

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

INTERROGATION NO. 38

PLACE: TOKYO
DATE: 11 October 1945
TIME: 1330

Division of Origin: Basic Materials Division, Iron and Steel Section.
Subject: Iron and Steel Allocating and Distributing Agencies.
Personnel Interrogated:

OHARA, H.	Chief Engineer, Iron and Steel Department, Commerce and Industry Ministry.
FUJII, Heigo	Director of Iron and Steel Control Association.
HOSOI, J.	Chief of Iron and Steel Section of Mining Bureau, Commerce and Industry Ministry.
YAMADA, Tad	Chief, Pig Iron Section, Iron and Steel Control Association.
SHIBASAKI, K.	Manager of Production Department, Iron and Steel Control Association.
TOKIYAMA, E.	Director of Iron and Steel Control Association.
KOSHI, T.	Director of Iron and Steel Control Association.
KUROSE, G.	Chief of Distribution Section, Iron and Steel Control Association.
YUKAWA, K.	Director of the Osaki-Kinki Branch of the Iron and Steel Control Association.
TODA, K.	Chief of Distribution Section, Iron and Steel Control Association.
HUZISAMA, Y.	Chief of Raw Materials Department, Iron and Steel Control Association.

Where Interviewed: Offices of Iron and Steel Control Association.

Interrogator: Lt.(jg) R. I. GALLAND, USNR.

Interpreter: Lieut. R. BOYD, USNR.

Allied Officers Present: Lieut. S. H. ROBOCK, USNR, U.S.S.B.S.
Capt. E. N. LIPP, AUS, Economic and Scientific Section, GHQ.

SUMMARY

Industrial controls over the allocation of iron and steel products began in 1938 under the Japan Steel Materials Association with overall plans being determined in the Council for the Control of Iron and Steel which advised the Ministry of Commerce and Industry. In 1940 the Cabinet Planning Board took over the Council's functions. The machinery for the allocation of steel products was incorporated into law April, 1942.

Distribution of iron and steel products is through a sales control company and the eight leading trading companies who finance the transactions.

List of materials received is appended.

Distribution: All Divisions

INTERROGATION NO. 28.

ALLOCATIONS, CONTROLS.

In 1937 the total demand for steel products exceeded the domestic supply in Japan. In order to stabilize supply and demand of rolled steel products the manufacturers formed separate Joint Sales Unions for the various products categories. As the central coordinating office of these sales unions the Japan Steel Materials Association was formed in October, 1937. (1) Autonomous allocation by the industry of the supply of steel products was begun. (2)

In 1938 the Iron and Steel Distribution Control Regulations were passed, under which a ticket system of allotting steel products was set up. That year too, a Council for the Control of Iron and Steel was formed to plan the supply and demand of steel products in accordance with national materials needs. This Council was headed by the Director of the Iron and Steel Bureau of the Commerce and Industry Ministry. It was a large committee consisting of representatives of the government and the Cabinet Planning Board, of Nippon Seitetsu, of the Joint Sales Unions and the Steel Materials Association and of steel consumer categories including the Army and Navy. Its plan was in four categories; (1) production by classification of product, (2) imports, (3) distribution in accordance with consumer categories, and (4) exports. (3) The plan for the overall allocation of steel was made on an annual basis until December, 1941. Thereafter raw materials supplies were so uncertain that national allocation plans were for 6 months only. In 1940 the Cabinet Planning Board took over the functions of the Council for Control of Iron and Steel and disestablished the Council. The industry control organization took over the overall plan from the Council and gave it detailed execution in the association's quarterly plans. These plans specified production quotas for members and allocated the several products by category to various consumers' control associations. Sub-allocations to specific consumers were made by their control associations.

Production estimates and quantities to be allocated were based upon quarterly reports of producers to the control associations.

INTERROGATION NO. 38

Under the Draft Ordinance for Adjustment of Supply and Demand of Iron and Steel, effective April, 1942, and revised April, 1944, the allocation was similar. Consumers were required to submit requirements four months before the quarter in which required. The consumer's control association passed its estimate of needs to the Bureau of Iron and Steel in the Ministry. There the Bureau, together with the Army and Navy, (4) decided on total amounts to be allocated per consumer categories. These totals were reported to the Iron and Steel Control Association which broke the totals down into the control associations to whom the allocations were made.

DISTRIBUTION AGENCIES.

Actual sales to the individual consumers who had been authorized to take steel by their control associations was made through the distribution agencies of the Iron and Steel Control Association, (5) as shown on Charts No. 1, 2, and 3, received at our meeting on 8 October 1945. The joint sales unions of producers of similar products gave up their sales control in 1939 to three exclusive purchase and sale corporations which in turn merged into the Iron and Steel Sales Control Company, Ltd., (TEKKO HAMBAI) in November, 1941. This sales control company was capitalized at 1,000,000 yen only. For the actual distribution and financing of sales to consumers the sales companies relied upon authorized distributing agents. These agents, the eight leading trading companies, undertook the financial function of paying producers within 25 days.

INTEGRATION OF MANCHURIAN ALLOCATIONS.

In January each year at a joint meeting of representatives of the Manchurian puppet government and representatives of the Cabinet Planning Board, General Mobilization Bureau, and Munitions Ministry, total allocations were decided upon to use the products and to fill the needs of Manchuria. Such estimates were thereafter revised as necessary. For example, it was necessary to revise the production quota for Showa Steel at Anshan in July, 1944 and again in October

THE CRATION OF MANCHURIAN IRON AND STEEL.

and November, 1944 as a result of B-29 raids there. The Iron and Steel Control Association has a Manchurian Branch.

MISCELLANEOUS.

The fiscal year of the Iron and Steel Control Association is from April through March and their records are usually kept in quarters.

The capacity estimates furnished in tables received at this meeting are not rated capacity but technically estimated production forecasts.

A list of materials received at the meeting is attached. The materials are available in the Basic Materials Division.

Footnote #1

In August, 1937 the Iron and Steel Manufacturing Industry Law had been passed which provided, in Article 18, that iron control agreements concerning production, sales, exportation, importation and purchase of raw materials must be reported to the government, and, in Article 20, that the government might direct on matters of supplies, sales prices, terms of sales and other necessary matters concerning the industry.

Footnote #2.

See Chart No. 1, furnished at U.S.S.B.S. Iron and Steel Interrogation of 8 October 1945 for channel of distribution.

Footnote #3.

Licenses for foreign trade were regulated by the Finance Minister who required the Council's approval before issuing an import or export permit.

Footnote #4.

There were also, apparently, various products advisory committees, e.g. the Central Rolling Committee, which gave special attention to the allocation of certain products.

Footnote #5.

The Iron and Steel Control Association was formed November, 1941 under Key Industries Organization Ordinance.

BASIC MATERIALS DIVISION

Materials Received, 11 October 1945.

1. Five year Plan of increase of production of pig, steel and finished steel.
2. Capacity and Number of Blast Furnaces and Production of Pig Iron.
3. Manufacturers Capacity and Actual Production of Open Hearth Metal in Jap Mainland and Korea.
4. Number, Capacity and Production of Electric Furnace Plants of Japan.
5. Manufacturing Capacity and Actual Production of Steel Materials in Jap Mainland and Korea.
6. Classified Production of Ordinary Steel Materials.
7. Classified Table of Distribution Plan and Actual Consumption of Steel and Iron Materials, 1940 - 1945.
8. Actual Supply of Iron Ores, Iron Sands, Pyrites Sinters.
9. Mozan Mining Details.
10. Iron and Steel Scrap recovered in Japanese Mainland.
11. Actual Distribution of Coal for Iron and Steel Manufacturing.
12. Production of Coke for Iron and Steel Manufacturing.
13. Table of Ferro Alloy Production, 1935 - 1944.
14. Producing Facilities and Actual Result of Raw Iron Factories.
15. Capacities and Actual Production of Electric Pig Iron.
16. Capacities and Actual Production of Small Type Blast Furnace in Foreign Land.
17. Capacities and Actual Production of Charcoal Iron.

INTERROGATION NO. 38

18. Capacities and Actual Productions of Pig Iron of Small Type Blast Furnace.

19. Pig Iron, Steel Ingots, Steel Materials Manufacturing Capacity, 12/31/44, and 8/20/45.

20. Plan for Moving Iron and Steel Manufacturing Plants to Korea, Manchuria, Mongolia, and China.

21. Damages in Iron and Steel Works Caused by Air Attacks.