFIC)
APO 234
C/O POSTMASTER SAN FRANCISCO

INTERROGATION NO: 198

PLACE: Tokyo
DATE : 1 Nov 45

Division of Origin: Civilian Supplies.

Subject: Standard of Living

Personnel interrogated and background of each:

Mr IMAI, Director of the National Savings Bureau,
Ministry of Finance.

Where interviewed: Room 351, Meiji Bldg.

Interrogator: Lt Schmidt.

Interpreter : Mr Taji

Allied Officers Present: None

SUMMARY: Topical:

1. Functions of Bureau
2. Demand and Supply of Savings
3. Savings of Individuals
4. Basis of Planning
5. Reasons for deficiency in savings
6. Decline in standard of living
7. Government attitude toward standard of living
8. Establishment of Home Defense
9. Black Market Purchases
10. Black Market Exploitation
11. Evacuation
12. Questionnaire

I N T E R R O G A T I O N

1. Functions of Bureau: Functions of Bureau include: encouragement of savings by the Japanese people in all forms (postal savings, lotteries, bonds and shares, life insurance). Savings plans coordinated with needs for industrial capital and government bonds. (For data on taxes see Bureau of Taxes in the Finance Ministry, Mr MAEO, 1st Div. Director).

2. Demand and Supply of Savings: Prior to China Incident in 1937 the demand for funds for industry and government combined amounted to Y 3 to 4 milliard annually. After the start of the China Incident, demand increased to Y 8 milliard in 1938, Y 11 milliard in 1939, etc. Bureau of Savings established in 1938 to deal with the increased demand. Planned requirements for 1940 were Y 14 milliard, 1941 Y 18 milliard. Funds were obtained from individuals, corporations, etc.

Amounts actually collected:

1938	Y	7	milliard	
1939		10	"	
1940		13	"	
1941		16	"	The deficit in each
1942		23	"	year was met thru
1943		31	"	issuance of additional
1944		48	"	currency.

3. Savings of Individuals: Savings of individuals declined relative to total from 1937 to 1944. In 1938 the proportion of individuals estimated by Mr IMAI to be 66 2/3%; in 1944 about 64 - 65%.

4. Basis of Planning: Bureau operated on principal of getting back in all the banknotes issued by the government in the previous fiscal period. No figures on total individual income available as basis for planning.

5. Reasons for Deficiency in Savings: Gap between amounts actually saved and required widened because of the

enormous expenditures of the government for munitions in the war years which resulted in larger purchasing power and rapidly rising prices.

6. Decline in Standard of Living: Standard of living for the employed considered to be adequate in 1935 -37; the number of unemployed amounted to roughly 700,000 out of an employable population of 25 million (?) (68 million total population). Actual standard of living in 37 - 41 20% lower than 35 - 37. Period 41 - 43 about 50% lower than 35 - 37. The 1944 standard of living was sub-minimum; after the fall of Saipan the standard of living fell very rapidly. Food in latter part 1944 about half of 1935 - 37; all other articles negligible. Mr IMAI does not recall any public expressions of dissatisfaction with the standard of living.

7. Government attitude toward Standard of Living: Salaried worker had much more difficult time than the factory laborers - factories distributed food and clothing to the workers. Government was not concerned with the standard of living. Army and Navy got what it needed and the civilians received the scraps that were left. Mr IMAI doubts if this state of affairs would have been tolerated beyond December 45. The government had no plan to increase the standard of living of the people. Very few people actually realized what the true attitude of the government was on this matter.

8. Establishment of Home Defense: Home defense of 3 million men ordered by the military without the knowledge of the civil government - problem of feeding and equipping them was a serious drain on the economy.

9. Black Market Purchases: As time went on transport employees received preferential treatment. Trade and transport facilities declined in efficiency. Even those who received preferential treatment were obliged to buy on the black market. A bachelor could get along pretty well.

From 10 - 20% of needs of those receiving preferential treatment had to be met on the black market. A family man not receiving preferential treatment had to buy 40 - 50% on the black market.

10. Black Market Exploitation: Farmers took advantage of the war to raise the standard of living by holding back a portion of their product and selling it on the black market. Army and Navy consumed about 80% of national production of civilian supplies by the end of war (this includes supplemental allowances to munitions workers).

11. Evacuation: Because of poor transport facilities, people evacuated from cities prior to air attack were required to dispose of household furnishings and extra clothes for nominal sums or destroy them. People evacuated without their belongings were not assisted by the government - people allowed to take only two bundles with them. About 2.3 million who left Tokyo were evacuees, another 2.3 million were refugees.

12. Questionnaire: Mr IMAI took with him a copy of the attached questionnaire and agreed to bring in additional information and statistics relating to it and to national savings.

U.S. STRATEGIC BOMBING SURVEY
APO 234, c/o POSTMASTER
SAN FRANCISCO, CALIFORNIA
MANPOWER, FOOD & CIVILIAN SUPPLIES

31 October 1945

TO : Bureau of Living (SEI-KATSU KYOKO), Ministry
of Welfare (KOSEISHYO).

FROM : Lt C. H. SCHMIDT, Civilian Supplies Section, U.S.
Strategic Bombing Survey, Room 351, Meiji
Building, Tokyo Japan.

SUBJECT : Request for Answer to the following questions.

I. You are requested to furnish answers to the following questions by 8 November 1945 to Lt. C. H. SCHMIDT.

1. What happened to the standard of living of the lower and middle income groups in Japan Proper during the period 1935-45?

- (a) How would you characterize the standard of living in 1935-37?
- (b) Was the standard of living higher or lower during the years 1937-41 than it was in 1935-37? How about 1941-43 compared with 1935-37? 1945 compared with 1935-37? (In answering these questions, be sure to state the basis of your comparisons.)
- (c) How did the standard of living vary in each of the above mentioned periods as between rural and urban areas? As between the different economic regions of Japan Proper?

2. At what time during the war did shortages of basic necessities first begin to be felt?

- (a) In the order of their importance, what basic necessities were hardest to obtain (do not include luxury and non-essential items in your list)?
- (b) As between rural and urban areas and economic regions, which of the above mentioned basic necessities were hardest to obtain?

- (c) What steps were taken to alleviate shortages of the above mentioned basic necessities?
- (d) What was the effect of the air attacks against urban areas on the supply of basic necessities?
- (e) What effect did the shortages of basic necessities have on the people?

3. How successful was the government policy of evacuating such urban areas as Tokyo, Osaka, Kobe and Yokohama prior to air attacks?

- (a) Was much personal property saved from destruction by evacuation?
- (b) Did the people cooperate with the government's evacuation plans? If not, why not?
- (c) Give figures on the number of people evacuated from the principal cities prior to air attacks (do not include people whose houses were destroyed by air attack and who were therefore obliged to leave).
- (d) Did the average person evacuated from an urban area take with him enough clothing and household furnishings to satisfy his needs for some period of time?
- (e) What was done with household furnishings that could not be evacuated with their owners?

4. What is possible to meet the minimum basic needs of the civilian population from the level of production in the civilian goods industries prevailing in the latter half of 1944?

5. Given the level of production in the civilian goods industries prevailing in July-August 1945, could the minimum basic needs of the civilian population have been met for the ensuing year without some diversion of labor and materials from war production to civilian goods production?

6. If your answer to (5) above, is no, and no material and labor had been diverted from war production, what do you think would have happened to:

(a) The productive efficiency of the worker.

(b) The health of:

(1) The worker.

(2) The general populace.

(c) The morale of the general populace.

7. To what extent were the needs of an average family satisfied by purchases on the black market in 1941? 1942? 1943? 1944? 1945?