

CAPITAL EQUIPMENT AND CONSTRUCTION DIVISION
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ALLOCATION OF MATERIALS FOR MACHINERY DURING THE WAR
AND FUNCTIONS OF THE MACHINERY CONTROL ASSOCIATION

How were the materials allocated and distributed to the manufacturers hands? And what sort of duties had the Control Association of Machinery performed in the allocation system of materials?

Before explaining these questions, we think an explanation on "How had the Material Mobilization Plan been formed, the peculiarity of Material allocation for machinery, and the changes which the machinery control system have undergone will make the whole situation more clear.

1. The formation of the Material Mobilization Plan and the peculiarity of material allocation for machinery:

During the war, the Material Mobilization Plan was based on allocation quantity of ordinary structural steel (plates, shapes and bars) and was divided into three groups the Army, Navy and Civilian. The civilian group was subdivided into Production Expansion, government (other than Army and Navy), Outer-Territory, Yen-Block (Manchuria and China) and Non-Planned Industry groups. Furthermore, each of these groups was again classified by the types of industry. The industry such as the medicine sanitation and food-stuff which are indispensable to the life of people were classified into the Non-planned group and received severe oppression in production whereas the various types of raw materials, productional industry, which produce the War requisite materials, such as coal, non-ferrous metals, petroleum and light metals, were placed comparatively at the favorable position in the scheme. But most of the machinery, except automobiles, machine tools, electrical machines of universal type, rolling mills, various kinds of presses, sheet forming machines, universal air compressors and pneumatic tools, were excluded from the Material Mobilization Plan. These machinery mentioned above were not listed in the Material Mobilization Plan at the beginning but were considered as late as the beginning of the year 1944. Consequently, the materials for the machinery, which are not listed in the Material Mobilization Plan, had to be obtained from the quantity allocated to the raw material production group by the Material Mobilization Plan. Furthermore, Army's and Navy's orders for machines were issued direct to the manufacturers inspite of the fact that these machines were handled by the machinery Control Associations. The materials for the machines ordered were given out of Army's and Navy's appropriations of Material Mobilization Plan.

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You can see from the above that the Machinery Control Association was not permitted to control. The only control which the Machinery Control Association had taken part was in allocating of materials for the civilian use equipment. It can be said that the control of the machinery production industry was pluralistic, and we can say that in view of the total production of machinery we had the control of only a trifle part.

Now taking the enterprises of our member companies for an example, we have shown below what part of the total production of our member companies were the quantity of production of machinery which are under our Association's category.

1941	-	25 %
1942	-	20 %
1943	-	19 %
1944	-	16 %

You can understand from the foregoing the peculiarity of the control scheme which was carried out in Japan.

2. Changing Phases of Machinery Control:

With the outbreak of the China Incident in July 1937, the demand for iron and steel increased suddenly both in munition and civilian uses. It became impossible to fulfill the demand by actual increase in production. As the result, the balance of supply and demand was broken and the iron and steel Shortage occurred.

Then the problem of iron and steel allocation and control scheme began to be discussed. In October 1937, a cooperative sales guild was formed for a certain type of rolled steel and, as its supervising organ, Japan Steel Material Sales Association (NIPPON KOZAI HANBAI RENGO KAI) was organized. And as for the Machinery, in order to promote better security of iron and steel material, many machinery guilds, one for each type of equipment, were organized, as cooperative benefit bodies, in the latter part of 1938 and in 1939. These guilds or associations were organized under the Industrial Guild Laws and were self-governing bodies.

Now speaking of how the machinery control was enforced during this period, each industrial guild had a sort of production checking committee and every one, by its own method, controlled the production; and the allocation of materials was its main work. Although there were few among these associations that adopted the progressive idea of controlling "the orders receiving" but most of them had not acted beyond controlling "the orders issuing" by the consumers or demanders.

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It was in 1940, when the "Machinery Orders Recognition System" was enforced, and the control of machinery was put on a uniform basis. This Machinery Orders Recognition System was such that the Machinery Section of the Ministry of Munition's checked the propriety of orders for machinery which the raw material producing industry group was allowed to be placed within the limits of allocated quantity to this group by the Material Mobilization Plan. Actually this checking by the Machinery Section was nothing but swallowing of the whole thing placed before them and this did not only go beyond the control of "the orders issuing" but hindered the growth of the progressive control scheme of "acceptance of orders" which some of the guilds had been adopting.

There was one feature that by the above system of checking of all desired machinery at the Machinery Section, was the grasping of total scope of machinery demands was made easier. But, on the other hand, you might say, self-governing control turned into the government control.

This type of controlling had continued a short time after the organization of the Control Associations took place of the cooperative industrial guilds which was dissolved.

In 1943, with the enforcement of "Iron and Steel Planned Production Act," the Machinery Planned Production Enforcement Act was also issued for machinery; and in 1944, these act were revised to Iron and steel Supply and Demand Regulation Enforcement Act and Machinery Supply and Demand Regulation Act. It may seem that, by the "Planned Production" and "Supply and Demand Regulation", the controlling of "Order Acceptance" control but these names were just mere names and were of no actual improvements. In fact, we had to face with the same old control of the "controlling of order issued by demanders" till the last day of war.

There are various reasons which lead to this condition but the following points are the main factors, we think.

1. The materials required to produce the large percentage of machinery in demand were not considered in the Material Mobilization Plan.
2. The materials for the machinery to be manufactured had to be transferred from the quantity allocated for the Raw Material Industry groups by the Material Mobilization Plan.
3. The demand for machinery and transferring of materials required from various groups were not at all in step and this irregularity made the compiling of necessary data before the required date impossible.
4. Consequently the Machinery Control Association

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could not grasp the whole situation of demands on the machinery.

5. The supervision of delivery of finished products was not thorough enough.
 6. The orders issued by the Army and the Navy for the Machinery and Arms which are to be manufactured in the industrial machinery makers were of unknown quantity; that is we were not allowed to know the exact figures.
 7. The fact that we were not allowed to know the volume of orders for the machinery given out by the Army and Navy made it impossible to estimate the exact production capacities of machinery manufacturers and made us powerless but to recognize all demands made by the consumers unconditionally.
3. The distribution of materials for machinery and the part taken by the Control Association.

The distribution control of materials for machinery which was enforced according to the Machinery Order Recognition Plan, Planned Production Enforcement Act and Supply and Demand Regulation Act is roughly explained below.

1. The demander of machinery, filling out the necessary items on the "Certificate of Machinery Demand," Submitted this certificate to the Control Association which the demander is attached or to the competent governmental office. On this certificate, the name and type of machinery wanted, the required quantity, the price, the proposed place of installation, desired manufacturer, the types and quantity of materials required, the time of delivery wished and the reason for the demanding are to be filled out.
2. The controlling body, which the demander is attached, in receipt of the certificate, makes the decision on the propriety of issuing of the orders by considering the degree of importance which the demander stands in its industrial field, the degree of necessity of the machinery, ~~production from the allocated quantity~~ the quantity of materials transferred to the machinery production from the allocated quantity by the Material Mobilization Plan and the production Plan.
3. The certificates, if recognized, are sent to the corresponding Machinery Control Association and at the same time the required margin of allocated materials are transferred to the Machinery Section of the Ministry of Munition.

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4. The Machinery Section in turn, transfers this margin of Materials to the Machinery Control Association.
5. The Machinery Control Association allots the materials to the manufacturer of machinery; if in case of iron and steel the certificates of iron and steel are issued.
6. The manufacturers, upon receipt of the above certificates submit them to the iron and steel distributing organ and buy the materials from them.

Did the manufacturer always get the actual materials by the allocation certificates? Not always. The iron and steel control regulations had been revised many times in order to improve the difficulty of acquiring the real materials, but since the figures of the Material Mobilization Plan being just a planned quantity and not necessarily actual production quantity, the supply and demand regulation of the proper materials by types and sizes were extremely difficult and furthermore by receiving only the transfer of the allocation of materials for machinery, considerable more time was required in issuing the Certificate of Allocation to the manufacturer compared to the handling of the construction materials of Army, Navy and Raw Material Production group. As the result it was almost impossible to acquire the required materials at the required time.

This trend grew worse and worse from the latter part of 1942 on and due to this situation which led to the special listing of steel sheets and bars on the preferred rolling schedules and the attempts to make additional machines in haste to complement the drop of production in raw materials industry which gradually became noticeable, created the overflow of so called urgent machines and equipment in demand.

Above we have explained the situation regarding the ordinary rolled steel which is the most important material used in production of machinery but as for the other materials, such as pig-iron, cast steel, forged steel, non-ferrous metals and those what we call sub-materials, such as fuel, fats, agricultural goods and chemicals, their allocation and distribution system were similar fundamentally. These materials like the iron and steel became also scarce and especially toward the end of the war, the certificates without material backing were widely issued and circulated. Every controlling body was making strenuous efforts to obtain the quantity of material allocations which were nothing but the claims on paper without actual backing and also spending still more effort in realizing of the certificates into actual materials.

Up until the end of the war the machinery control had been the Material Control. The distribution of materials were made only for those machines for which the "Production Orders" had been issued by the competent governmental office or for which the production had been approved by the Control Association; and selections and designations of manufacturers had not been practiced. Furthermore, as the thorough delivery control of finished products was not enforced, the manufacturer could have produced, with their own material on hand, any machinery freely except those which were prohibited by law; and since the government did not forbid these acts, many

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unnecessary machines with low priority had been made. No doubt much of this machinery was sold to the comparatively unimportant companies law in the preferential standings and not to the companies really in need of them. So, it was possible to divert the finished product to the company or to the industrial group which did not transfer the material allocation instead of the company or the industrial group which actually transferred the material allocations.

From the foregoing you can roughly see the part that the Machinery Control Association took all through the stages of Machinery Control Changes. The guiding principle which we had at the time of organization of this association had no chance to be realized as the bureaucratic control became strong and powerful. Since we only survived as a sub-working body of the government, such work like decision of material allocations to our member companies was just a form for us; in reality the government had begun to have the whole say. Especially after the establishment of munition supervision Office in various sections in the country as the sort of representative body of the Ministry of Munition in 1944 the Control Association became nothing but a body of assistances to the Government's Office Works and we faced the War's end as being only an organ of issuing the certificates of material allocation.

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