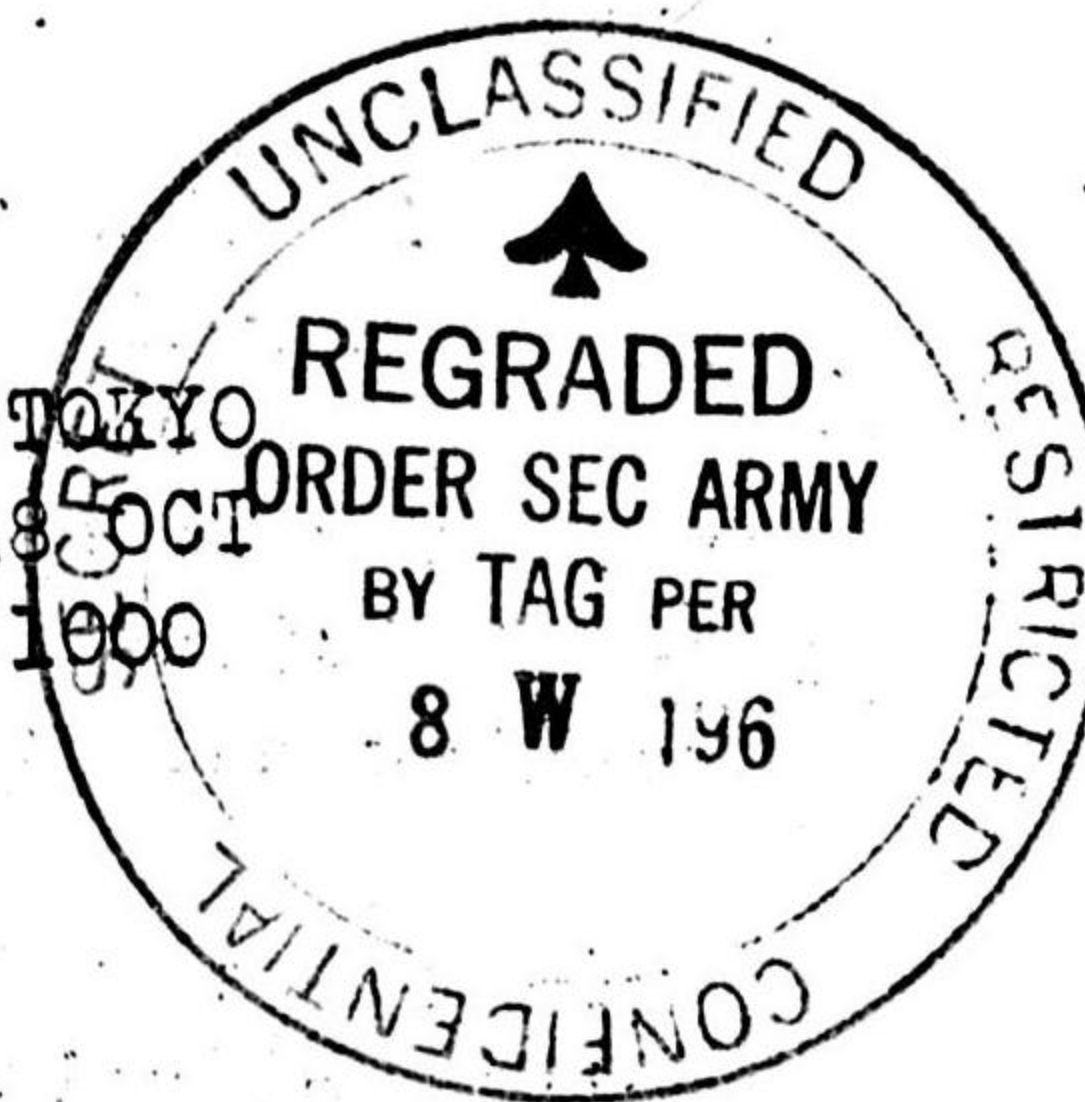


HEADQUARTERS
U.S. STRATEGIC BOMBING SURVEY
(PACIFIC)
C/O POSTMASTER, SAN FRANCISCO

~~RESTRICTED~~

INTERROGATION NO. 69

PLACE: TOKYO
DATE: 18 OCT 1950
TIME: 1000



Division of Origin: Basic Materials Division.

Subject: Army Procurement of Iron and Steel.

Personnel Interrogated:

Colonel SATO, Chief of Staff Seibykyoku, Procurement
Division, Army ministry.

Interrogator: Lt. (jg) R. I. Galland
Lt. Comdr. D. A. Burr.

Interpreter: Lt. I. K. Lansner.

Allied Officers Present:
2nd Lt. A. Smith, Equipment Division, U.S.S.B.S.

SUMMARY

Brief discussion of methods of clearing Army requisitions of iron and steel through ticket allocation system.

The meeting was primarily devoted to an examination of charts showing the Army supply organization. These charts have been turned over to G-2 and interested divisions.

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Distribution: All Divisions

INTERROGATION No. 69

The meeting was largely taken up with preliminary examination by representatives of several Survey divisions of charts of organization of the Army Ministry procurement and supply agencies, submitted in response to a request of the Petroleum and Military supplies divisions. These charts have been turned over to G-2 for mimeographing and distribution.

In the few minutes remaining for specific discussion of basic materials questions, the following information was obtained:

1. Allocations of Steel to the Army.

Figures showing allocations according to national allocation categories, i.e. "A" the Army, "B" the Navy, "C" the Civilians, do not reveal the entire totals consumed by the military. For example the "C" category included machinery producers, secondary manufactured goods producers, etc. Although allocation figures, e.g. those received by USSBS from the Tekko Tosei Kai show a considerable portion of total steel materials tonnage going to the "C" category, a part of that tonnage in the form of finished machines and products was taken from the manufacturers by the Military.

The agencies through which the purchases of steel were made by the Army are partially illustrated by Chart No. 25 of those received at this meeting. Intermediate steel was obtained either from the Iron and steel sales Control Company or directly from the producers on the basis of the Army's allocations from the Munitions Ministry. Such intermediate steel was then used by the Army in its own ordnance plants, engineering projects, etc. The Army also directed some of this intermediate steel to producers of finished products for the production of Army material.

In addition the Army as the allottee of a certain amount of various finished steel products - i.e. machine tools, trucks, wire, nails, etc., could issue tickets against this allotment to the manufacturers of such materials or to the control associations of such manufacturers. Such tickets could then be converted into raw materials by the manufacturer or his control association. In accomplishing this the manufacturer presented the ticket to his control association, received tickets for raw materials and presented such tickets with orders, either to the raw materials producer or to the control association having jurisdiction over the raw materials.

DISTRIBUTION: All Divisions

R E S T R I C T E D

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