Documents G Tokyo Vol. II

ESTIMATE
of
Potential Military Strength
Documents G
Naval Attaché
TOKYO

Volume 2
Documents Numbers 27 to 55
(26 Aug. 1938 — 16 Jan. 1940)

O. N. I. 90

ISSUED BY THE INTELLIGENCE DIVISION, OFFICE OF CHIEF OF NAVAL OPERATIONS, NAVY DEPARTMENT

ATTACHÉ'S REPORT

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From NA/Tokyo Date 26 August, 1938 Serial No. 178 (Commence new series each January first) File No. 602-1000 (Select proper number from O. N. I. Index)

Source of information Dependable

Subject Japan (Nation reported on) Cities & Towns - Coast Cities & Towns (Index title as per index sheet) Logistics (Subtitle)

Reference

BRIEF.—(The review, indexing and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention [redacted] graphical, personal, or political names, and the gist of the report.)

Japanese Oil Situation - Calendar Year 1937

[redacted]

SEP 17

DECLASSIFIED
E.O. 11652, Sec. 3(E) and 5(D) or (E)
OSD letter, May 3, 1972
By RT, NARS Date MAY 21 1973

Director | B-1, B-2 ... | B-12, B-13, B-14, B-15, B-16 | graph

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U. S. GOVERNMENT PRINTING OFFICE

[redacted]

Report No. 178
Japan
August 26, 1938

600 - Cities and Towns
602 - Coast cities & towns
1000 - Logistics

Japanese Oil Situation - Calendar Year 1937

Reference: NA/Tokyo Report No. 237-37 = 13177-H

Enclosure: Confidential table of detailed figures.

The following report is an outline in long tons of the oil situation in Japan as noted in detail in the enclosure. The source, dependable, is the same as in the referenced report.

Factors used:

Fuel oil - 280 gallons equal one ton.
Crude oil - 300 gallons equal one ton.
Diesel oil - 320 gallons equal one ton.
Kerosine and light oils - 330 gallons equal one ton.
Gasoline - 360 gallons equal one ton.
Lubricating oil - 304 gallons equal one ton.

	1937	1936
1. DOMESTIC PRODUCTION		
(a) Crude		
Japan proper	344,000	336,964.6
Formosa	5,060	5,193.8
Saghalien	227,800	166,548.8
Manchuria	148,800	170,812.3
Totals	725,660	679,519.5
(b) Fuel oil and Diesel oil		
Japan	420,900	325,431.1
Korea	45,570	11,209.4
Formosa	552	708.
Manchuria	76,820	82,272.3
Totals	543,642	419,620.8
(c) Gasoline	694,660	605,905.5
(d) Kerosine and light power oil	151,680	176,593.5
(e) Light or gas oil (neutral below 28° API)	177,400	101,375.3
(f) Lubricating oils	304,600	276,051.6
2. IMPORTS (other than Government)		
(a) Crude	2,168,000	1,465,767.1
(b) Fuel oil	628,000	622,536.6
(c) Diesel oil	1,092,000	977,523.1
(d) Gasoline	589,500	569,422.4
(e) Kerosine and light power oil	136,300	99,393.9
(f) Lubricating oils	60,240	50,221.5
Totals	4,674,040	3,784,864.6

[redacted]

3. GOVERNMENT IMPORTS (Navy)	1937	1936
(a) Crude		
United States	462,500	156,466.5
(b) Fuel oil		
United States	349,500	331,672.4
Dutch East Indies	82,250	100,141.2
Totals	894,250	431,813.6
(c) Gasoline		
United States	33,200	no data

4. TOTAL SUPPLY *		
(a) Crude	3,360,000	2,301,753.1
(b) Fuel and Diesel	2,700,000	2,446,372.2
(c) Gasoline	1,518,000	1,191,994.6
(d) Kerosine and light oils	289,300	275,987.8
(e) Light oils	177,600	101,375.5
(f) Lubricating oils	363,500	325,867.4
Totals	8,208,400	6,643,350.

* - Based on production and imports (including Navy) of calendar year 1937. Stock carried over not considered.

5. CONSUMPTION (other than Government) **		
(a) Crude (Domestic Production and imports)	2,670,000	1,978,737.9
(b) Fuel and Diesel (Deliveries)	1,968,000	1,689,139.
(c) Gasoline (Deliveries)	1,138,000	1,042,705.3
(d) Kerosine and light power oils (Deliveries)	263,700	226,862.5
(e) Light oils (Deliveries)	125,000	111,404.7
(f) Lubricating oils (Deliveries)	372,000	299,148.1
Totals	6,536,700	5,347,997.5

** - Based on actual sales and estimated deliveries except for crude oil, for which the sum of production and import figures was taken.

6. CONSUMPTION (Government)		
(a) Crude (imports for Navy)	690,000	323,015.3
(b) Fuel and Diesel oil (Navy)	461,800	470,416.6
Totals	1,151,800	793,431.9
(c) Gasoline (Navy)	39,010	

7. SUPPLY OVER CONSUMPTION (includes Government)		
(a) Crude	None	None
(b) Fuel and Diesel oils	263,870	286,816.5
(c) Gasoline	141,980	132,622.7
(d) Kerosine and light power oils	199,453	49,124.7

(e)	Light oil	410,820	(_) 10,029.4
(f)	Lubricating oil	(_) 8,260	27,114.5

8. NAVY OIL IN STORAGE ***

(a)	Crude and fuel	3,000,000	2,700,000.
(b)	Gasoline	300,000	290,000.

*** - Estimated. See NA/Tokyo Report No. 271-37

9. CIVILIAN COMPANIES' RESERVE OIL STORAGE ****

(a)	Crude	1,000,000	1,000,000
(b)	Fuel	450,000	400,000
(c)	Diesel	450,000	400,000
(d)	Gasoline	525,000	500,000
(e)	Kerosine and light power oils	170,000	125,000
(f)	Light oils	200,000	50,000
(g)	Lubricating oils	140,000	150,000

**** - Estimated.

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From NA/Tokyo Date August 29, 1938 Serial No. 183 (Commence new series each January first) File No. 600 (Select proper number from O. N. I. Index)

Source of information

Subject Japan (Nation reported on) Cities and Towns (Index title as per index sheet) (Subtitle)

Reference (a) DNI letter Op-16-B-11 H1-7/WH5 Serial No. 1546 dated 13 July 1938.

Brief.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

[redacted]

JAPAN - THE MANDATE ISLANDS

SEP 17 1938

This is a partial translation of a report submitted 10 April 1933 by Commander Robbe, "Chef du Service Transit de Shanghai", to the French Admiralty. Copy of the complete report was loaned to this office by the French Naval Attache in Tokyo and translation made by Miss M.E.Downes. Only those parts of the report that were the result of observations made by Commander Robbe during his trip to the Mandate Islands have been translated. The remainder of the report, which was not translated, was obtained from various published documents concerning the Mandate Islands, such as Japan's Annual Report to the League of Nations, Japan Year Book, etc.

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One to my Mandate File; base. JMC

U. S. GOVERNMENT PRINTING OFFICE

INTELLIGENCE REPORT

Shanghai, 10 April 1933

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JAPAN - THE MANDATE ISLANDS

GENERAL CONDITIONS. JAPANESE COLONIZATION.

Navigation:

According to the Captain of the SHIZUOKA MARU (N.Y.K.) who has long experience of navigation in the South Sea Islands, a line going approximately from Saipan to Palao divides the islands into two zones.

In the zone situated west of this line, and especially in the region between Menado and Palao, violent and irregular currents are found, reaching often 4 knots (100 miles in 24 hours).

In the zone situated east of this line, a zone comprising almost all of the Carolines, and all the Marshalls, the currents are irregular, but feeble and often nothing. Navigation is easy here.

The principal difficulty lies in the lack of information and indications procured from soundings, as well as in the lack of lights. There is only one beacon-light, which is situated at Palao. On the other hand, the principal harbors are very well marked with buoys, permitting one to do without pilots, who donot exist at any rate. The comparison with our roadsteads of the Pacific is not favorable to us, and the roadsteads such as Fakarava and Papeetoai (where the KERSAINT was lost) and even such as Papeete, make a bad showing, in this regard, when compared with Jaluit or Truk.

It is almost certain that the Japanese Navy possesses secret maps, better than those sold to the public, the latter not containing information on the various calls made by Navy ships.

Supplies:

On can summarize the question of supplies, saying that it is nowhere possible to procure coal, Fuel Oil, or fresh water. Evidence of this fact is that the ships of the Nippon Yusen Kaisha effect the trip from Yokohama to Jaluit and return (38 days) without taking on coal or water in any port. Only very restricted supplies of coal exist and it is impossible to get a concession. Because of the great distances to travel, this causes great inconvenience in navigation in the islands. Perhaps this is the wish of the Japanese who have no desire to attract foreign visitors.

Procuring of provisions is only possible in small quantities. The ships of the N.Y.K. depend almost entirely on their refrigerators. Nevertheless, beef is to be found at Kusaie and at Ponape. It is surprising to find food shops everywhere (except at Kusaie) with supplies of simple food. The price of food and provisions is generally low.

No repairs are possible except by private arrangements, and for small jobs only. However, one finds everywhere good carpenters, and in the Marshalls motor schooners of 30 tons are constructed.

Preparations of a Military Nature.(General):

Detailed information on this subject will be found elsewhere. The vagueness of this information is striking. One will note, however, the indications under date of June 1932 of certain Japanese activity in the region of Ponape.

It would appear that the Japanese have nowhere acted in contravention with the terms of the Mandate. One cannot, all the same, expect them to ignore the natural ports, so useful for serving as bases of operations in wartime. They appear to have studied two categories of measures; for the organization of bases in wartime, and for the defense of certain points. These measures which are not actually contrary to the Mandate (which allows only permanent installations effected in peacetime) seem to center around three different zones: Palao, the strategic position of which is evident for any operation aimed at the Philippines; the Marshalls, whose strategic position of great interest in respect to Honolulu and the west coast of the United States; Ponape (with Eniwetok nearby to make up for the mediocrity of the harbor of Ponape, and Metalanim) of which I confess I cannot perceive the strategic interest, but where the measures taken are not more than measures of local defense (if they exist at all).

No military preparations, nor any suspected as such, were pointed out to me at Truk which is the best port of the Carolines.

Japanese Emigration:

More than 50% of the Japanese emigration comes from the Ryukiu Islands ....These emigrants are extremely defaced. Encountered in the country or on the docks, one would easily take them for peasants from the center of China. The Japanese consider them a little like fellow-citizens of a second class. They are generally known as "Okinawa"s , after the name of their prefecture of origin, and a difference is made between an Okinawa and a Japanese. One speaks of "Okinawa labor, coolie labor,"etc. even though the corresponding expression is never used for emigrants coming from other prefectures (Fukushima, Yamagata, etc.) who are called "Japanese". Moreover, the "Japanese", including officials, are far from the flower of the nation and their caste-pride in dealing with the Okinawas can scarcely be justified. None of the officials, even the governors, speaks nor understands a word of English, which for a Japanese denotes a more or less elementary eduation.

In spite of the foregoing, Japan follows a policy of maximum Japanese colonization, inspired more by political and military considerations than demographic. Attract as many Japanese as possible, even if there is nothing for them to do there. It is true that they live on little, often from the products of their gardens, and the poverty in certain Japanese colonies does not have the more dramatic aspects of the pauperism of the cities. On the whole, this side of the Japanese policy has been successful. The Mariannes are already Japanese; towns like Garapan and Tinian are not very different from the small towns in Japan Proper. If it were not for the American reservation in Guam, the charming Chamorro race would be destined to an early extinction. Already there are more Japanese in the Mandate Islands (and even in the Mariannes alone) than French in New Caledonia, the French colony having the largest white French population.

Japanese Colonization.

In order to judge Japanese colonization in the islands, one can strike a sort of balance between the successes and failures as follows:

The Japanese administration has certainly succeeded in creating or maintaining in the islands very agreeable conditions of existence for her nationals, and in certain respects for the

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natives. Although in 1930 Noumea was still lighted with poor gas, the atolls such as Jaluit had electricity. Although our Tuammotus are nourished almost solely on copra, one finds food stores and ice at Jaluit. Radio communications are excellent, and steamship services call, not frequently it is true, at islands like those in our colonies which see only occasional schooners. Although the Japanese Government has ceased all direct subsidies, taxes are very low and life is incredibly cheap, in contrast to the high cost of living in the French and English archipelagos. Medical services and schools are very well developed. The towns are clean and well kept. The natives are not forced to have curfew, as under the German regime.

And still, the Japanese are detested. Any new white domination whatsoever would be welcomed wholeheartedly. In the Marshalls especially, any white traveler is greeted with general friendliness. In spite of the terror inspired by the Japanese police and the serious risks of talking too much, it frequently happens that the natives manifest their hatred of the Japanese in front of a white, even one who is little known to them. I have never heard a Kanaka speak in sympathetic terms about the Japanese; the more prudent give an evasive answer, the greater number, when questioned about the Japanese regime, resort to significant grimaces. All the white men, missionaries and others, who speak the Kanaka or Chamorro dialects, when questionned, were unanimous: the Japanese are thoroughly disliked, their departure is wished for, without any hope of anything else.

It appears that these sentiments have two principal causes:

1. First, the Japanese policy, as in Korea, consists primarily in organizing what is necessary, convenient or simply agreeable to the Japanese.

In spite of their denials, it is a certain fact that they frequently resort to forced labor. The natives are called upon, anything but voluntarily, for the continual work on the roads. At Kusaie, a half-French native told me that each time a boat arrived the chief of police requisitioned without pay at least a half dozen natives for work at the ship. According to the testimonies of missionaries, the natives of Yap are frequently requisitioned for hard labor in the phosphate mines of Angaur, work which is loathed by the natives of Palao, whose difficult character is a bit overaweing to the Japanese. 300 of these unfortunates have been seen thus deported, sometimes for many years, their wives and children remaining at Yap. And, with the Japanese statistics at hand, one can verify the fact that Yap is the only district where the number of women remains regularly greater than that of men. When one thinks of the repercussion on a native population of 6,000 persons, of this disorganization of 300 homes, one is in agreement with the missionaries who told me "It is unnecessary to look elsewhere for the cause of the astonishing depopulation of Yap.

The education of the natives, in spite of well built schools, cannot be considered a complete success. The teachers are hard and narrowminded, do not speak any of the native dialects, wear a sword on festival days, and have neither respect nor liking for children. Very few children, particularly girls, know how to speak Japanese at the end of their studies. The "practical" course in agriculture, which plays a big part in the school programs, is a joke. The children, under this pretext, are often employed to take care of the garden of the teacher or to cultivate vegetables to be sold from door to door for the teacher's profit (Seen at Ponape). The domestic animals, pigs and others, of the

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teacher are, under the same pretext, fed with grass and copra brought each morning by the pupils. Corporal punishment is forbidden, but many examples were cited to me, with no action taken against the teachers. Finally, the strictly enforced school attendance constitutes a heavy burden for far-away families.

The police and justice are not very popular. It is superfluous to explain why to anyone having anything at all to do with them in Japan. The report of 1928 on the Mandate attributed the small number of cases submitted to the courts (20 civil cases, 707 penal cases, 46 arbitration cases) to the gentleness of the natives and to the "satisfaction resulting from good administration". The reason which I heard on all sides is anything but such: the Japanese courts inspire only mistrust. Cases where the plaintiff is a native and the defender Japanese are lost in advance.....

The register of surveys of lands has given rise to a great deal of abuse. At Kusaie, during my visit, they had just decided upon the expropriation of natives of high lands indispensable to their herds, relegating them to the sea coast where there is no pasturage. At Rota, upon the demand of the Nanyo Kohatsu Sugar Company which wished to build a new factory, for three months they planned to destroy the whole village of Sosanjaya and transport it elsewhere to a spot where there was no water supply. The intervention of the missionary, whose church was to go along with the rest, saved the village. That was the reason which the Governor of Saipan gave for the annulment of the project, but the real reason was the lack of funds of the Nanyo Kohatsu and their decision to give up constructing a new factory.

Calling attention to economic incoherencies: at great expense the development of cafes is attempted, although the German cafes in Palao were destroyed by order of the Japanese Admiral in 1915. The loans of domestic animals, the numerous subsidies and grants given to all sorts of artisans, are only done at a profit to the Japanese. At Ponape, all the trees planted by the Germans at Koroni were destroyed and now others are being replanted. 100 coccatrees (each worth 10 yen) were planted on public property in June 1932 to furnish food for the crew of a warship.

All medical aid must be paid for, under the pretext that the ignorant people would believe that they were being given second rate treatment if it were given gratis. The charge is modest, doubtless, but the natives are poor. Any native who does not pay does not receive medical care. There is no indemnity in the majority of cases for accidents in working, even mortal ones.

The 1929 report mentions, with touching terms, the existance of three classes of decorations. It is well to note that this distinction, often conceded to the Kanakas without their wishing it, forces them to pay out 30 yen, a high sum for native purses.

2. But, whatever may be the ommissions or errors of their colonization, the Japanese are detested above all for their feeling of racial superiority, which they often show in a most offensive way.

No common school for children exists. Japanese children are instructed in a private school, natives in a public school. Half-caste children are considered as natives. I saw a blond and almost white child at Saipan seated beside the small Kanakas.

The Japanese, including officials, are generally totally ignorant of the native languages....,... The result of this

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situation is a moral separation even greater than the material separation begun in the schools, and the perpetual misunderstandings which aggravate the feeling of Japanese infallibility.

The native feels that the Japanese considers him as a negligible quantity.....

Finally, in all the islands, the natives, men and women, old or young, are forced to greet every Japanese encountered. It is not a question of a cordial and spontaneous salutation like the "Ia ora na" of the Taihitians, or the "Talofa" of the Samoans. It is an almost military rite: one sees occasionally a Japanese merchant calling down a native who has passed him without the Japanese bow, accompanied by the obligatory "Kon nichi wa".

If one believes that the duty of colonizers consists in looking out for the welfare and interests of the colonizers, then Japanese colonization has realized this aim. But, if one has the higher concept that is happily our country's, that the colonizer has, above all, duties toward the natives in his charge, often against their will, one is obliged to conclude that the Japanese have failed in this greatly.

It must be added from the military point of view, that the profoundly hostile feeling of the natives toward their masters does not appear susceptible to any important repercussions in case of conflict in which Japan would be engaged. There is no collective feeling among the people separated by sea and language; no extensive "pan-Kanaka" movement is conceivable. The belligerent attempting to foment anti-Japanese troubles among the Kanakas would only succeed most probably in causing a massacre of these unfortunates, without helping their cause.

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INTELLIGENCE REPORT
Shanghai, 10 April 1933

Japan - THE MANDATE ISLANDS

[redacted]

JAPANESE PROJECTS AND MILITARY INSTALLATIONS IN THE MANDATE ISLANDS:

One fact stands out clearly as a result of a voyage to the Mandate Islands: no evidence is found anywhere, from a military point of view, of the Japanese acting in public contravention of the terms of the Mandate.

However, two reservations must be made:

1. Palao, Angaur and Yap were not visited and may possess installations.
2. Clandestine installations may exist.

The principal argument in support of that thesis is the strict, incessant, obsessed surveillance of the Japanese police in regard to every foreigner who comes to the islands .....

Except for the Marshall Islands, whose structure of low flat atolls would make it impossible to camouflage or conceal any construction whatsoever, it is possible that secret installations exist on the more secluded and mountainous islands. But, the natives go about everywhere. Curious, talkative, hating the Japanese who control them with difficulty because of not speaking their languages, they would be incapable of not recounting what they see and hear. And, in fact, they do recount it, and it is in great part from native sources that the below information comes, given to me by persons who have resided in the islands for a long time and who speak the Kanaka dialects and know the country well.

a. Palao

Palao was not visited.

According to official information submitted to our Naval Attache, a naval officer from the Yokosuka Naval District is assigned to duty with the Governor of the Mandated Islands, residing at Palao. This officer is not mentioned in the very detailed list of officials attached to the government of the Islands, given in the annual Nanyo Gunto Jijo (South Seas Military Affairs). A Spanish missionary confirmed to me the presence with the Governor at Palao of a naval officer (rank unknown) with whom he had traveled.

The 1930-31 budgets contained extraordinary amounts for work on the port of Palao: 13,577 yen in 1930 for building a channel for motor launches; 20,679 yen in 1931 for work on the harbor.

It is useless to emphasize the importance of the strategic position of Palao in case of operations against the Philippines. Having a wide and good roadstead toward the Japanese center of Davao, on Mindanao, Palao would be the natural base of operations.

I cite, in addition, for what it is worth, the following story which was reported to me in detail by Mr. Herman, American resident of Kusaie, whose brother was closely connected with it:

In 1923 (or 1925) a colonel of the American Marines, retired, named KELLICE, visited the South Sea Islands for some time under pretext of business in copra. He wound up his trip in Palao, where he suddenly died, of abuse of alcohol so the Japanese claimed - poisoned, according th certain rumors. The United States, which was not yet used to groundless outrages, was aroused, reclaimed the body for autopsy, and for testimony, called upon, among others, the brother of Mr. Herman, who had

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traveled with Colonel Ellice to Palao. Mr. Herman stated to me that he had learned from his brother that the unfortunate Colonel drank only moderately of beer, the only alcohol on board ship. The autopsy had no results and the affair was closed. There are some who remain of the opinion that he was poisoned because of what he had seem at Palao of things that were supposed to remain secret. The native attendant present when the Colonel died stated to a dependable person that he was convinced that the Colonel had been poisoned.

b. Saipan

Rumors appearing in the press in January 1933 concerning the creation of a naval base at Saipan do not seem to be based on fact.

c. Truk

Upon the arrival of the SHIDZUOKA MARU 27 February 1933 some flashing signals (flares ?) seeming to emanate from a projector placed among trees at a point N.E. of the island of Natsu Shima were emitted for several minutes. Although they were clearly visible the purser to whom I talked afterward said that he had seen nothing. The Governor of Truk stated that he had heard nothing about it and that such signals were forbidden. They did not appear again at the departure of the ship on 28 February 1933 nor upon its return 16 March 1933. A protestant mission with a school is situated very near the spot. It seems improbable that a projector would be installed nearby. It is possible, although the flashes were very clear and powerful, that the signals were done accidently caused by sun striking a piece of glass or mirror.

Having avoided the police, I walked around on the summit of the plateau which forms the SE point of Natsu Shima. Except for low ramparts of sharp stone whose use is inexplicable (they might be old shelters, dating from the military occupation). I found no traces of preparations for military uses, in spite of the very advantageous position of this plateau which commands the channel and the harbor. There are no roads of access for transporting material; nothing but a foot path scarcely big enough for a man to walk.

d. Ponape

1. In June 1932 a Japanese man-of-war (mine-layer ?) name unknown, visited Ponape. For several days, with barges requisitioned for this purpose and covered with awnings to conceal their content, it transported to land cases of very heavy material which were then carried on hand-carts to an unknown destination. These movements were carried out at night, and exclusively by the Japanese sailors themselves who pulled the carts, no natives nor Japanese of Ponape being allowed to assist, with the police pushing aside all idlers. The dimensions and weight of these cases permit the hypothesis that they might well be munitions or portable arms, excluding cannons.

2. The government buildings are built on a hill, at the foot of which there is a door which is covered with blinds, with an iron gate in front, which no one has ever seen opened, and which are in good condition. It would appear that this is the entrance to a storeroom occupying the interior of the hill. No air-intake is visible.

3. In June 1932 the Japanese undertook the construction of a vast "playing field" on the summit of the plateau called Tolenot Peak, which had to be constructed more or less by hand labor. This esplanade, flat and unobstructed, has only been used twice since for baseball games. It would appear that there is another

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eventual distination for this onerous piece of work. (Airfield).

4. At Baliker, about half way between Koroni and Ronkitiko, there is a large flat field covered with weeds which could be burned off in ten minutes and which could very well be used for an airdrome. It is claimed that this is the reason for the construction quite recently of a road from Koroni to Ronkiti. It is stated that the Military Attache of the American Embassy in Tokyo visited this spot on a trip to Ponape (August 1932 ?).

5. West of Metalanim there is a large flat plateau without vegetation running east and west about 1000 meters long and 200 or 300 meters high. It was stated in March 1933 that an aviation field was to be established. Seven tons of cement arriving in Ponape on a ship were to be used in the construction of hangars. For some time a road had been planned to go from Koroni toward Metalanim. Metalanim is a deep and sheltered roadstead, to which access could be made easy by a simply establishment of buoys. It sheltered before 1914 at least 3 German men-of-war simultaneously.

6. The summit of the island of Rangato appears to have been improved and cleared off. An airfield has probably been established, or at least prepared. The government coal depot is on this island.

7. The high plateau at the summit of the cliff of Jokois (NE of Zyokazito) constitutes a very strong natural position; it was used by the natives during the revolt of 1910. It would lend itself very well to military uses. No good roads of access.

8. In June 1932 a large airplane flew over Ponape causing panic among the inhabitants who dashed to find hiding places, the Japanese officials in the lead, until the Japanese insignia was identified on the wings. It has never been known where it came from. It could not be stated definitely whether it was a landplane or a seaplane.

e. Eniwetok (In Japanese, ENIWETAKKUTO)

According to a half-Kanaka sailor of the ship HEIYEI MARU, No.6 of the Nanyo Boyeki, the Japanese in June 1932 had a great number of cocoa-trees cut down near the entrance channel of Eniwetok. They told the natives that it was to install a coal depot and some warehouses. The HEIYEI MARU was ordered to take numerous soundings in the interior of the atoll and these showed that there is enough depth for large ships over a 10 mile area and very near to the exterior ledge.

f. Wotje (In Japanese WOZZIE)

According to 4 different informants who have visited there the entrance passage is deep and excellent and the interior anchorage fulfills nautical requirements. A radio station and antenna were built at Wotje in 1923. A journalist named Woodworth, passing through Wotje at that time, published in the Chicago Tribune some articles, following which the Japanese tore down the radio mast and demolished the buildings. But the foundations still exist (behind the native school). Some Japanese have boasted in front of natives that in case of necessity the whole thing could be remounted in a few days. It is from the articles of Mr. Woodworth that the idea first came, which I have found often in writings and conversation, that the entrance passage of Wotje could be used by submarines, immersed.....

[redacted]

g. Jaluit

No installations. Men-of-war, notably the ASAMA, the IWATE, the KASUGA, a mine-layer, some submarines and some unidentified ships carrying airplanes which did some flying have called at Jaluit at different times.

h. Likiep (Also Keghiep. In Japanese RIKIEPPU)

Although the map does not appear to indicate it, this atoll has an excellent and accessible passage, deep and 200 meters wide, and offers an extensive anchorage inside. (According to a resident of Lekiep, captain of schooners, the passage can be entered by submarines immersed, and the anchorage is at least as good as that of Wotje. Different men-of-war, including the KASUGA, have visited there.....

i. Different islands north of the Marshall Islands.

The Japanese have studied, under pretext of natural history, the following islands north of the Marshall group:

GASPAR RICO (or Taonji) (In Japanese POKAAKUTO)

BIKAR (In Japanese PEKAKUTO)

The strategic position of these islands is very interesting. But, they are not very utilizable, according to an informant who visited them. The entrance channels are difficult, scarcely practicable in good weather. The atoll is very low, very often covered by swells which cause very rough water in the interior. They are not inhabited.....

[redacted]

JAPAN & THE MANDATE ISLANDS

COMMERCIAL PORT UNDER CONSTRUCTION AT SAIPAN. [redacted]

The construction of a commercial port was undertaken on Saipan in 1924 at Tanapagu, in the lagoon bounded on the north by the barrier of reefs extending to the west of Tanapagu, on the south by the reefs stretching to the NW of the point PONTA MUTYO. The northern barrier connects with the island of Maniagaha, island known locally as Gunkanshima ("island of warships"). (It appears that this name comes from the form and shape of the island, and has no military significance whatsoever.)

The construction is a government enterprise with offices installed on the coast between Ponta Mutyo and Tanapagu. The funds provided were fixed at 1,500,640 yen and the work to be finished by 1931. But it is far from completed and they predict now that it will be finished by 1936. It would appear that the enterprise is at a standstill due to lack of funds. 139,947 yen were granted in 1930, and 117,458 yen in 1931. The subsequent figures have not been published. The buildings give an impression of almost abandonment. One sole dredge and one sweeper were seen there, apparently working very little.

The harbor will barely permit access of ships of 3000 tons at the most. The captain of the SHIDZUOKA MARU told me that he estimated that his ship (130 meters) could not enter there. There has been no provision made on the plan shown to me for a coal depot nor for tanks of oil, and it would appear that there will be room for only one ship at the pier.

The location selected is generally open to criticism. It is believed that it would have been better to construct the new port at Garapan, principal agglomeration of the island, where it would have been better protected. It is believed that because of the prevailing winds (NE to SW by West) the new port will be very badly sheltered. The height of the north reef will be insufficient to prevent the swells from entering, and there has been no provision for constructing a breakwater on this reef, which would, moreover, be a considerable undertaking and a very difficult one.

It would be difficult to consider this project as in preparation for a naval base, about which there have been rumors in certain papers.

COAL DEPOSITS IN THE SOUTH SEA ISLANDS:

Coal deposits of little importance were seen at the below-mentioned places. It was not always possible to ascertain whether the coal belonged to the Government of the Islands or to the Nanyo Boyeki Company. The Nippon Yusen Kaisha has no fuel deposits in the islands visited. Its boats do not ever coal nor take on fresh water in the islands. There is no oil. If, strictly speaking, one might believe it possible to conceal secret supplies in the Mariannes and Carolines, mountainous and rough islands, it would be completely impracticable in the Marshalls - where the strategic interest would be much greater - flat atolls, only a few meters above sea level, where the smallest construction is visible, even if concealed by cocoa-trees. As for building underground tanks, it would be a considerable undertaking, necessitating the use of large tanks, and being so close to sea level, such an undertaking could not remain unknown to the natives.

a. Saipan

A supply of coal of little importance (about 200 tons) at Garapan, near the pier of the Nanyo Boyeki. Belongs to this company.

b. Tinian

No coal seen. (I could not learn if the sugar refinery and the railroad burn coal. It appears that they do not.)

c. Truk

A supply of coal belonging to the Nanyo Boyeki or more probably to the Government is situated to the NW of Takeshima.

d. Ponape.

A supply of coal, of which the visible part appears to be constituted of about 200 tons of briquettes, is located to the south of Rangato island near the wharf. It belongs to the Government.

Another coal deposit is situated at Koroni on the quay a little south of the dock of the Nanyo Boyeki, to which it belongs. It consisted of 700 tons, supplied about 8 months ago, and now seems to have actually retained about 250 tons.

e. Kusaie.

No coal.

f. Jaluit.

A coal supply of about 300 tons of briquettes, belonging probably to the Government, is located in the immediate neighborhood of the dock of the Nanyo Boyeki.

g. Eniwetok.

The Japanese have cut down a number of cocoa-trees near the entrance channel (June 1932) presumably to install a supply of coal.

RADIO FACILITIES IN THE SOUTH SEA ISLANDS.

a. Saipan

Established by Japanese Navy 1916. Comprises: a broadcasting station composed of 2 masts, about 50 meters high, about 100 meters apart, facing about north-south and supporting a shielded antenna. .....A receiving station composed of a 20-meter steel pylon situated in the garden of the Government compound and another 10-meter steel pylon situated in front of the station. A shielded antenna of 4 wires extends between the two pylons, which face about east-west and are two hundred meters apart. They are clearly visible from the coast in the agglomeration of Garapan, east of the pier of the Nanyo Boyeki.

b. Tinian

Established 1931. Small station communicating only with Saipan. No antenna visible. Location of this station was not identified but it is doubtlessly at the post office or police station. These two buildings, about 100 meters apart, are on the principal street of Tinian parallel to the coast, about half way between the piers of the sugar factory and the Nanyo Boyeki.

c. Truk

Station established by Japanese Navy in 1916. Antenna is composed of 2 metallic masts of 60 meters made of tubular steel

[redacted]

of about 2 m 50, supported individually to the ground. These masts about 200 meters apart face east-west. They have an antenna of two horizontal shields, of 5 wires each. Watch is continuous. Dynamos, run by Diesel oil motors also furnish electricity to town. Short waves and long waves.

d. Ponape

Station built by Japanese Navy 1917. On a hill which dominates Koroni, 60 meters north of the government buildings. Antenna is composed of a metallic mast of 40 meters made of tubular steel of 2 m 50 supported by stays to the ground. A small 15-meter mast is located about 100 meters NW. Shielded antenna between the two. It appears that in addition there is an antenna for short wave.

e. Kusaie.

No broadcasting station. Small receiving station for official use only is owned by the police, situated a little to the NW of the pier of the Nanyo Boyeki.

f. Jaluit.

Station established by Japanese Navy 1916. Located SE of pier of Nanyo Boyeki. Antenna composed of 2 60-meter metallic masts made of tubular steel of about 2 m 50, supported by stays to ground. These masts, about 200 meters apart, face north-south. Shielded antenna, horizontal, of 5 wires. No short wave. Dynamos with Diesel oil motors furnish also electricity of village.

g. Wotje.

See above, under "Military Installations".

h. Palao.

On Korol island, exact spot not known. Location not visited. Established by Japanese Navy 1916. Antenna supported by six 90-meter metallic pylons. Continuous watch.

i. Angaur.

Established by Japanese Navy 1915. Not visited. Exact location not known.

j. Yap.

Established by Japanese Navy 1917. Not visited. Details not known. Continous watch.

[redacted]

[redacted]

N. N. I. 96

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ATTACHÉ'S REPORT

17242-F   A-1-u

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From NA/Tokyo   Date August 30 1938   Serial No. 191 (Commence new series each January 1st)   File No. 1000 (Select proper number from O. N. I. Index)

Source of information ....

Subject Japan (Nation reported on)   Aviation (Index title as per index sheet)   (Subtitle)

Reference ....

Brief.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

[redacted]

ANNUAL NAVAL AVIATION DIGEST

30 June 1937 to 30 June 1938

OCT 8 1938

30

[redacted]

C

DECLASSIFIED
E.O. 11652, Sec. 3(E) and 5(D) or (E)
OSD letter, May 3, 1972
By RT, NARS Date MAY 21 1973

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U. S. GOVERNMENT PRINTING OFFICE

Report No. 191
Japan
August 30, 1938

1000 - Aviation

ANNUAL NAVAL AVIATION DIGEST

30 June 1937 to 30 June 1938.

a. Appropriations - fiscal year 1937-38.

The appropriations listed are those for naval aviation only and apply to the Japanese fiscal year extending from 1 April 1937 to 30 March 1938.

1. Regular Budget:

	YEN	DOLLARS
Under Ordinary Accounts.		
Aviation Department	453,704	131,200
Ordinary Upkeep Naval Air Stations	20,689,008	6,000,000
Ordnance		
Manufacture Air Weapons (Airplanes and Equipment)	52,749,518	15,300,000
Repair Air Weapons	18,424,625	5,350,000
Research Air Weapons	5,171,685	1,500,000
Under Extraordinary Account.		
Expansion of Naval Air Force	26,876,724	7,800,000
(Third Replenishment Plan, first year of four year period)	---	---
TOTAL	124,365,264	36,100,000

In addition to the items shown above, it is believed that there are provisions in the Regular Budget for naval aviation, under headings where aviation is not discernible. No estimate of these funds is contained in this report.

Further funds are believed provided for naval aviation in Supplementary Budgets. Since 1932 the percentage of naval aviation funds in relation to figures for the total Navy has steadily increased from 12% to 20%. As the Supplementary Budgets are lump sums appropriated for the use of the Navy in the present Incident a figure of 25% has been chosen as a fair estimate of the share allotted to naval aviation. The activity of naval aviation is believed to warrant this increase of percentage.

2. Supplementary Budgets of 1937-38.

	Total Yen	Yen	Dollars
First Supplementary Budget	9,100,000	2,275,000	650,000
Second Supplementary Budget	848,000	212,000	61,500
Third Supplementary Budget	---	---	
Fourth Supplementary Budget	95,000,000	23,750,000	6,880,000
Fifth Supplementary Budget	350,000,000	87,500,000	25,400,000
Supplementary Budget (Passed 1938, available from January 1938) months Jan.,Feb.,March	1,050,000,000		
	265,500,000	65,625,000	18,850,000
TOTAL		179,362,000	52,000,000

Public gifts to the Navy of aircraft have been acknowledged by the Navy Department. A total of ¥ 19,568,332 is acknowledged as of 30 June 1938. These funds are probably used to purchase from storage aircraft manufactured by previous aviation funds. The aircraft released number about one hundred.

3. Public Gifts to the Navy as of 30 June 1938 total ¥ 19,568,332.

	Yen	Dollars
Pro rata share as of 30 March 1938.	14,676,249	4,250,000

4. Summary:

Regular Budget, Ordinary and Extraordinary Accounts	124,365,264	36,100,000
Supplementary Budgets	179,362,000	52,000,000
Public Gifts	14,676,249	4,250,000
	¥ 318,403,513	$ 92,350,000

b. Production. 1937-38

Publication of production figures of aircraft material is not allowed in Japan. For this reason such information as appears in the press must be weighed carefully. Information has been received during the year of large expansion of Mitsubishi, Kawasaki, Tachikawa, and Aichi Clock specifically. An analysis of figures for the heavy industries (strategic products) published in the conservative press shows a marked expansion. From these figures, the percentage increase of plant capacities is calculated as 41% greater in 1938 than in 1937. The percentage increase in unfilled orders for the same period is 59%. The aircraft industry is believed as active as any heavy industry. Its expansion has been significant enough to cause special legislation to control its development.

The estimates submitted cover eleven months of war production. The unit of production is taken as a two seated, single-engine biplane. Production of standard and existing types is assumed. Adequacy in material and personnel is assumed.

It is significant that this wartime production is accomplished in a nation itself untouched by invasion or attack.

Imports of aviation material have not been considered. Naval aviation appears to have been developed on a more orderly program than Army aviation. The majority of imports have been for the Army with the exception of administrative military transports. Military types imported have been heavy bombers and fighters. Both types in the Navy have been satisfactory.

It has been reported that there is a marked and distinct deficiency in the necessary alloys to produce special steels. The same report states that the engine time between overhauls has averaged 150 hours due to this deficiency. A dependable report stated that tool steel alloys were lacking. Provisions for mining subsidies and an easing of import restrictions for alloy metals are among the measures taken to provide a reasonable supply.

Production expansion is shown by the increase in total capitalization of the major aircraft and engine manufacturuers in, roughly, the last two years. The best obtainable figures as tabulated show an increase in capitalization of 57%. The estimate of total production of aircraft is slightly in excess of that (arrived at independently) of a foreign Air Attache.

ESTIMATE OF ANNUAL PRODUCTION OF AIRCRAFT

	¥1,000,000 Capitalization Total Paid up	¥1,000,000 Previous Capitalization	Present Employees Aircraft	Production from 30 June 1937 to 30 June 1938. Army	Navy	Total	Production from 30 June 1938 to 30 June 1939 if Incident continues.	Maximum production possible with facilities as of 30 June '38	Types
Aichi Clock	15.0 6.25	4.0-1937	3000	70	70	140	200	400	VT, VB
Japan Aircraft	5.0 2.75	2.0-1936	700	10	10	20	40	40	
Kawasaki (Kagamigahara)	50.0 35.0	12.0-1937	3000	170	---	170	250	500	VF
Kawanishi	5.0 1.2	5.0-1918	2000	---	120	120	180	350	VF
Manchuria Aviation Company	20.0	3.8-1937	2000	---	---	---	50	75	VOS,VP,VJ
Mitsubishi	120.0 90.0	120.0-1937	6000	75	225	300	400	900	VB,VF,VTB
Nakajima(Ota-machi)	20.0 20.0	7.0-1935	6000	75	225	300	400	900	VF,VS,VO,VJ
Showa Aircraft Mng.	30.0 7.5	Recently established.							
Tachikawa Aircraft Co.(formerly Ishikawajima)	13.0 6.25	4.0-1937	3000	360	---	360	360	480	VN, VO
Tokyo Gas&Elect.Co.	13.0 12.0	11.0-1937	2000						
Watanabe Iron Works	6.0 3.75	1.0-1937	1000	---	70	70	100	250	VN
Hiro N.A.F.	Engaged in overhaul and repair.								
Sasebo N.A.F.	Engaged in overhaul and repair.								
Kanoya Branch	Engaged in overhaul and repair.								
Yokosuka N.A.F.	Engaged in overhaul, test and experimental.								Experimental
TOTALS	297.0	149.0	27,700	760	720	1480	1980	3795	

ESTIMATE OF ANNUAL PRODUCTION OF AIRCRAFT ENGINES

	Present Employees Aircraft Engines	Production from 30 June 1937 to 30 June 1938	Production from 30 June 1938 to 30 June 1939 if Incident continues.	Maximum production possible with facilities as of 30 June 1938	Types
Aichi Clock	1000	180	225	400	Hiro W.D.
Kawasaki(Kobe)	2000	350	600	700	B.M.W.-W.C. B.M.W.
Kawanishi	1500	200	350	500	Hiro W.C.
Mitsubishi	6000	800	1500	2000	Myako(Hornet), Kinsei (twin Wasp), Exp.Diesel
Nakajima (Ogikubo)	6000	800	1500	2000	Hikari(Cyclone), Kotobuki Bristol Jupiter
Tachikawa	500	50	200	400	
Tokyo Gas	4000	500	900	1200	Amikaze, Kamikaze Shimpu, Tempu
Hiro		Overhaul			
Yokosuka		Experimental			
Kanoya Branch		Overhaul			
TOTALS	21,000	2880	5275	7400	

o. Bases.

Included in this analysis of bases are those in China upon which information has been received, and the summary of ship-based aircraft both in Japanese and Chinese waters.

At the start of the China Incident in August 1937 there is little doubt that the complements of the Japan based squadrons were considerably depleted. It is probable that a nucleous only remained at each station. As the Incident continued it is believed that the home-based squadrons were rebuilt. The extent of this rebuilding is not known; however, it is reasonable that the home squadrons are nearly at their original strength as noted herein.

Maizuru Naval Air Station, until lately the only station on the Japan Sea between Soviet Russia and industrial Japan, appears to be under-complemented. Chinkai Naval Air Station in Korea seems in the same status. Ohura Naval Air Station has probably been organized due to the Soviet threat. Bako, Ryojun and Odomari have been noted without comment due to continued, but unconfirmable, reports of their existence as Naval Air Stations.

1. ESTIMATE OF SHORE BASED AIRCRAFT IN JAPANESE TERRITORY

Shore Bases	Squadrons	Planes: First Line	Planes: Reserve	Planes: Train. & Experimental	Purpose and Types
Yokosuka NAS	3	36	18	4	Operations, Experimental
	4			103	Advanced Training
Kasumigaura	3½			130	Intermediate & Advanced Landplane Training
Tomobe	2			90	Primary Landplane Training
Anju (new)	2			70	Primary, Intermediate Seaplane training.
Yatabe					Believed Advanced Landplane Training.
Kure	2	24	12		Operations VTB, VOS
Sasebo	2	20	10		Operations VOS, VP
Omura	3½	42	21		Operations VF, VTB
Tateyama	5½	60	30		Operations VF, VTB, VOS, VP
Saeki	3½	40	20		Operations VB, VTB, VF, VP
Tomitaka					Auxiliary to Saeki
Ominato	1½	18	9		Operations VF, VTB, VOS
Maizuru	½ ?	6	3		Operations VOS
Chinkai	½ ?	6	3		Korean Operations VOS
Kanoya	2½	30	15		Operations VF, VTB, VB
Kisarazu	2	24	12		Operations VTB, VB
Tomioka (Yokohama)	2	12	6		Operations VP, VOS
Omura (Yuya Wan)					Reports Nos. 81-38, 116-38
Takao	3	18	9		Formosa Operations VB
Bako (Pescadores)					No information.
Ryojun (Port Arthur)					No information.
Odomari (Sakhalin)					No information.
TOTALS	43	336	168	297	

Supplementing the shore bases in Japan are the shore establishments listed below. It is believed that much of the overhaul necessitated by extended operations in war conditions is accomplished at these establishments.

Yokosuka Naval Aircraft Factory and Experimental Laboratory.

Miro Naval Aircraft Factory.

Sasebo Aircraft Repair Depot.

Kanoya Branch of Sasebo.

2. ESTIMATE OF SHORE BASED AIRCRAFT IN CHINESE TERRITORY.

China Shore Bases	Squadrons	First Line	Reserve	Remarks
Liangyuan	9	90	45	12th and 13th Kokutai (Navy Air Corps) form the First Combined Aircraft Squadron. Each Kokutai contains 1½ sqdns.VB, 1 sqdn.VF, and 1 sqdn. VS approximately.
Nanking	4½	45	22	14th Kokutai, VB,VF,VS.
Wuhu	4½	45	22	15th Kokutai, VB,VF,VS.
				14th and 15th Kokutai (Navy Air Corps) form the Second Combined Aircraft Squadron.
Quemoy Island				The base is under Sako.
Maichow Island				Seaplane base.
Sanchow Island	2			Pearl River delta. Large field, hangars, lighting plant, radio equipment, trucks and long dock as water is shallow.
Tsingtao	1	12	6	Mixed Squadron using old commercial field.
TOTALS	21	192	95	

3. ESTIMATE OF SHIP BASED AIRCRAFT [redacted]

Ship	No. Fighters	No. Sqdns.	No. Bombers	No. Sqdns.	No. Scouts	No. Sqdns.	Total Sqdns.	Total Planes	Remarks
AKAGI	18	1	36	2	18	1	4	72	Includes 50% Reserves
KAGA	18	1	36	2	18	1	4	72	" " " "
HIRYU	9	½	30	2			2½	39	" " " "
HOSHO	15	1	15	1			2	30	" " " "
SORYU	27	1½	36	2			3½	63	" " " "
Battleships (8)					28	2	2	28	No reserves.
Cruisers									" "
Heavy, Class A (12					36	2	2	36	" "
Heavy, Class B (4)					16	1	1	16	
Light (14)					14	1	1	14	
Seaplane Tenders									" "
KAMOI					8	1	1	8	" "
MOTORO					8	1	1	8	
Seaplane Tenders (Converted)									" "
KIMUGASA					10	1	1	10	
KAMIKAWA					10	1	1	10	
KIMUGAWA					10	1	1	10	
1 other					10E	1E	1E	10E	
Miscellaneous									
Sub.tenders (3)					6	½	½	6	
TOTALS	87	5	189	11	154	12½	28½	430	

[redacted]

4. SUMMATION OF BASES - SQUADRONS AND AIRCRAFT.

Bases		Total Squadrons	Aircraft	
1. Shorebased in Japanese territory		43	336 First Line 168 Reserve 297 Training	801
2. Shorebased in Chinese territory		21	192 First Line 95 Reserve	287
3. Ship based		28½		
Carriers	16		276 Includes Reserves	
Battleships	2		26 No Reserves	
Cruisers	4		66 " "	
Seaplanetenders	2		16 " "	
Seaplane tenders(converted)	4		40 " "	
Miscellaneous	½		6 " "	
	28½			430
TOTAL SQUADRONS		92½	AIRCRAFT	1518

Comment:

During the current year of this digest, information has been most difficult to obtain. After partial preparation of both the Annual Digest and the Aviation Statistical Summary, additional valuable data was recently obtained from two foreign Air Attaches. This information is included in the part of the Annual Digest submitted and will be included in re-compiled Aviation Statistical Summary to be forwarded by next mail.

While the figures in this report indicate that the number of naval planes on 30 June 1938 was 42% greater than last year (which does not include approximately 250 planes estimated to have been lost in present hostilities this year) the vitally significant fact, in so far as we are concerned, is the remarkable increase in Japan's aircraft production facilities.

O. N. I. 96

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From NA/Tokyo Date Sept.20, 1938 Serial No. 207 (Commences new series each January first) File No. 1000 (Select proper number from O. N. I. Index)

Source of information

Subject Japan (Nation reported on) Aviation (Index title as per index sheet) (Subtitle)

Reference

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Aviation Statistical Summary - 1 July 1938

OFFICE OF NAVAL INTELLIGENCE

31

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E.O. 11652, Sec. 3(E) and 5(D) or (E)
OSD letter, May 3, 1972
By RT, NARS Date MAY 21 1973

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Tech. Div.	C. in C. U. S.	Com. Bat. For.	Com. Sco. For.	C. in C. Asia	Com. S. S. S.	Com. Air	Attaché at	Operations: Com. Div.	W. P.	Com.	Fl. Tr.	State	Commerce	Army	Return to Room No.			

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U. S. GOVERNMENT PRINTING OFFICE

Report No. 207
Japan
September 20, 1938

1000 - Aviation

[redacted]

Aviation Statistical Summary - 1 July 1938

Enclosure: (A) MID-ONI Joint Form in triplicate

Reference: (a) NA/Tokyo No.235-37 of 30 August 1937
(Forwarding letter of Aviation Statistical Summary of 1 July 1937).

With the exception of Form E Section 7 Sheet a "Civilian Aviation Personnel" it has been impracticable to prepare Enclosure A in conjunction with the office of the Military Attache.

The sources of information contained in the summary are many. The reliability of the sources is better than average. Channels of information which existed previously, few though they were, have been closed. Upon the passage of the Military Secrets Act discussion of service aircraft or of the aviation industry has been drastically curtailed. Even the air attaches of powers ostensibly associated with Japan complain that their connections are insufficient to ensure even a reasonable interchange of information. It is recommended that this report be read with recognition of these features.

Form A. Included in this form are all the aircraft believed to be employed by the Japanese Navy under the present war conditions. Reference (a), the forwarding letter for the similar report of last year, stated that in time of emergency the total planes the Navy could put in the air would be large and such has been the case. Official figures on losses are incorrect. It is estimated that 250 naval planes have been lost. Although officially stated as satisfactory, the operating time between major overhauls is believed low. Correspondingly the planes in overhaul should be high. This cannot be confirmed.

Form B. Several reliable sources have corroborated the estimates of home, colonial and ship-based squadrons. Squadrons shore-based in China have been noted according to the best information available.

Form C. It has been possible to determine the manufacturers of many types of modern naval aircraft models. It has not been possible to obtain airplane characteristics, performance data and equipment information.

Form E. The naval, military and civil branches of the government continually emphasize the necessity for trained aviation personnel. The development of new training facilities is slow according to U.S. standards. However, it is encouraged by subsidies, patriotic land donations, and civic airport and air school developments. Had the opposition encountered in the present Incident been that of a well organized air force, the replenishment of personnel would have been a real problem.

Form F. Ship-based aircraft could be enumerated with more accuracy if it were possible to obtain information on ship construction. Information on laying down, launching, completion, modernization and conversion of vessels cannot be obtained on the more important types. In the early hostilities it is probable that there was a depletion of ship-based personnel. The use of carrier-based personnel and material as shore-based units in China is certain. When this happened it is believed that a nucleous personnel was retained by units equipped with aircraft to indoctrinate new personnel with replacement material.

During the first year of the present Incident, there was discussion that the economic and material structure of Japan would collapse. There are few indications that such will take place. If the current hostilities are terminated prior to Japan's national exhaustion, naval aviation should emerge as a very satisfactory unit. The personnel will be trained and proven. The material will consist of reasonably modern aircraft and equipment. The most salient feature will be an expanded and productive aircraft industry.

[redacted]

O. N. I. 96

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ATTACHÉ'S REPORT F-6-e / 22420-C

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From NA/Tokyo Date Nov. 28, 1938 Serial No. 236 (Commence new series each January first) File No. .... (Select proper number from O. N. I. Index)

Source of information ....

Subject Japan (Nation reported on) .... (Index title as per index sheet) .... (Subtitle)

Reference ....

Brief.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

[redacted]

Tokyo Naval Attache's Third Visit to Shanghai (November 1938)

[redacted]

7

DECLASSIFIED
E.O. 11652, Sec. 3(E) and 5(D) or (E)
OSD letter, May 3, 1972
By RT, NARS Date MAY 21 1973

[illegible] Dec.	[illegible] U. S.	[illegible] Sea. Pac.	[illegible] Sea. Pac.	C. in C. Asia	Com. [illegible]	Com. [illegible]	[illegible]	Com. Div.	W. P.	Com.	[illegible]	[illegible]	[illegible]		Return to Room No.

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U. S. GOVERNMENT PRINTING OFFICE [illegible]

Report No. 236
Japan
November 28, 1938

[redacted]

[redacted]

Tokyo Naval Attache's Third Visit to Shanghai (November 1938)

Under authorization of the Navy Department I proceeded to Shanghai to confer with the Commander in Chief Asiatic Fleet, arriving 1800 October 31st and departing 1200 November 14th.

The primary purpose of the visit was practically the same as that which prompted the two previous ones, in September 1937 and June 1938; i.e. to acquaint myself with the existing situation as it appeared from China, thus being in a better position to make an estimate of the military situation and to attempt an analysis of Japan's policies in regard to China and the changes in trends and actions which were now becoming evident here. Another reason for the visit was a self-assumed liaison between the American Ambassador to Japan and the Commander in Chief, U.S. Asiatic Fleet.

While probably of not much consequence to anyone but me, it appeared that my visit was well timed. The American Naval Attache to China arrived in Shanghai during my visit. He had made a hurried dash to South China, hoping to get to Canton before it fell. In this he was unsuccessful but did bring back interesting news from the south and especially from Hankow and Changsha where Captain McHugh, U.S.M.C., one of his assistants, has been almost continuously. Of vital importance, as it has been from the first, is the political, military and moral capacity of the Central Government for further resistance. Commander Overesch's estimates in regard to that, together with the opinions expressed by Captain Carlson, U.S.M.C. who had just returned from ten months spent with the 8th Route Army in Northwest China during which time he had penetrated behind the Japanese lines, are considered of considerable importance at this time. I also had the advantage of daily consultations with Admiral Yarnell and members of his staff, together with access to their Intelligence files; frequent talks with Mr. Gauss, the American Consul-General, Major Hagen, the Assistant Naval Attache, and Captain Ogan, our resident naval officer. I also conversed at various times with Colonel Fegan and other officers of the Fourth Marines; Vice Admiral Naokuni Nomura, Japanese Naval Attache in China and head of the temporary Naval Special Service Section of the Japanese Fleet in China Waters; Mr. Hidaka, the Japanese Consul General; Mr. McKay, head of National City Bank; Mr. Boardwell, acting head of the ex-Dollar Line; Mr. Toogood, head of Standard Vacuum; Mr. Cress, in charge of Chrysler's Far Eastern Department; Mr. Buntland, Asiatic Petroleum Company's representative at Changsha; Mr Zeeland from Sinan-fu and several other business men in similar or lesser capacities; Major General Telford Smollett, commanding British Army forces in Shanghai; the senior British and Italian Naval Officers afloat; the Danish Consul, and last but not least, Captain Douglas, a British Naval Reserve Officer in command of the EMPRESS OF JAPAN, who has kept his eyes and ears open during the past sixteen months to the benefit of the British Naval Intelligence Service.

Important and highly significant events had occurred since my visit last June. At that time a matter of concern was the underlying motive for the reorganization of the Japanese Cabinet in June and what would be the immediate results thereof. As a result of that visit I became of the opinion, doubtless shared by countless others, that certain changes had been made in the Cabinet to obtain unity of thought and action for prosecuting the war to the extent desired by the military, which was none other than complete conquest of China with no withdrawal afterwards.

[redacted]

Early in August the picture began to unfold itself. Unexpected difficulties began to be encountered by the Japanese in the Hankow campaign both from Chinese resistance and the elements. While the Japanese advance to the Wuhan cities did not bog down completely, it was not as rapid as hoped for. As predicted in my report No. 152-38, if the Japanese advance was held up temporarily, a move on Canton might be precipitated. But events other than Chinese resistance and the elements were the controlling reasons for Japan's sudden decision to move against Canton. General Ugaki was Foreign Minister. He was known not to be in high favor with the very positive military element which had, more than ever before, obtained control of the Japanese Government. A man of character, force and integrity, his recent appointment as Foreign Minister came as a surprise to many. Ugaki's announced intentions to foster and [illegible] Japan's relations with Third Powers, especially England, France and the United States, were never to the liking of the Military. Unquestionably, considerable friction had developed within the Cabinet, especially in the Inner Cabinet composed of the Premier, Foreign Minister (Ugaki) and the War, Navy and Finance Ministers. The Inner Cabinet, aided and abetted by those two firebrands, Admiral Suetsugu, Home Minister, and General Araki, Education Minister, eventually forced the China Board down Ugaki's throat. The adoption of such was the announced cause of his sudden resignation last September. It probably was the last straw which caused him to get out but behind the scenes there were undoubtedly more poignant reasons. First of all, the Navy, which had been clamoring for the isolation of Hongkong ever since the blockade was established last year, to be followed by a still further move to the southward against the Island of Hainen and into the Tonquin Gulf, had persuaded the Army to join them in their demand for the Canton campaign. Events in Europe prior to the Munich Conference had told them that little was to be feared at the moment from England. While hind sight is much clearer than fore sight, it is well known that the Canton campaign had been threatening for over eight months and that the reason for its being held in abeyance was the fear by the non-military element in the Cabinet of British repercussions. After the Cabinet was reorganized last spring the military began to gain such control that they were finally able to override the objectors. The objections of the Foreign Minister were undoubtedly based upon his fear that such a campaign would nullify his efforts to keep Third Powers placated. It also may have been Ugaki's opinion that Japan, under its present military domination, was going places beyond its power of assimilation and that he could not conscientiously remain in power and be a party to its downfall. But, whatever may have been the reasons, he resigned in September. His successor, Arita, appointed after considerable political jockeying, has undoubtedly made a complete surrender to the Military. Unless something unforeseen happens, we can rest assured from now on that our protests will fall upon deaf ears.

The Ugaki elimination was the first of the above-mentioned significant events which had happened in the interim since my last visit. The second was the Munich Conference. The aftermath of that conference gave Japan added confidence in its ability to see the China War through to the desired end. Where first she stepped rather gingerly, fearing at almost any moment intervention or some other action by Third Powers, the results of the Munich Conference confirmed her belief that England, whom she most feared, was for the time being impotent, while previous events during the past twelve months had shown her that France and Russia were practically tied to British action. Nevertheless, that intangible, uncertain power, the United States, still remained. Fortunate indeed for Japan was the Munich Conference and subsequent events in Europe, particularly Hitler's and Mussolini's anti-Jewish campaigns. Those events were so much greater interest to the American Public as to crowd off the front pages of our press the extremely critical events

which were happening in the Orient. This fact, though, may be a blessing in disguise to the United States Government.

The third significant event was the military's complete and convincing success in the Canton and Hankow campaigns, together with Great Britain's apparent apathy at the losses to her prestige and interests which resulted from the fall of Canton. Many are the reasons advanced for the sudden fall of that city. Some are rather fantastic, such as the bribing of two Chinese Generals by a down payment of thirty million each in yen or yuan depending upon where the story is told. Other theories advanced are the Generalissimo's reported lack of confidence in his Cantonese generals and that of Chinese strategy of choosing its own battle ground. The latter appears to be more in keeping with what has happened in the previous campaigns of this war. But of one thing I am certain: the Japanese were prepared for real resistance and were surprised at the sudden folding up.

The fourth significant event was the presentation of the October 6th note by the United States followed a month later by more or less identical notes from Great Britain, France and the United States on the subject of freedom of navigation of the Yangtze. As is well known to the Department, these latter notes resulted from Admiral Yarnell's statement that the time would soon come when it would be imperative for his gunboats to have a certain freedom of movement on that river. While Japan's replies had not been made at the time of my visit there was considerable speculation as to what the answers would be and what would be the next step when the almost assured unsatisfactory replies were received.

Japan's announced military intentions are to stamp out the Chiang Kai-shek regime and all other anti-Japanese elements in China. Whether or not she can accomplish them still appears to be a matter of endurance, financial and otherwise. As predicted in my previous report it is evident that the Japanese can gain any reasonable military objective in China they desire. Nothing has occurred to disprove this. Left alone, it is almost certain they can conquer China from a military standpoint. Chiang Kai-shek's announced strategy is purely defensive. He hopes to force Japan to become so overextended militarily and financially that she will break. He does not intend to resist Japan frontally. He is banking upon a defensive warfare, forcing his enemy to defend long lines of communication necessitating possibly the maintenance of an army of a million men in the field; constant harassment of these lines of communication both from the flanks and from the rear; refusal of his Chinese in occupied territories to accept Japanese domination; guerilla warfare and kindred acts. It is my opinion that Chiang Kai-shek's case is practically hopeless unless outside help is received. Japan will use the same tactics in China as she has in Manchoukuo. There, in the few years immediately subsequent to 1931 where Chinese guerilla forces, commonly called bandits, were counted by the thousands, they now number but hundreds and are fast disappearing. The Chinese are not a militaristic race. They have been conquered before and they will undoubtedly be conquered now. Where the Occidental would probably be worn out and broken down by the many and repeated acts of sabotage which the Chinese are now inflicting and will continue to inflict, the Japanese will stand up. Under military leadership they become a cruel, determined war-like race. They are now under a military-fascist domination which has no contemporary parallel. Their past history has been one of continual strife and warfare both within and without. Their present program in China is one not foreign to their nature. True, all will not be clear sailing for the Japanese. They will receive setbacks. But their military leaders, now the absolute masters of the Government, know what they wish and, more important, exactly how to accomplish it. They are

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as persistent as the surf which breaks upon the shore, gradually but surely wearing away all in its path. Their government has no threatened change of administration every four years with which to contend. Their basic national policies are formulated, not over night, but for the far distant future. They have announced their China Policy as "immutable" and just that it is. We have considerable to learn from the Japanese. Physically and temperamentally they are as hard as we are soft. Pacifism, communism, labor agitations, student movements, conscientious objectors and matters of similar ilk are completely out of the Japanese picture. General Itagaki, the War Minister, very aptly expressed it when he said that Japan's strength lies in the realization of all classes of the people that everything they possess is now subordinated to the divine will.

As to Japan's economic structure: there are no outward signs yet of its breaking. It will stand up under the present strain for several years to come even though she has deliberately curtailed, almost to the point of extinction, certain industries upon which her rise to industrial strength has depended. While it is true that there are certain economists in Japan, also a few industrialists, who are crying wolf (under their breath) there is no question in my mind but that Japanese finance will stand up for at least another two years. Our Government has competent observers here, experts in their line, who have watched the situation closely. None that I know of disagree radically with me in the above observations. The war has cost Japan seven and a half billion yen in the first sixteen months. At the end of two years it is expected that it will cost Japan between eleven and a half and twelve and a half billions. Economists estimate that Japan can stand an expenditure of from ten to twenty billion yen per year for a period of five years to carry on the war. The standard of living has not as yet retrogressed to any great extent. Should it become necessary, however, Japan is prepared to go back to its standard of thirty or more years ago.

As regards the Chinese: it is apparent that there are now two forces with which Japan must contend - first, the National Army under the Generalissimo, and second, what is commonly known as the Red Entity in Northwest China. The latter is apparently more than a mere Army. At the present moment it is a military, political, economic and social organization which might conceivably become China's "Valley Forge". Captain Carlson states that it is not "Red" in the generally accepted meaning of that term; instead it resembles Social Democracy rather than Communism. Less than three years ago Chiang Kai-shek was fighting this organization. Now, if reports are true, he is beginning to accept their tenants of nationalism and, while there is not yet actual cooperation between the two, there is considerable moral cohesion.

Reports are to the effect that Chiang Kai-shek has cached in Yunnan some forty or more percent of the munitions that have been comming to him for the past twelve months from South China. Even at that it cannot be seen how either his Army or that of the 8th Route can stand up frontally against any Japanese advance. How long either can continue a purely defensive warfare with only rifles, bayonets and hand grenades against modernized equipment, artillery and airplanes is a question. Some say six months, some say a year.

The present situation as it concerns the United States: the fall of Canton and Hankow has brought more to light than ever the real intentions of the Japanese as regards Third Power interests in China. Elated by their military successes and confident of their ability to make an economic success of their China venture, they have announced to the world that a new situation has arisen in the Orient and that it will be necessary for Third Powers to understand that situation before they will be permitted to exercise the rights

they have previously enjoyed in China. The significance of this might briefly be expressed in slang: "If you want to play ball you must play according to our rules". Third Powers' trade with China is hereafter to be under Japanese domination. In fact all China's relations with the outside world will be similarly controlled. Japan's nullification of Third Powers' interests in China will be as complete as in Manchoukuo. Freedom of navigation of the inland waters of China, extraterritoriality and foreign concessions in China such as the International Settlement and the French Concession in Shanghai may soon become only interesting facts in history. If Japan has her way China will be as dark to the Occidental as Manchoukuo is now.

The Japanese Navy has been engaged in a quasi-naval war for the past sixteen months. While her battle fleet has not been in actual fleet combat, nevertheless it cannot but have profited in so far as efficiency is concerned, by being in a state of readiness for action during all that time. So far as can be learned, fleet units have been in full commission, i.e. fully manned, fuelled, ammunitioned and supplied. Its training has probably been that of a fleet which must be ready at any moment to meet an enemy. It is known that it cruises at high speed during daylight and darkened at night. Parts of it have been on blockade duty winter and summer. The smaller units have been in actual combat with an enemy. Certain parts of the fleet have carried out joint operations with the Army. A very high technique in convoy work, in supporting a landing and in actual landing operations has undoubtedly been developed. The operations of lighter units on the Yangtze and Pearl Rivers appear to have been arduous and to have been carried out under conditions of modern combat not experienced by any Navy during the past two decades. During these operations mine-sweeping, defense against aircraft, defense against small torpedo boat attacks, escort duty and landing operations have been conducted. Older officers in our Navy who know the difference between peace time training and war operations surely appreciate the beneficial training resulting from such operations. Furthermore, the opportunity the war has given Japan to increase her naval establishment should not be overlooked. As has been previously reported large increases in funds have been appropriated by the Diet, but this does not, it is believed, represent all the money that has been made available to the Navy. For the two fiscal years ending March 31, 1939, the officially appropriated funds for the Third Replenishment Program has been Yen 717,000,000, the total cost of which program, extending over a period of five years, will be Yen 1,138,000,000. What the unofficial funds amount to is not known but some estimates are to the effect that the war chest augmented by juggled appropriations will about double the funds officially appropriated for increase of the Navy.

Last and most important of all factors tending towards developing the efficiency of the Navy has been the opportunity given to Japan for employing in actual combat that newest weapon of all, naval aircraft. No other first class Naval Power has had similar war experience or anything even approaching what Japan has enjoyed. Consider the position of the Japanese Navy in this respect: From August 12th 1937 her naval aircraft have been continuously employed in combat operations. In fact, during the first six months of the war the only aircraft so employed to any extent were naval aircraft. Her aircraft have engaged in every type of offensive and defensive warfare except possibly torpedo firing. She has operated carrier-based planes from carriers, seaplanes from cruisers, seaplanes from tenders, shore-based planes from air bases in Japan proper, Formosa and Kwantung. Her planes have engaged in all types of offensive missions against an enemy - observation, bombing, strafing, protection of bombing squadrons and support of ground forces. While

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aircraft losses have been heavy, the experience gained must have been invaluable. This applies not only to operation experience but also to the development of material. Of all weapons employed it is doubtful whether any arm has benefitted to the extent which aircraft has. Where, before the war, it could truthfully be stated that Japanese naval aircraft were several years behind our own, it would be most unwise for a nation to hold such an opinion today. Furthermore, it would be just as unwise to discount the quality and ability of Japan's aviation personnel.

Japan's Naval Strategy in a War with a Major Power:

Japan's announced building policy is to build a fleet in accordance with her national traits and characteristics which will be able to defeat any fleet a single Power can bring against her in the Western Pacific.

This does not imply that Japan's strategy is a defensive one, that she would not attack until attacked. On the contrary, she undoubtedly would not hesitate to undertake offensive operations but not beyond supporting distance of her strategically excellent geographical position. By this is meant that Hongkong, Singapore, Dutch East Indies, Philippines, Borneo, Guam, Aleutian Islands and possibly the Hawaiian Islands would be in jeopardy depending upon who challenges her efforts at Asiatic domination. But, the decisive fleet engagement in any naval war in which she engages would be in waters of her own choosing. These waters would be none other than those encompassed by Japan proper and its many outlying islands from which her fleet would have the support of aircraft and submarines operating from numerous mobile and immobile air and submarine basses. That factor is one reason why it appears most logical for the Japanese Navy to concentrate upon building mobile seaplane units rather than upon the more expensive and vulnerable carrier type.

O. N. I. 86

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From NA/Tokyo Date Jan. 15 19 39 Serial No. 8 (Consecutive year series each Summary Sent) File No. 902-100 (Select proper number from O. N. I. Index)

Source of information

Subject Japan (Nation reported on) Navy - Policy - Basic (Index title as per index sheet) (Subtitle)

Reference

Brief.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

[redacted]

Capital Ship Construction

(C)

[redacted]

33

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Report No. 8
Japan
January 16, 1939

[redacted]

900 - Navy
902 - Policy
100 - Basic

Capital Ship Construction [redacted]

The British Assistant Naval Attache, who has just returned from a trip to Nagasaki, has given me the following information:

A capital ship is being built on No.2 building way at the Mitsubishi (Nagasaki) Dock Company. In support of this contention he states as follows:

a. At dusk of the early evening welding lights have been observed through the screens (See NA/Tokyo Report No. 9-39) the extent of which appears to be over a length of 720 feet.

b. The enlargement and strengthening of the building way, which has recently been completed, would only have been done for the building and launching of an extra large and heavy vessel.

c. Precautions to observe secrecy such as screening in the building way, swearing to secrecy the workmen engaged on the work and not replacing any when ill but keeping their jobs open until recovered.

He also believes the inboard screened-in end of No.1 way (See NA/Tokyo Report No. 9-39) is being utilized to assemble plates, armor and, possibly, armament rather than for building a small vessel as there is no other space readily available near No.2 building way for such assembly. A merchant vessel is under construction on the remainder of the slip. He doubts whether a submarine or destroyer could be launched successfully from such a height and distance from the water if constructed on the inboard end.

As regards the vessel being built on No.4 building way at the Kawasaki (Kobe) Dock Yard, see NA/Tokyo Report No. 242-38. It has been reported that this building way was screened in last summer but that the September typhoon carried away the screening. Nothing is known about this but it is known that the building way was not screened in last November.

COMMENT:

Persistent reports or rumors are to the effect that four capital ships are under construction; one at Nagasaki, one at Kobe, and two at Navy Yards (either two at Kure or one at Kure and one at Yokosuka). Both the British Naval Attache and I have been of the opinion until recently that capital ships would be constructed only at Navy Yards. However, the above information, coupled with the above-mentioned persistent rumors and the insistence of the French and the former Italian Naval Attache for the past year that private yards would be used, make it possible that we may have been wrong.

O. N. I. 90

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From NA/Tokyo Date Jan. 28, 1939 Serial No. 19 (Commence new series each January first) File No. 602-600 (Submit proper number from O. N. I. Index)

Source of information .....

Subject Japan (Nation reported on) Cities & Towns - Coast Cities & Towns - (Index title as per index sheet) (Subtitle)

Reference Industries

Basis.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

Aircraft Manufacturing Industry - Recent Developments

(C)

[redacted]

34

Navy Dept.	C. in C. U. S.	Com. Sou. For.	Com. Sou. For.	C. in C. Asia	Com. S. E. A.	Com. Air	Attaché at	Operations: Com. Dir.	W. T.	Com.	Pl. Tr.	State	Com-merce		Return to Room No.

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U. S. GOVERNMENT PRINTING OFFICE 9—8888

Report No. 19
Japan
January 28, 1939

600 - Cities and Towns
602 - Coast cities and towns
600 - Industries

Aircraft Manufacturing Industry - Recent Developments

References: [redacted]
(a) M/A Tokyo Report 9583 of 4 October 1938
(b) NA/Tokyo Report No. 91 of 2 May 1938
(c) NA/Tokyo Report No. 4 of 13 January 1939
(d) NA/Tokyo Report No. 201 of 21 July 1937.

The regimentation of the major aircraft producers and affiliated industries in Japan under the Aircraft Manufacturing Industry Control Law and its Ordinances (Reference (a) has placed these producers virtually in the status of Army and Navy Aircraft Factories. References (a), (b), (c) and (d) show the developments as time has progressed. There are other attendant features pertinent to placing this law in effect.

Applications for Licenses under the Aircraft Manufacturing Industry Control Law:

Applications for licenses were to be submitted from 1 August 1938 (date on which the law became effective) to 30 September 1938. Several companies failed to submit applications in time. Seven new companies considered technically incompetent and previously warned by the Military apparently will not be licensed. Some of these were financial ventures designed to take advantage of the privileges granted by the law.

Licensed Activities:

Imperial Ordinance 607 of reference (a) states that licenses will be issued separately for:

1. Aircraft manufacturing.
2. Aircraft assembling - airplane parts.
3. Fuselage manufacturing.
4. Motor manufacturing.
5. Propeller manufacturing.

Comment:

Aichi Clock and Electric Machinery Company is the only one of the fourteen licensed companies to receive a license for the classification (1) above, that is, "Aircraft Manufacturing" or "Production of Aircraft", depending upon the translation. A precise definition of the work involved in "aircraft manufacturing" is not available - however, it is believed to be a blanket classification covering aircraft, engines and accessories in addition to aviation material.

Propeller Licenses:

A company engaged in all of the above activities, although competent and reliable, was not necessarily entitled to licensing in all features. The propeller departments of five major companies were not licensed. Those firms may be allowed to reapply in the current year for their propeller branches. Those firms whose propeller departments were affected are: (1) Mitsubishi Heavy Industries Ltd., (2) Nakajima Airplane Company, (3) Watanabe Iron Works (allowed to continue operations for one year), (4) Japan Airplane Company, and (5) Showa Airplane Firm.

Those firms licensed to produce propellers are:

(1) Kawanishi Aircraft Manufacturing Company
(2) Sumitomo Metal Industry Company
(3) Japan Aircraft Company
(4) Japan Musical Instrument Manufacturing Company (wooden propellers).

By this restriction to the above manufacturers, it is hoped to attain the following objectives: (1) Propeller branches of major firms are released to engage in engine and aircraft production; (2) The expansion of large firms to the control of all branches of the aircraft industry will be limited in this respect; (3) As less technical ability is required in the manufacture of propellers, smaller companies can engage profitably in this business.

Comment:

The authenticity of this last reason is questioned. It is more probable that the propeller staffs of the larger unlicensed factories will be concentrated at those factories that are licensed to produce propellers.

Income Tax and Business Profits Tax:

Article 9 of the Aircraft Manufacturing Industry Control Law (see reference (a)) states approximately that "manufacturers are exempt, under conditions prescribed by ordinance, from income tax and business profit tax for six years after license". One of the conditions prescribed by ordinance, not at hand, is that firms or their branches which have been in business over five years are not exempt from the income tax and business profits tax. These firms or branches thereof are: Nakajima; Mitsubishi; Kawasaki; Watanabe; Aichi Clock; Sumitomo; Japan Musical Instrument; Tokyo Gas and Electric - (1) Aircraft Assembly, (2) Engine manufacture; Kawanishi - (1) Airplane Assembly, (2) Fuselage manufacturing, (3) Propeller manufacturing.

Those firms or branches thereof which are exempt from income tax and business profits tax are: Tokyo Gas and Electric - fuselage manufacturing; Kawanishi - engine manufacturing; Japan Aircraft Manufacturing Company - airplane assembly, fuselage manufacturing; Showa - airplane assembly, fuselage manufacturing, engine manufacturing; Japan Aviation Industry Company - airplane assembly, fuselage manufacture, propeller manufacture; Ishikawajima - engine manufacturing.

Import Duty Exemption Applications:

Applications by licensed companies for import duty exemptions on foreign machine tool purchases have been filed by fifty percent of these companies under Article 11 of the Control Law. The remaining companies no doubt will follow immediately.

Comment:

Restriction by foreign countries of exports of aircraft machine tools and their design rights would have a serious effect on the aircraft industry of this country.

List of Licensed Companies:

Enclosures (A) and (B) of reference (d) contain pertinent information on the recently licensed companies which are listed below. The exact addresses of factories are indicated for purposes of record to show new and future additions and to facilitate other work.

Mitsubishi Jukogyo Kabushiki Kaisha (Mitsubishi Heavy Industries Company, Ltd.)
Capital: ¥120,000,000
Office: No.4, 2-chome, Marunouchi, Tokyo.
Factories: Nagasaki Dockyard, 1-chome, Akunouramachi, Nagasaki
Kobe Dockyard, 3-chome, Wadasaki-machi, Hyogo-ku, Kobe
Hikojima Dockyard, No.1, 130, Hikojima, Shimonoseki
Nagasaki Arsenal, No.40, Shigesato-machi, Nagasaki
* Nagoya Aircraft Manufacturing Shop, No.7, Oye-machi, Minato-ku, Nagoya
Tokyo Machine Manufacturing Shop, No.5600, Oi Morimae-cho, Shinagawa-ku, Tokyo
Yokohama Dockyard, No.4, 3-chome, Midori-cho, Naka-ku, Yokohama

Nagasaki Steel Works, No.91, Shigesato-machi, Nagasaki
Tamagawa Machine Shop, No.321, Shimo Maruko-machi, Kamata-ku, Tokyo.
* Nagoya Engine Shop, No.998, Okinaka, Taiko-machi, Higashi-ku, Nagoya

* Engaged in aircraft production.

Manufacturing and repairing of various planes (fighters, bombers, torpedo-planes, reconnaissance-planes, training machines, commercial planes); aero-engines (Mitsubishi Hispano Suiza Water-cooled, Mitsubishi Junkers Water-cooled, Mitsubishi Pratt and Whitney Air-cooled engines); accessories (Mitsubishi Handley-Page Slot-wing, Mitsubishi Duralumin Propeller, Mitsubishi Crodel Carburetor, Mitsubishi Farman Reduction Gear); radiators and starters.
Established: October 1917.
Latest inspection report - NA/Tokyo Report No. 172 of 17 June '37

Sumitomo Kinzoku Kogyo Kabushiki Kaisha (Sumitomo Metal Industry Company, Ltd.)
Established: 1897
Capital: ¥100,000,000
No. 37, Shimaya-machi, Konohana-ku, Osaka
Factories: Copper rolling mill - No.56, Shimaya-machi, Konohana-ku, Osaka
Steel manufacturing shop - No.249, Shimaya-machi, Konohana-ku, Osaka
Steel pipe manufacturing mill - No.2, Nishi-no-machi, Higashi Muko-jima, Amagasaki City
Propeller shop - No.26, Shimaya-machi, Konohana-ku, Osaka
Duralumin, super duralumin, magnesium alloy; various light metal tubes, plates, etc.; propeller and crank case, etc.

Latest inspection - NA/Tokyo Report No. 114 of 23 April 1937

Kawasaki Kokuki Kogyo Kabushiki Kaisha (Kawasaki Aircraft Engineering Company, Ltd.)
Formerly a section of Hyogo Shop of Kawasaki Dockyard; became independent in November 1937.
Capital: ¥50,000,000
Office (and Kobe Factory): No.6, 1-chome, Wadayama-dori, Hayashida-ku, Kobe.
Factory, Meiji-dori: No.6, 2-chome Meiji-dori, Hayashida-ku, Kobe (Engines)
Factory, Kagamigahara: Sohara-mura, Inaba-gun, Gifu Prefecture (Aircraft)
Tokyo depot: Romm No. 620, Yusen Building, Marunouchi, Tokyo
Manufacturing and repairing of aircraft, engines, parts, and accessories.
Latest inspection report on the engine factory - M/A Tokyo Report No. 7797 of 28 May 1935, and NA/Tokyo Report No. 226 of 23 May 1935.
Kagamigahara Factory (aircraft) - No inspections.

Tokyo Gasu Denki Kogyo Kabushiki Kaisha (Tokyo Gas and Electricity Engineering, Co., Ltd.)
Established: August 1910.
Capital: ¥36,000,000 (Increased from ¥12,000,000 (reference (b).
Office: No.100, 1-chome, Iriarai, Omori-ku, Tokyo
Factory: No.100, 1-chome, Iriarai, Omori-ku, Tokyo
Manufacturing of fuselages and engines, vessels' motors, manufacturing machines and tools, electric hoist, machine-guns.
Latest inspection report - M/A Tokyo, 19 May 1937.
NA/Tokyo, 8 May 1937.

Aichi Tokei Denki Kabushiki Kaisha (Aichi Clock and Electric Machine Company, Ltd.)
Established: March, 1898
Capital: ¥30,000,000 (Increased from ¥15,000,000 (reference (b)).
Office and factory: No.15 Chitose Funakata, Minami-ku, Nagoya.
Mizuho shop: No.3, 3-chome, Hotta-dori, Minami-ku, Nagoya
Hangar at Wharf: No.54, Tsukiji 4-gochi, Minami-ku, Nagoya
10-gochi Hangar: Nagoya Flying field.
Flying field: Yasumi-mura, Nishi Kamo-gun, Aichi Prefecture.
Fuselages of airplanes and flying boats; aero-engines; aero-radiators; propellers, parts and accessories; various arms, electric arms; torpedo arms; meters and clocks.

Latest inspection report - NA/Tokyo No.24 of 4 February 1936.

Showa Hikoki Kogyo Kabushiki Kaisha (Showa Aircraft Engineering Company, Ltd.)
Established: June 1937.
Capital: ¥30,000,000
Office: Ogura Oil Building, No.1,2-chome,Kobune-cho,Nipponbashi-ku Tokyo.
Various planes and parts; various internal combustion engines and parts. (The factory of this company will be located if possible and reported.)
No inspections have been made of this company.

Tachikawa Hikoki Kabushiki Kaisha (Tachikawa Aircraft Co., Ltd) (formerly branch of Ishikawajima Dockyard)
Established: November 1924
Capital: ¥25,000,000
Office: New Kaijo Building,1-chome,Marunouchi,Kojimachi-ku,Tokyo
Factory: No.3628, Tachikawa-machi, Tokyo Prefecture.
Designing and manufacturing of fuselages and accessories of military and civil planes.
Latest inspection report: M/A Tokyo No. 9277 of 14 March 1938

Nakajima Hikoki Kabushiki Kaisha (Nakajima Aircraft Company, Ltd.)
Established: December 1917
Capital: ¥20,000,000
Office: Yurakuken, No.4,3-chome, Marunouchi,Kojimachi-ku,Tokyo
* Ota shop: Ota-machi, Gumma Prefecture
** Tokyo shop: No.88, Shuku-machi, Suginami-ku, Tokyo
Musashino shop: No.850, Nishikubo, Musashino-machi, Tokyo Prefecture
Tanashi Casting Shop: No.3011, Yato, Tanashi-machi, Tokyo Prefecture
Designing and manufacturing of military and commercial planes; designing and manufacturing of various water- and air-cooled aero-engines.
* Aircraft Factory:
Latest inspection: M/A Tokyo No.8794 of 25 May 1937
NA/Tokyo No. 324 of 16 December 1936
** Engine Factory:
Latest inspection: M/A Tokyo No. 8799 of 27 May 1937
NA/Tokyo No. 322, of 16 December 1936

Kabushiki Kaisha Tokyo Ishikawajima Zosenjo (Tokyo Ishikawajima Dockyard)
Established (engine section): April 1936
Capital: ¥16,000,000
Office: No.54, Tsukudajima, Kyobashi-ku, Tokyo
Factories(engine sections): No.5,3-chome, Nishimachi, Shin Tsukudajima
No.3174,1-chome, Showa-machi,Tomioka-cho, Isoko-ku, Yokohama
Manufacturing and repairing of aero-engines and parts.

When the Tachikawa Aircraft Company Ltd. was formed from the aircraft branch of Tokyo Ishikawajima Dockyard it was reported that the above company was engaged in engine production, (reference (d). The fact that it has been licensed indicates that the engine section is an active concern possibly with two factories. [redacted]

Kawanishi Kokuki Kabushiki Kaisha (Kawanishi Aircraft Manufacturing Company, Ltd.)
Established: 1928
Capital: ¥15,000,000 (Increased from ¥5,000,000 (reference (b)
Office: No.1, Daito, Naruo, Muko-gun, Hyogo Prefecture
Factory: Naruo, Mako-gun, Hyogo Prefecture
Tokyo depot: Naka No.13 Building, No.12, 2-chome, Marunouchi, Kojimachi-ku
Military and commercial planes, engine parts and accessories, wooden and metal propellers.
Latest inspection: NA/Tokyo Report No. 19 of 1 February 1938

Kabushiki Kaisha Watanabe Tekkojo (Watanabe Iron Works, Ltd.)
Established: January 1886
Capital: ¥6,000,000
Office and factory: Zasshonokuma, Fukuoka City
Depots: East No.7, Building, Marunouchi, Kojimachi-ku, Tokyo
No. 41, Hira-machi, Sasebo City
Aircraft factory: Adjacent to railroad station Zasshonokuma, 6 miles southeast Fukuoka on main line to Kurume.
Various arms and parts; fuselages, under-carriages and parts; Asakawa-type charcoal gas generator.

Nippon Hikoki Kabushiki Kaisha (Japan Aircraft Manufacturing Co. Ltd.)
Established: October 1934
Capital: ¥5,000,000
Office: New Kaijo Building, 1-chome, Marunouchi, Kojimachi-ku, Tokyo
Factory: Showa-machi, Tomioka-machi, Isoko-ku, Yokohama
Designing, manufacturing and selling of aircrafts, aero-engines; repairs of the same; manufacturing of various parts
Latest inspection: NA/Tokyo Report No. 310 of 11 December 1936
This office has been informed that four-engine patrol planes are being manufactured by this company.

Nippon Gakki Seizo Kabushiki Kaisha (Japan Musical Instruments Manufacturing Co., Ltd.)
Established: September 1897
Capital: ¥4,000,000
Office and factory: No.25, Nakazawa-machi, Hamamatsu City
Tokyo branch office: 7-chome, Ginza, Kyobashi-ku, Tokyo
Osaka branch office: 1-chome, Kita Horiye Kami-dori, Nishi-ku, Osaka City
Fukuoka branch office: Shin Kawabata, Fukuoka City
Yokohama factory: Tsuruya-machi, Kanagawa-ku, Yokohama City
Wooden and metallic propellers, etc.

Dai Nippon Koku Kogyo Kabushiki Kaisha (Japan Aviation Engineering Co., Ltd.)
Established: March 1938
Capital: ¥5,000,000
Office: No.2, 1-chome, Kobune-cho, Nipponbashi-ku, Tokyo
Factory: No.28, Mori-cho, Fukagawa-ku
Manufacturing, repairing, marketing, importing and exporting of aircraft parts and accessories; manufacturing, repairing, marketing, importing and exporting of aircraft and automobile engine parts, and accessories; manufacturing, repairing, marketing, importing and exporting of aircraft and automobile materials; investment in businesses connected with foregoing work.

See WF 72. March 29, 1939 m Same folder (15594-a)

Formation of Aircraft Guilds:

A plan for the formation of aircraft sub and sub sub contractors into guilds under a central body such as a "Federation of Industrial Aircraft Parts Manufacturers" is under consideration by the military authorities as part of the aircraft production program. Two methods are under investigation:

(1) Establishment of as many guilds of aircraft parts manufacturers as there are parent firms licensed to assemble aircraft
(2) Establishment of prefectural aircraft sub-contractor guilds

The prefectural guild plan is being studied due to opposition by the larger or parent aircraft manufacturers. Under normal conditions these firms can fabricate all aircraft parts with their own facilities. At present a large percentage of parts are sub contracted. If the demand should cease the major firms reason that they will have organized strong competitive groups which by some development could compete in the parent companies fields. Nakajima, Mitsubishi, Kawanishi and Kawasaki have been holding regular meetings at which this matter is discussed. It presents a mutual problem. It is probable that the main idea is to prevent a wider distribution of profits and to protect original investments.

The military are interested in developing the guild idea in order to: (1) Distribute profits for the large budget expenditures over a wide field; (2) Improve technical standards of aircraft sub contractors by having the parent companies supervise and report on the facilities of sub contractors; (3) Increase potential production facilities by training sub contractors' personnel in fabrication of aircraft material.

The military authorities have agreements with the licensed companies with regard to specialization in aircraft orders awarded. The companies are divided between the Army and the Navy either completely or on a percentage basis and each company is awarded contracts involving types and amounts. It is the intention of the military that this system be developed by the parent or licensed airplane and engine assembly plants by extending similar agreements from the companies to the sub-contractors. With the sub contractors in guilds rigid control would be exercised by the military over the entire aircraft production system.

[redacted]

O. N. I. 96

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ATTACHÉ'S REPORT

O-12-C/7206-S

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From NA/Tokyo Date Feb. 14, 1939 Serial No. 35 (Commence new series each January first) File No. 902-100 (Select proper number from O. N. I. Index)

Source of information Official Documents

Subject Japan (Nation reported on) Navy - Policy - Basic (Index title as per index sheet) (Subtitle)

Reference

Brief.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

Navy Policy and Naval Expansion as Enumerated by the Navy Minister in the Diet

[redacted]

NAVAL INTELLIGENCE RECEIVED MAR 1 1939

35

DECLASSIFIED
E.O. 11652, Sec. 3(E) and 5(D) or (E)
OSD letter, May 3, 1972
By RT, NARS Date MAY 21 1973

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U. S. GOVERNMENT PRINTING OFFICE

Report No. 35
Japan
February 14, 1939

[redacted]

900 - Navy
902 - Policy
100 - Basic

Naval Policy and Naval Expansion as Enumerated by the Navy Minister in the Diet

The following quotations (from the Domei release) of certain interpellations and answers thereto serve to illuminate Japanese naval policy, naval expansion and naval views on defense, politics and other factors.

Policy:

"To assure control of the seas and of the air in the Pacific (area not defined) and to become the propelling force for the enforcement of our national policies. The Navy's present ("under present appropriations") armament is sufficient for the establishment of a new order in East Asia". Admiral Yonai on 8 February declined to discuss the possibility of the occupation of Hainan Island.

Naval Expansion and Naval Construction:

When asked concerning the version of Italian origin about Japan's construction of huge capital ships of 46,000 tons, Admiral Yonai replied that the version current abroad was quite unfounded and furthermore refused to disclose the tonnage of new ships under construction. In answer to a question as to whether Japan's aircraft carrier strength is quite as great as it might be he replied: "The Navy hopes to add some good aircraft carriers". To impress on the Diet members that the above-mentioned "under present appropriations" was of importance, Admiral Yonai said that he had full confidence in the capability of Japan to finance the revised program, adding:

"The Navy of the Empire is confident of making the naval defense adequate by combining the present naval power with the enforcement of a new construction plan to be submitted to the Diet shortly in the form of a supplementary budget. The armament replenishment up to the year of 1941 can be done in accordance with the present commodity mobilization plan.

"The foregoing supplementary budget represents a plan to replenish and revise the existing plan (3rd Replenishment Program) of the Japanese Navy, which the naval authorities announced some time ago, to cope with the swollen armament expansion plans of Great Britain, the United States, Soviet Russia and other Powers. The supplementary budget, in accordance with the line of the existing plan, calls for a continuation expenditure over several years, for the construction of warships and an increase of the number of aviation corps". (Probably upward revision in number of ships, planes and personnel).

When asked regarding the prospective capacity of the nation and its relationship to national defense measures, the Admiral replied:

"The fiscal year 1939-40 will be the most difficult period for the replenishment of the productive capacity but it will become easier in the fiscal year 1940-41. The replenishment of armament can be accomplished during the three years in accordance with the material mobilization program now in force."

Defense:

The Navy Minister made a denial that the Navy had any intention of establishing a permanent base on the Chinese continent.... subsequently stating: "On the coasts of Central and South China the present occupied areas must be defended so that they may contribute to the construction of the so-called 'new order in East Asia'... such is the Navy's firm conviction."

In replying to an interpellation urging the strengthening of Japan's defenses in the Bonin, Pescadores and Kurile Islands, Admiral Yonai begged to defer his reply until the presentation of the supplementary budget for new naval construction (probably a secret session).

Political:

Admiral Yonai denied that the Konoe statement of 21 December (peace terms) had any effect upon the officers and men of the Imperial Navy and denied that the latter had been the least effected by the Comintern's attempt to sovietize them, adding that sufficient precaution would also be taken in the future.

Regarding relations between the Italo-German-Japanese anti-Comintern pact and the Navy, the Navy Minister stated "as a member of the Government":

"The anti-Comintern Pact is an ideological agreement and does not touch on concrete matters connected with national defense." While denying ability to forecast the future, Admiral Yonai said he thought a Sino-Japanese offensive and defensive alliance would contribute greatly to the new order in the Far East.

Merchant Marine:

When asked if the present merchant fleet (4,500,000 tons of ships above 1,000 tons) would be sufficient if Japan, Manchoukuo and China were to cooperate as one unit, Admiral Yonai urged that the present tonnage be doubled and that the present mercantile marine schools and seamen's training institutes be increased to cope with this expansion. (Note: incidentally, thereby adding to Japan's naval reserve effectives both in officer and enlisted personnel).

Naval Aviation:

In response to a suggestion that there might have been too intensive use of the naval air arm in the China Incident, the Navy Minister stated that:

"All that has been lost so far in the fighting has been replaced and, in addition, we have more than sufficient to replenish the Air Force. We are prefectly confident on that score." Admiral Yonai admitted that the Navy had suffered the most damage in aircraft, adding that the loss of vessels had been negligible.

When asked if the Naval Air Forces did not excel those of the Army in mechanical equipment and technique and whether the Navy has under consideration the creation of a central aviation research organization for the development of aviation for the two services Admiral Yonai (through modesty?) ignored the prelude and replied "At present, we have no such idea."

Guam and America:

In continuation of our Report No. 12-39 as to Japanese reactions to proposed U.S. fortifications in the Pacific, Admiral Yonai stated as follows:

"I see no reason why the friendly relations between the United States and Japan should come to a rupture. There can be no change in the Japanese naval armament policy of non-menace and non-aggression, giving the minimum strength necessary to assure solid national defense. If the United States should suspect Japan of some aggressive intentions, it is a gross misunderstanding.

"If the United States should take pains to strengthen its Guam base I can only say that I would be sorry for it. For, to build a fortress at an isolated point is in itself to weaken the fighting strength of the main forces. The Japanese naval authorities are not attaching much importance to the Guam project."

[redacted]

Past Building Programs:

In reply to an interpellation regarding the past building program (Second Replenishment Program to be completed in 1937-38) Admiral Yonai called upon Rear Admiral S. Inoue, Director of the Naval Affairs Bureau, who is quoted as saying:

"The refitting plan prepared under Navy Minister Osumi kept to the limits within which the treaty Powers were to refit their capital ships for air and sea defense. The navy's plan, as far as it is within the treaty limits, has been completed and each year we have been demanding appropriations for refitting independent of the treaty limits in order to maintain and increase our fighting strength.

O. N. I. 90

ISSUED BY THE INTELLIGENCE DIVISION, OFFICE OF CHIEF OF NAVAL OPERATIONS, NAVY DEPARTMENT

ATTACHÉ'S REPORT 0-12-C /7206-5

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From NA/Tokyo Date March 13, 1939 Serial No. 57 (Commence new series each January first) File No. 902-100 (Select proper number from O. N. I. Index)

Source of information Press

Subject Japan (Nation reported on) Navy - Policy - Basic (Index title as per index sheet) (Subtitle)

Reference

Brief.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

[redacted]AL

Fourth Replenishment Program

(C)

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36

[illegible]
E.O. 11652, Sec. 5(E) and 5(D) or (E)
OSD letter, May 3, 1972
By RT, NARS Date MAY 21 1973

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U. S. GOVERNMENT PRINTING OFFICE

Report No. 57
Japan
March 13, 1939

900 - Navy
902 - Policy
100 - Basic

Fourth Replenishment Program

Reference: NA/Tokyo Report No. 36-38

[redacted]

As reported via State Department cable on 8 March, the Fourth Naval Supplementary Building Program (total ¥1,674,142,000) referred to by Admiral Yonai (NA/Tokyo Report No. 16-39) was made manifest by the inclusion of the initial outlays for this program in the First Supplementary Budget (1939-40) presented to the Diet 6 March 1939.

Ship Construction Expenses: (Six year program) (See page 3 of reference for details of Third Program expiring fiscal year 1941-42)

1939-40	¥ 60,150,000
1940-41	119,250,000
1941-42	289,785,000
1942-43	384,185,000
1943-44	290,980,000
1944-45	62,330,000
Total	¥ 1,205,780,000

(Approximately 150% of that provided in the Third Program)

Additions and Improvements to Shore Stations: (Five year program) (See reference for usual purposes of this expenditure)

1939-40	¥ 48,908,000
1940-41	79,493,000
1941-42	44,300,000
1942-43	11,640,000
1943-44	3,980,000
Total	¥ 188,321,000

(More than 200% of that provided under Third Program)

Expansion of the Air Force: (Five year program)

1939-40	¥ 56,641,000
1940-41	71,500,000
1941-42	72,850,000
1942-43	69,450,000
1943-44	29,600,000
Total	¥ 300,041,000

(Nearly 400% of corresponding allotment under Third Program

This program was blamed (inferentially) on rearmament programs of Great Britain and America -- "If other Powers which in various ways have a bearing on our country are increasing their armaments, we cannot help taking them in account in our armament plans....". "What is to be carried out from 1939-40 fiscal year is a fourth plan but in a way it will continue the third plan and so the two can be considered an integral whole." (Admiral Yonai)

When asked if Japan's sea power in the Western Pacific is to be held against the two navies of Great Britain and America, the Navy Minister stated that the Imperial Navy, in directing its construction and other plans, had in view neither Britain nor the United States alone but the country that has the strongest naval power. In reply to a query as to how the anti-Comintern pact with

Germany and Italy would affect the sea power of Japan, if the Minister thought that the naval forces could be less because of this anti-Comintern pact, or more because of it, the Navy Minister said that the anti-Comintern pact had little effect on the determination of Japanese naval strength.

The former of these statements was editorially interpreted as meaning that "the Navy is building in consideration of the strongest naval forces that could be put into play in the Western Pacific at a given time and under given conditions. Whether these forces would be those of Britain or America or of them both, must be determined by the policy of the Government and not of the Navy".

The second statement was ignored by certain of the vernacular press and not commented upon when printed. The vernacular press when interpreting this program were unanimous in stating that it was designed to prevent third powers attempting to block Japan's aspirations and to guarantee the firm establishment of the "New Order in East Asia".

COMMENT:

The hypothetical program referred to in the cable of 8 March was based on the suppositions and assumptions in NA/Tokyo Report No. 254-38 which represents the best estimate of this office at the present time. If our estimate of the increase in the cost of construction in Japan is in error naval construction under the Third and Fourth Replenishment Programs will be correspondingly larger. The above-mentioned hypothetical program is undoubtedly the least Japan will undertake. Two Foreign Naval Attaches are of the opinion that each program calls for four capital ships. The Soviet Naval Attache affirms that the new program means eight battleships in addition to the original four of the Third Replenishment Program.

Certain Japanese naval "experts", in articles written at the time of the denunciation of the Washington treaty, pointed out that Japan's submarine needs were then 122,000 tons in that category (and such data may well have been furnished the writers by the Naval Publicity Office). Consumation of these needs may be indicated somewhat by the present submarine construction (NA/Tokyo Report No.16-39).

LATER COMMENT:

The Italian Naval Attache informed me yesterday that he was having the same difficulty his predecessor had in obtaining information from the Japanese Navy Department. He stated that they refuse bluntly to answer his queries in regard to specific matters. He states that it is to be expected that they will not divulge their building program but it makes him angry when they refuse to tell him anything regarding the increase in cost of naval construction during the past five years upon which he might base an estimate of what their budget appropriation will permit them to build. He believes, however, that the cost of construction is about 133-1/3% of what it was in 1933. He quotes Paymaster Captain Ushinosuke Yamamoto of the Department's Accounting Bureau to substantiate this estimate:

> "The naval arsenals occasionally employ female workers and there is no particular shortage of labor. The highest (daily) wage for a male worker is ¥6.48, for a female worker ¥1,56. The lowest for males is 38 sen; for females 31 sen. The averages work out at ¥1.30 for males and 83 sen for females."

It is known that naval establishments took early and effective measures to conserve and increase their labor supply and are much better off in this respect than private munition concerns. There is great competition among the latter for skilled workers, ordinances have been enacted during the past 18 months to stop the cut-throat competition in obtaining both skilled and unskilled labor.

O. N. I. 96

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ATTACHÉ'S REPORT

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From NA/Tokyo Date March 15, 1939 Serial No. 63 (Commence new series each January first) File No. 500-505 (Select proper number from O. N. I. Index)

Source of information Press - Asahi Shimbun

Subject Japan (Nation reported on) Commercial - Merchant Marine (Index title as per index sheet) (Subtitle)

Reference

Brief.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

"Japan's Possession of Vessels to be Expanded to 6,000,000 Tons"

[redacted]

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DECLASSIFIED
E.O. 11652, Sec. 3(E) and 5(D) or (E)
OSD letter, May 3, 1972
By RT, NARS Date MAY 21 1973

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Report No. 63 [redacted]
Japan
March 15, 1939

500 - Commercial
505 - Merchant Marine

"Japan's Possession of Vessels to be Expanded to 6,000,000 Tons"

The following article appeared in the Asahi Shimbun on March 14th:

"In reply to an interpellation by Mr. Kozo Yamamoto, Minseito, at the Shipbuilding Financing Bill Committee meeting in the Lower House yesterday, Communications Minister Mr. Shiono stated that the Government shipbuilding expansion plan aims at increasing the national possession of vessels from the present 4,000,000 tons as at the end of 1938 to 6,000,000 tons by the end of 1941 and further to 7,500,000 tons by the end of 1942.

"Mr. Shiono, to clarify, stated that the Government intends to increase the total tonnage of the vessels by 2,000,000 tons by the end of 1941 and further by 1,500,000 tons by the end of 1942.

"In connection with the Government policy for the execution of the foregoing policy and the national shipbuilding capacity to cope with the policy, Minister Shiono and Mr. Isetani, Director of the Shipping Bureau, made the following statement:

"'At present, there are 97 slips capable of building ships over 1,000 tons in Japan. The total capacity of those slips exceeds 800,000 tons annually. The average shipbuilding capacity of the operative in the shipbuilding industry amounts to 10 gross tons a year. So even judging from the capacity of the total workers, the Japanese shipbuilding capacity reaches 800,000 tons yearly. Lack of the proper supply of raw materials was the principal reason for the past failure to operate at full capacity. Because the supply of raw materials is delayed, vessels are forced to remain on the slips for a long time, and the capacity is compelled to be transferred to other industries such as munitions or civil engineering works. Under the new commodity mobilization system, the supply of raw materials to the shipbuilding industry shall be given priority next to the munitions industry. For that reason, the domestic shipbuilding capacity shall be executed completely by the smoothed distribution of raw materials.'"

O. N. I. 96

ISSUED BY THE INTELLIGENCE DIVISION, OFFICE OF CHIEF OF NAVAL OPERATIONS, NAVY DEPARTMENT

ATTACHÉ'S REPORT

From NA/Tokyo Date March 28, 1939 Serial No. 68 File No. 401-200

Source of information Official Gazette

Subject Japan

Reference

Light Metal Manufacturing Industry Law

[redacted]

DECLASSIFIED
E.O. 11652, Sec. 3(E) and 5(D) or (E)
OSD letter, May 3, 1972
By RT, NARS Date MAY 21 1973

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U. S. GOVERNMENT PRINTING OFFICE

Report No. 68
Japan
March 28, 1939

[redacted]

Light Metal Manufacturing Industry Law

Enclosure: (A) Translation of the full text of the law (original only)

A synopsis of this law recently passed by the Diet is given below:

Article 1. The aim is to promote the subject industry for perfection of national defense and the industry itself.

Article 2. It applies to the aluminum and magnesium industries.

Article 3. More than half the stock and personnel of the companies engaged shall be Japanese in order to obtain Government permission to engage in this industry. Should this status change permission is retracted.

Article 4. (Not given, but may be included in Article 3.)

Article 5. Permitted companies shall commence operations as specified by the Government. Failing this, permission is retracted.

Article 6. Government permission for plant expansion is necessary.

Article 7. Products of the expanded portion of plants - on Government permission - are exempt for five years, during and following expansion completion, from income and business profits tax. Exception: failure to complete expansion in specified time.

Article 8. Unless approved by the Government taxation by any local governments of this industry is prohibited.

Article 9. A change in company organization does not affect the income and profits tax provisions.

Article 10. On government approval exemption from import taxes is provided.

Article 11. Expropriation of land for expansion is provided.

Article 12. Expansion of capitalization privileges is provided.

Article 13. Debentures beyond the provisions of the Commercial Code may be issued to twice the paid up capital. The Factory Mortgage Law provisions control debentures.

Article 14. Government permission is necessary to change scheduled operations, mergers and dissolutions.

Article 15. The Government controls company plans.

Article 16. Companies submit reports and are inspected by the Government.

Article 17. The Government controls demand-supply and price regulation features.

Article 18. Military requirements may necessitate plant changes and expansion on Government order.

Article 19. The same applies to storage of raw stocks.

[redacted]

Article 20. Government compensation for losses under Articles 19 and 20 is provided.

Article 21. Government subsidies for research and test is provided.

Article 22. The Government can order companies as deemed necessary to engage in import, export and sale with price control.

Article 23. The companies of Article 22 shall be two thirds Japanese owned.

Article 24. The companies of Articles 21 and 22 (hereafter "ordered companies") need Government permission to engage in other than Government business.

Article 25. Other companies may be ordered to sell manufactured or imported light metals to "ordered companies".

Article 26. Prices of "ordered companies" are completely Government controlled.

Article 27. All internal and financial activities of "ordered companies" must be government approved.

Article 28. Loans to "ordered companies" must be Government approved.

Article 29. Business regulations and changes thereof must be Government approved.

Article 30. Plans of "ordered companies" enterprises must be Government approved.

Article 31. "Ordered companies" are completely controlled by the Government with regard to reports, inspections and accounting systems.

Article 32. Destinations and sales of "ordered companies" are Government controlled.

Article 33. Persons in the light metal industries other than companies and "ordered companies" shall submit reports as required by the Government on their business conditions and equipments.

Articles 35 to 42. Punishments for violations of the law are provided. The are stringent and encompass violations of all features of the law.

Supplementary Rules

Companies engaged in the light metal industry at the present time are regarded permitted companies under Article 3 if qualified.

COMMENT:

This law is designed primarily to facilitate the manufacture of aircraft in conjunction with the Aircraft Manufacturing Industry Control Law and the Machine Tool Manufacturing Industry Control Law. It is a further step by the Government to secure expansion of strategic industries and readiness for war on two fronts, China and the Soviets, if necessary.

O. N. I. 96

ISSUED BY THE INTELLIGENCE DIVISION, OFFICE OF CHIEF OF NAVAL OPERATIONS, NAVY DEPARTMENT

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From NA/Tokyo Date April 18, 1939 Serial No. 79 (Commence new series each January first) File No. 903-200 (Select proper number from O. N. I. Index)

Source of information Official Gazette

Subject Japan Finance - Budgets Navy (Nation) (Subject title as per index sheet) (Subtitle)

Reference (a) NA/Tokyo report [illegible]
(b) " " " [illegible]
(c) " " " [illegible]

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Japanese Naval Budget - Fiscal Year 1939-40.

[redacted]

DECLASSIFIED
E.O. 11652, Sec. 3(E) and 5(D) or (E)
OSD letter, May 3, 1972
By RT, NARS Date MAY 21 1973

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U. S. GOVERNMENT PRINTING OFFICE [illegible]

Report No. 79
Japan.
April 12, 1939 [redacted]

300 - Finance
302 - Budgets.
200 - Navy.

Japanese Naval Budgets - Fiscal Year 1939-40.

Following approval by the Diet certain details of the Government's basic general budget and supplementary budgets were promulgated in the Official Gazette. These details are given below.

A. Basic General Budget

NAVY	Budget 1939-40	Budget 1938-39
Ordinary Account		
1. Navy Department Proper		
(a) Pay	511,760	419,275
(b) Office expenses	231,794	201,340
Total - Navy Department proper	743,544	620,615
2. Military Expenses		
(a) Pay	63,623,145	62,253,539
(b) Office expenses (furniture, postage, stationery, hauling expenses, telegrams, cables)	1,729,229	1,620,684
(c) Miscell. pay and expenses (foreign and domestic travel, employees pay, subsistence and quarters allowance, entertainment expenses, etc)	7,284,939	6,734,576
(d) Expenses for food and clothing	30,590,339	29,388,966
(e) Ship construction, ordnance manufacture and repairs (includes purchase airplanes and aviation equipment)	119,055,802	126,385,201
(f) Expenses for maneuvers	715,349	714,727
(g) Care of patients	1,606,895	1,454,562
(h) Upkeep of Naval Ports	1,200,698	1,252,840
(i) Operating expenses of ships and stations	50,636,734	54,005,168
(j) Hydrographic expenses	1,815,385	712,547
(k) Miscell. training expenses	2,535,417	2,537,249
(l) Aid to families of enlisted men	1,157,765	1,082,404
(m) Subsidy to employees' mutual aid guild	3,561,220	3,607,907
(n) Expenses in connection with prisoners	11,338	11,041
(o) Confidential fund	63,300	99,300
Total - Military expenses	285,587,555	291,860,711
3. Miscell. expenses (discharge allowance, special death gratuity, accident allowance, etc.)	884,896	900,823
TOTAL - ORDINARY ACCOUNT	287,215,995	293,382,149
Extraordinary Account		
1. Ship construction expenses	239,724,625	218,420,578
2. Additions and improvements to shore stations		
(a) Office expenses	979,780	1,351,614
(b) Naval dockyards, additions and improvements to	26,368,124	43,930,073
(c) Facilities and equipment for various defense corps	8,752,150	4,548,200

	Budget 1939-40	Budget 1938-39
A. Basic General Budget, continued		
NAVY, continued		
Extraordinary Account, continued		
2. Additions and improvements to shore stations, continued		
(d) Miscell. equipment for Naval ports	3,438,400	7,128,800
(e) Expenses of training facilities	3,090,122	3,568,563
(f) Expansion of hospital facilities	743,740	587,900
Total - item 2	43,372,316	61,115,150
3. Expansion of Naval Air Force	8,732,155	18,150,000
4. Alteration, repair and equipment of vessels		
(a) Modernization of ships	40,717,000	47,427,480
(b) Special repairs to ships	12,795,000	12,630,000
(c) Replacement of submarine storage batteries	1,728,424	1,289,044
(d) Construction of miscellaneous boats	790,000	660,000
Total - item 4	56,030,424	62,006,524
5. Replenishment and renewal of military stores	7,864,000	11,700,000
6. Construction and repairs to buildings	239,062	156,062
7. Expenses of trial digging of naval reserve oil field	760,000	520,000
8. Work to be performed by Navy for other government departments	160,129	160,129
9. Making charts for public sale	146,962	110,584
10. Research expenses		
(a) Research expenses for chemical warfare	135,000	150,000
(b) Aviation research	112,916	141,670
(c) Research in engines and ordnance	5,430,000	4,800,000
Total - item 10	5,677,916	5,091,670
11. Gratuities		
(a) Lump sum payment	283,040	271,814
12. Japan's share of International hydrographic expenses	5,579	5,575
13. Restoration of earthquake damages	200,000	200,000
14. Despatching vessels to northern waters	180,000	500,000
15. Making meteorological charts of upper air currents	49,663	148,012
16. Increase in allowance due to appreciation of foreign currencies	537,865	525,560
17. Expenses for ordnance equipment for training purposes	2,000,000	1,700,000

	Budget 1939-40	Budget 1938-39
A. Basic General Budget, continued		
NAVY, continued		
Extraordinary Account, continued		
18. Amount transferred to special account to replenish circulating capital of Navy Yards	500,000	3,000,000
19. Surveying to be performed by Navy for other government departments	150,000	59,687
20. Inspection expenses of aerological observation performed on board ships	94,032	0
TOTAL - Extraordinary Account	366,726,767	383,976,291
Ordinary account	287,215,995	293,382,149
TOTAL - Basic General Budget	653,942,762	677,358,440

B. First Supplementary Budget

NAVY

Ordinary Account

1. Military Expenses

(a) Pay	541,321
(b) Office expenses	12,590
(c) Miscell. pay and expenses	219,032
(d) Expenses for food and clothing	463,041
(e) Ship construction, ordnance manufacture, and repairs	1,963,458
(f) Expenses for maneuvers	18,265
(g) Care of patients	11,576
(i) Operating expenses of ships and stations	1,378,442
(j) Hydrographic expenses	139
(k) Miscell. training expenses	56,271
(l) Subsidy to employees' mutual aid guild	810,535
(n) Confidential fund	36,000
Total - item 1	5,510,670
Total - Ordinary Account	5,510,670

Extraordinary Account

1. Ship construction expenses 60,150,000

NOTE: This is the initial allocation for the Fourth Replenishment Program. This is a continuing expenditure which provides a total of ¥1,205,780,000 to be expended under this program over a period of six years. The revised annual allocation of funds for ship construction is now fixed as follows:

1939-40 -	¥299,874,625
1940-41	365,607,000
1941-42	384,836,000
1942-43	384,185,000
1943-44	290,080,000
1944-45	82,350,000

2. Additions and improvements to shore stations

(a) Office expenses	1,010,720
(b) Naval Dockyards, additions and improvements to	39,067,110
(c) Facilities and equipment for various defense corps	4,848,700

B. First Supplementary Budget, continued
NAVY
Extraordinary Account, continued
2. Additions and improvements to Shore stations, continued:

(d) Miscell. equipment for Naval ports	582,600
(e) Expansion of training facilities	3,398,870
Total - item 2	48,908,000

Note: The above is a continuing expenditure details of which are as follows:

Total approved down to 1938-39	¥534,606,380
Approved 1939-40 (Fourth Replenishment program)	188,321,000
Total	722,927,380
Expended down to 1938-39	441,124,880

Revised annual allocation of funds:

	1939-40	1940-41	1941-42	1942-43	1943-44
Office expenses	1,990,500	1,964,500	1,275,270	351,100	76,700
Naval Dockyards, additions and improvements to	65,435,234	74,068,826	35,921,880	10,777,980	3,903,300
Facilities and equipment for various defense corps	13,600,850	17,144,200	11,735,500	3,237,900	
Miscellaneous equipment for Naval Ports:	4,021,000	4,534,100	3,019,050	833,400	
Expansion of training facilities:	6,488,992	11,416,258	6,638,000	500,420	
Expansion of hospital facilities:	743,740	575,300	775,300	773,200	
Totals	92,280,216	109,703,184	59,365,000	16,474,000	3,980,000

3. Expansion of the Naval Air Force 56,641,000

Item 3, above, is a continuing expenditure details which follow:

Total approved down to 1938-39	204,248,859
Approved 1939-40 (Fourth Replenishment Program)	300,041,000
Total	504,289,859
Amount expended down to 1938-39	190,195,215
Amount to be expended from 1939-40 to 1943-44	314,094,644

Revised annual allocation of funds:
1939-40 - 65,373,155
1940-41 - 76,821,489
1941-42 - 72,850,000
1942-43 - 69,450,000
1943-44 - 29,600,000

4. Work to be performed by Navy for other government departments 1,600,000

Total - Extraordinary Account	167,299,000
Ordinary Account	5,510,670
Total - First Supplementary budget	172,809,670

C. Second Supplementary Budget
No Navy items in this budget.

D. China Incident Budget
The Official Gazette gives the following information concerning this budget:

Army	¥3,143,000,000
Navy	812,000,000
Reserve fund	650,000,000
Total	4,605,000,000

Summary of above budgets:
Totals of budgets:

General basic budget		¥3,694,666,000
First Supplementary budget		910,543,937
Second Supplementary budget		199,332,000
China Incident budget		4,605,000,000
	Total	9,409,541,000

of which the following amounts were allocated to the Navy:

General Basic Budget		653,942,762
First Supplementary Budget		172,809,670
Second Supplementary Budget		0
China Incident Budget		812,000,000
	Total - Navy	1,638,752,432

Of the total of ¥9,409,541,000 appropriated ¥5,651,801,000 (or sixty percent of the total) will be obtained through bond issues.

N. I. 60

ISSUED BY THE INTELLIGENCE DIVISION, OFFICE OF CHIEF OF NAVAL OPERATIONS, NAVY DEPARTMENT

ATTACHÉ'S REPORT O-12-C/7206-S

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From MA/Tokyo Date April 27, 1939 Serial No. 95 (Commence new series each January first) File No. 902-100 (Select proper number from O. N. I. Index)

Source of information Reliable

Subject Japan (Nation reported on) Navy - Policy - Basic (Index title as per index sheet) (Subtitle)

Reference

Brief.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

[redacted]

Third and Fourth Replenishment Program

DECLASSIFIED
E.O. 11652, Sec. 3(E) and 5(D) or (E)
OSD letter, May 3, 1972
By RT, NARS Date MAY 21 1973

MAY 16 1939

Replenishment:
CNO (?)

Tech. Div.	C. in C. U. S.	Com. Bat. For.	Com. Sco. For.	C. in C. Asia	Com. S. S. S.	Com. Air	Attached at	Operations: Com. Div.	W. P.	Com.	Fl. Tr.	State	Commerce		Return to Room No.

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U. S. GOVERNMENT PRINTING OFFICE [illegible]

Report No. 95
Japan
April 27, 1939

[redacted]

900 - Navy
902 - Policy
100 - Basic

Third and Fourth Replenishment Programs

Basing his estimate of the Japanese building programs upon the cost per ton of different types, one Naval Attache is of the opinion that Japan is building as follows:

8 battleships (40,000 tons displacement)
4 large cruisers (8,000 tons displacement)
4 carriers (20,000 tons displacement)

He estimates the cost per ton and the amount available for each as follows:

(a) Of Battleships @ 3500 yen per ton, the amount available, 1,200,000,000 yen, will permit building 8.

(b) Of 20,000 ton carriers @ 3000 yen per ton, the amount available, 240,000,000 yen would permit building 4.

(c) Of large cruisers @ 3000 yen per ton, the amount available, 100,000,000 yen, will permit building 4.

(d) Cost of submarine construction is 4100 yen per ton.

He makes no estimate of the number of submarines or destroyers to be built in these programs but states that 2,000,000,000 yen is available for total construction, which, according to his figures, would leave 460,000,000 yen for types other than battleships, cruisers and carriers. He also is positive that one battleship each is under construction at Sasebo, Kure and Kobe.

COMMENT:

The Third Replenishment Program provides solely for ship construction 552,200,000 yen for years 1939 to 1941, while the Fourth Replenishment Program authorizes 1,205,780,000 over a six year period (1939-1944); total ¥ 1,757,980,000. However, it is quite possible that a portion of the funds appropriated under the China Incident to the Navy is being diverted to ship construction as well as Reserve Funds appropriated to the Finance Department.

It is known that Building ways Nos. 1, 4 and 8 at Kawasaki Dock Yard, Kobe, are now screened in.

N. I. 96

ISSUED BY THE INTELLIGENCE DIVISION, OFFICE OF CHIEF OF NAVAL OPERATIONS, NAVY DEPARTMENT

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16224-F A-1-f

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From NA/Tokyo Date June 9th, 19 39 Serial No. 128 (Commence new series each January first) File No. 100-1006 (Select proper number from O. N. I. index)

Source of information Official

Subject Japan (Nation reported on) Aviation - Commercial (Index title as per index sheet) (Subtitle)

Reference

Brief.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

Civil Aviation Budget and Developments

[redacted]

DECLASSIFIED
E.O. 11652, Sec. 3(E) and 5(D) or (E)
OSD letter, May 3, 1972
By RT, NARS Date MAY 21 1973

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U. S. GOVERNMENT PRINTING OFFICE

116

Report No. 128
Japan
June 9, 1939

[redacted]

1000 - Aviation
1006 - Commercial

Civil Aviation Budget and Developments

The following is a resume of the amounts appropriated for civil aviation in the budget for the fiscal year 1939-40:

Department of Communications

Ordinary Account

Aviation Bureau		1,066,055
(a) Pay	327,288	
(b) Office expenses	738,767	
Central Aviation Research Laboratory		349,421
(a) Pay	45,970	
(b) Expenses of work performed	303,451	

Extraordinary Account

Aviation subsidies		689,837
Air transportation subsidies		8,185,000
Subsidy for establishment of flying fields		670,000
Temporary training expenses of pilots		2,616,000
Expenses for establishment and equipment of flying fields		2,450,315
The above is a continuing program details of which follow:		
Expended down to 1938-39	3,614,593	
1939-40	2,450,315	
1940-41	1,184,488	
1941-42	642,854	
Total	7,892,250	
Expenses for establishment of training facilities for pilots		11,183,278
The above is a continuing program details of which follow below:		
1938-39	1,160,000	
1939-40	11,183,278	
1940-41	8,470,000	
1941-42	4,752,000	
Total	25,565,278	
Expenses for aviation testing facilities		1,179,324
The above is a continuing program details of which follow below:		
1938-39	638,462	
1939-40	1,179,324	
1940-41	411,178	
Total	2,228,964	
Expenses for establishing Central Aviation Research Laboratory		3,290,000
The above is a continuing program details of which follow below:		
1939-40	3,290,000	
1940-41	5,520,000	
1941-42	13,060,000	
1942-43	15,470,000	
1943-44	12,660,000	
Total	50,000,000	
Expenses for making preparations for opening international air routes		13,238

[redacted]

Finance Department		
Expenses for establishment of Aviation Experimental Laboratory for Communications Department		633,000
The above is a continuing program details of which follow below:		
Expended down to 1938-39	1,300,000	
1939-40	633,000	
1940-41	1,609,703	
	3,542,703	
Department of Education		
Expenses for establishment of aerological observation facilities		104,035
Experimental expenses for unifying aviation research		50,000
Korean Government General		
Aviation subsidy		71,598
Aviation transportation		458,815
Establishment of air route facilities		2,343,000
Formosa Government General		
Subsidy for establishment of air defense plan		5,000
Aviation transportation subsidy		1,265,000
Civil aviation subsidy		60,000
Subsidy to Air Defense Society		20,000
Temporary air defense and guard expenses		3,119,526
Saghalien Prefecture		
Establishment of radio facilities for aerial navigation		150,000
Air defense and guard expenses		170,049
South Seas Prefecture		
Establishment of facilities for air routes		278,132
Total		¥ 40,420,623

A regrouping of the items appearing in the budget reveals the amazing growth of the Civil Air transportation system in Japan, and reflects the interest of the Government in the establishment of new air routes designed eventually to compete with other established International Air lines.

The 1939-40 Civil Air Budget will be expended as follows: (Figures in parenthesis are appropriations for 1938-39 and 1937-38, in that order.)

1. For construction of airports, improvements in air routes, communication facilities and weather reporting stations:
   ¥ 19,703,038 (9,506,771)
   (6,527,906)

2. Subsidies to air transport companies:
   ¥ 10,658,652 (5,987,749)
   (5,160,000)

3. Training of civilian pilots:
   ¥ 13,799,278 (4,130,000)
   (901,330)

4. Experimentation (Includes the establishment of new Aviation research laboratories)		
	¥ 5,102,324	(1,645,716) (1,039,040)
5. Air Defense:		
	¥ 3,314,575	(2,636,864) (---------)
6. Miscellaneous:		
	¥ 1,428,714	(1,345,222) (1,791,963)
Total	¥ 53,286,581	(25,252,581) (15,420,239)

In regard to this expansion the Naval Attache desires to point out the following:

1. Most civil airports in Japan are small and unsuited to large transport operations. With the increase in size of equipment, a reorganization and enlarging program is being undertaken to provide adequate accomodations. Even the largest field planned has runways only three thousand feet in length; while few stations have radio beam facilities to allow scheduled flights to proceed under instrument conditions. The weather reporting stations overlap, both in location and performance, but the Government is reported to be slowly eliminating this undesireble tendency.

2. Under the Dai Nippon Aviation Company Law (April 12th, 1939) the Government guarantees a six percent dividend for ten years, compensates the company for enforced losses (crashes) and grants liberal subsidies for operations throught the company's scheduled air routes. The amount of this year's subsidy indicates an active and tremendous increase in the company's operations over last year.

3. Since most of the active pilots in Japan have been assimilated by the armed forces, the budget provides for the establishment of enlarged training facilities for civilian pilots, under the guidance of the military services. Ten schools are to be built this fiscal year, with an annual output of less than a hundred first class pilots. This seems an unreasonable outlay on separate fields when compared with any of our Commercial Air colleges such as Spartan, Ryan, etc. One pertinent fact which may be overlooked is that, provided the China war is settled, a large number of well grounded pilots from the armed forces can be absorbed into civil aviation, as is done in the United States.

4. Funds are provided for the establishment of a Central Aviation Research Laboratory and an Experimental Laboratory for the Communications Department. The former is not expected to operate prior to 1941, but from that year on the funds alloted increase tremendously, indicating Japanese concern regarding the technical advancements of other powers.

5. The largest single item of Air Defense is for the protection of Taiwan (Formosa). This item properly belongs, as do several others easily recognized, under Military appropriations. Since a Chinese plane flew to Taiwan from China and dropped leaflets on the populace of Taihoku and since this was followed by one raid in which bombs were actually dropped the feasibility of more serious raids has beset the authorities charged with the defense of the Island.

[redacted]

Japanese civil aviation suffers from a lack of proper familiarity with the equipment used which in turn, with the lack of maintenance and engine checks, has caused an unprecedented number of fatal crashes, arousing the Diet and people to remedial action. Other causes of poor service are the mountainous terrain, generally poor weather, lack of proper radio communications (both plane to plane and plane to ground) and a desire to prove to other nations the self sufficiency of Japan. It is expected, however, that a marked improvement in service will follow shortly, for the Government has interested itself in the problem and has issued regulations and pronouncements calculated to increase the efficiency of and decrease markedly the accidents to transport aviation in Japan.

O. I. 86

ISSUED BY THE INTELLIGENCE DIVISION, OFFICE OF CHIEF OF NAVAL OPERATIONS, NAVY DEPARTMENT

ATTACHÉ'S REPORT

Forward seven copies (original and six carbons); this number is necessary because of the limited personnel in O. N. I. and because of the urgency for quickly disseminating information from attachés. These copies will be distributed by O. N. I. as per footnote or elsewhere, according to subject matter.

From NA/Tokyo Date June 20, 1939 Serial No. 136 (Consecutive new series each January first) File No. 907-700 (Submit proper number from O. N. I. Index)

Source of information Conversation with various naval officers

Subject Japan (Nation reported on) Navy - Operations - Movements (Index title as per index sheet) (Subtitle)

Reference

Name.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

[redacted] Operating Schedule of the Japanese Combined Fleet

Director	B-1, B-2, B-3, B-4, B-10, B-11, B-12, B-13, B-14, B-15, B-16	Mimeograph	Air Attaché	Budget	C.N.O.	Gen'l Board	War College	M.I.D.	Nav.	Ord.	Y.A.D.	C.A.S.	Eng.	S.A.A.	M.A.S.	Aero.	U.S.M.C.	M.O.

Tech. Dev.	C. of C. U. S.	Com. Nat. For.	Com. Sec. For.	C. in C. Asia	Com. S. E. S.	Com. Air	Attached at	Operations				State	Commerce		Return to Room No.
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U. S. GOVERNMENT PRINTING OFFICE 6—8888

Report No. 136
Japan
June 20, 1939

[redacted]

900 - Navy
907 - Operations
700 - Movements

Operating Schedule of the Japanese Combined Fleet

The following information in regard to the operating plans of vessels of the Japanese First and Second Fleets has been obtained in conversations with various Japanese naval officers and Japanese civilian officials who have sons serving in the Navy. It is considered to be reliable.

Since July 1937 the Japanese First and Second Fleets have been on a war footing, and all ships have been kept, as far as the operations in China will permit, in readiness for war. Shortly after the initial mobilization, however, it developed that the "China incident" would not require the services of the Home Fleets except for very short periods. It also became increasingly clear that there was little probability that Soviet Russia, Great Britain, the United States or any other naval power would come to China's assistance - or if they did, that there would be sufficient time for final war measures to be taken by the Japanese Navy. It was decided therefore that the Fleet in Home waters, that is the First and Second Fleets, must keep up the normal training schedules, but that for reasons of economy, cruising must be kept at a minimum conducive to efficiency. The demands of the naval forces operating in China were very great and at the same time reserve stocks of fuel, ammunition and supplies for Fleet use in case a major naval war developed must notbe depleted. For these reasons the First and Second Fleets have done little cruising, have reduced the frequency of target practises, and have economized in every way possible. On the other hand, drill periods at anchor have been lengthened and intensified, and great attention has been paid to overhaul and upkeep in order to make the material condition of all ships as high as possible. After intensive drills and practice at anchor the Fleets have operated for short periods at sea and have made short cruises to Chinese ports (especially Tsingtao and Amoy) for training purposes and to give the officers and men a chance to see part of the areas where the naval forces in China are operating. The opinion was expressed that this plan had proved most successful and that at no time in the history of the Japanese Navy had the state of training been more advanced, the material condition of the First and Second Fleets better or the morale of the crews higher.

The training year is still, as in the past, divided into three periods. The first period,extending for approximately three months from February to April, is devoted to individual ship operations; the second period from June to September is devoted to division training and the third period from October to early December is devoted to Fleet training.

The Fleet is therefore at the present time engaged in division exercises and training and is concentrated at Ariake Bay in Southern Kyushu. It is expected that early in September vessels will return to home ports for a short period to prepare for the final Fleet exercises. For reasons of economy no "grand" or "minor" maneuvers will be held in October and November as during normal times, but tactical exercises and gunnery practises will be conducted in the operating areas near the main islands - probably off Kyushu.

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From MA/Tokyo Date June 20, 1939 Serial No. 137 (Commence new series each January first) File No. .... (Select proper number from O. N. I. Index)

43

Source of information American Consulate, Kobe.

Subject Japan (Nation reported on) .... (Index title as per index sheet) .... (Subtitle)

Reference ....

Brief.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

SHIPPING IN THE JAPANESE EMPIRE DURING APRIL 1939
as Reported by the American Consulate, Kobe.

DECLASSIFIED
E.O. 11652, Sec. 3(E) and 5(D) or (E)
OSD letter, May 3, 1972
By RT, NARS Date MAY 21 1973

Report No. 137-39

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SHIPPING IN THE JAPANESE EMPIRE DURING APRIL 1939

CONSTRUCTION

Orders for New Tonnage:

The impetus provided by new legislation placing the shipbuilding industry on a preferred basis, so far as the supply of materials and the availability of funds are concerned, was fully evident in the number of orders for new tonnage announced during April.

Seventeen orders, involving 25 ships were announced in April as against seven orders for twenty ships announced in March. Particulars of the orders announced in April are given below. It will be noted that approximately half the orders were actually placed in March:

Dockyard	No.of Vessels	Deadweight Tonnage	Class of Vessel	Contract Price	Owner
* Koyagijima Zosensho	1	2,800	Freighter	¥1,100,000	Toho Kisen
* "	1	2,800	"	1,100,000	Ueno Kisen
* Mitsui Tama Zosensho	2	6,800	"	2,600,000	Matsuoka Kisen
* Naniwa Senkyo	1	3,600	"	1,200,000	Tsurumaru Kisen
* Osaka Tekkosho	1	7,000	"	2,500,000	Hamane Shoten
* " "	1	4,250	"	1,550,000	Okazaki Kisen
* " "	1	4,250	"	1,550,000	Okada-gumi
* Hakodate Senkyo	1	4,100	"	1,500,000	Kinkai Yusen
Koyagijima Zosensho	2	2,800	Freighter	1,100,000	Kuribayashi Shosen
Osaka Tekkosho	2	10,000	"	3,500,000	Nissan Kisen
"	5	8,000	"	2,900,000	" "
"	2	7,000	"	2,500,000	" "
Tsurumi Seitetsu Zosensho	1	9,000	"	3,200,000	" "
Mitsubishi Kobe Zosensho	1	6,300	"	¥400 per ton	Fukuyo Kisen
Osaka Asano Zosensho	1	1,100	"	500,000	K. Masuda
Mihara Zosensho	1	1,400	"	700,000	Name not given
Mitsubishi Kobe Zosensho	1	4,200	"	¥400 per ton	Hara Shoji

* Orders were placed during March, too late for inclusion in the March report.

The largest single factor in the new tonnage market appears to be Nissan Kisen (Nippon Sangyo Kisen Kaisha). This is cited in the press as a manifestation of the shortage of bottoms, for the company in question is primarily a mining concern. Difficulty in obtaining reasonable charters and freight rates under present conditions has apparently been the deciding factor in the companies newly initiated policy of ordering a fleet for its own use.

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Materials:

Scheduled for inception on April 1, 1939, a new three year plan to make Japan self-sufficient in certain items by April 1, 1942, calls for increased domestic production of the following items in the amount indicated: ordinary steel, 60%; special steels, 100%; pig iron, 100%; iron ore, 150%; coal, slightly over 30%; aluminum, 200%; magnesium, 1000%; copper, over 80%; lead, 90%; zinc, 70%; tin, 100%, plus; synthetic gasoline, 2,900%; natural gasoline, 50%, plus; synthetic heavy oil, 50%; and machine tools, 100%. This list is not complete, but it includes a considerable amount of material connected with shipbuilding.

It is not believed that the position with regard to shipbuilding materials improved particularly during the month under review. As was indicated last month, the Japan Steel Sales Company was formed from four former cooperative associations handling the sales of steel plate, wire, bars and ingots. On April 28, a committee of the Federation of Steel Cooperative Sales Associations passed a draft plan for the establishment of two new sales firms into which all existing joint sales firms for steel products, other than those mentioned above, will be absorbed. Ultimately, these two new firms will most likely become an integral part of the central body.

The Osaka prefectural authorities, meanwhile, have found it necessary to take steps toward stricter control of the distribution of iron and steel. According to press reports, there has been a tendency to file false production returns in order to obtain larger supplies of material. This is to be combatted henceforth by issuing distribution certificates on the basis of previous business profits taxes paid.

One person in Osaka was arrested for making illegal profits out of the sale of pig iron at ¥255 per ton, as aginst the official rate of ¥155. On April 12, the League of Nippon Iron Producers decided upon a reduction averaging ¥20 per ton on prices of intermediate hard and semi-hard steel, which is reported to be available in greater quantity than ordinary steels, on which no price reduction is immediately contemplated. Earlier reports envisaged reductions on all steel.

It was also indicated in the press that the authorities were contemplating either the invocation of certain provisions of the General Mobilization Law or the extension of priority status to cargoes of iron ore, scrap iron and coal in order to insure an assignment of tonnage sufficient to maintain adequate domestic transport and import facilities for these important items.

A plan to increase the domestic production of nickel involves a subsidy of ¥230,000 for the year 1939. It is stated that the cost of nickel produced from domestic ore is around ¥4,400 per ton, as against ¥3,200 for that produced from imported ore. The Nippon Nickel Company and the Showa Mining Company will be the main recipients of the subsidy, amounting to ¥1,200 per ton.

Ship Tonnage on the Ways and Ordered:

The steady increase in the number and tonnage of vessels under construction and ordered, noted during recent months, continued with rise in number to 148, on March 31, 1939, aggregating 863,650 d.w. tons, as against 137 and 844,600 tons a month earlier. Corresponding figures for March 31, 1938, were 135 ships and 1,075,530 d.w. tons. A comparison of the number and tonnage a year apart emphasizes the present concentration on smaller vessels.

It is understood that the keel of one of the projected 27,000-ton Nippon Yusen Kaisha luxury liners has been laid at the Nagasaki yard of the Mitsubishi Heavy Industries, Ltd. The other is scheduled for construction at the Kawasaki yard in Kobe, but the keel will not be laid before October of this year. Both vessels are

scheduled for commission early in 1942.

Launchings:

Particulars of the launchings during the month, as reported in KAIUN, are given below. They totaled five, one more than last month:

Name of Vessel	D. W. Tons	Speed Knots	Class of Vessel	Dockyard	Owner
UMEKAWA MARU	2,800	12.5	Freighter	Tsurumi Seitetsu Zosensho	Kawasaki Kisen
KENYO MARU	13,500	19	Oil Tanker	Kawasaki Zosensho	Kokuyo Kisen
TATSUFUKU MARU	2,850	13.5	Freighter	Koyagijima Zosensho	Tatsuuma Kisen
NISSHO MARU	8,130	14	Passenger-Cargo	Kobe Mitsubishi Zosensho	Nanyo Kaiun
MYOKO MARU	5,500	17	Freighter	Yokohama Mitsubishi Zosensho	Nippon Yusen
YEIFUKU MARU	5,000 (gr. or d.w. not stated		"	Yokohama Dockyards	Kinkai Yusen

It will be noted that the last of the above launchings, bringing the total to six, was not announced in KAIUN. Particulars were taken from a press report. The main feature of the vessel is reported to be a specially-developed automatic coal stoker, which develops a high temperature of 2,800° Fahrenheit, in contrast to 2,000° developed by the usual type of mechanical stoker.

The HAYASHIO, a destroyer, was launched on 19 April at the Uraga Dockyard.

Scrapping and Salvaging:

As was mentioned last month, very little remains of the "scrap" portion of the scrap and build program initiated in 1932. The urgent need of bottoms for coastal and nearsea service has not only proved influential in bringing about additional financial help for shipbuilders, but has also precluded the release of tonnage for scrapping. Hence the scrapping program has been abandoned, for the time being. Under the program, nine vessels, aggregating 36,041 gross tons were to be scrapped by May 15, and thirteen others, totaling 47,294 gross tons, were to be broken up by May 31. The Ministry of Communications has, however, extended operating permits on these vessels for another year, it was announced at a meeting of the administrative committee of the Ship Improvement Society on April 12.

Building Costs Compared:

A newspaper item set forth the following information concerning the comparative fluctuation in shipbuilding costs in Japan and Great Britain during the past 12 years. The information is reported to have been released from the Mercantile Marine Bureau of the Communications Ministry:

	Britain	Japan
1928	¥ 94	¥ 120
1929	93	120
1930	89	90
1931	75	90
1932	122	90
1933	148	120

1934	144	142
1935	164	160
1936	178	215
1937	246	276
1938	246	285
1939	246	350

The standard upon which the above costs have been based is given as a "triple-engined freighter of 7,500 tons", (presumably deadweight). It would seem to the reporting officer that the 1939 figure given is somewhat below actual cost, unless the ship is powered with reciprocating engines and develops a speed of 14 knots or less.

SHIPPING POLICY:

Increased Tendency Toward Government Control:

Despite the existence of legislation providing for the direct government control of shipping activities, none of it appears to have been invoked. That the sentiment in Government circles toward invocation is increasing was, however, demonstrated during the month under review, although there still seems to be a general note of reluctance to take the step.

There has been considerable activity in the charter and freight markets with a resulting loss of available tonnage where it is most vitally needed. There is a tendency to ascribe the shortage of tonnage on vital nearsea routes to speculation in charter and freight contracts, and the Government continues to hold over the shipping companies the likelihood of the invocation of control legislation, while the autonomous voluntary control body continues its efforts toward strengthening voluntary control of charter and freight rates and the distribution of tonnage.

By the middle of the month it appeared that the Government might invoke Article 13 of the National Mobilization Act (authorizing the Government to allot ships to service in the manner it considers most satisfactory) unless the shipping companies find a method of assigning adequate tonnage for the transport of iron ore and other vital materials from China, "Manchoukuo" and the South Seas.

By the end of the month, press reports indicated that voluntary control would continue, for a while longer at least, but in the meantime the Army announced that it had reached an agreement with shipping interests lowering the charter rates the Army would pay by seven percent for large ships and five percent for small vessels. At about the same time, seven leading Japanese shipping firms lost out on contracts for the transportation of some 400,000 tons of salt from the Mediterranean, the contracts going to foreign lines despite the Government's reluctance to grant foreign exchange payments for the transport of materials on foreign lines. There was nothing in the press to indicate that the step was taken as a means of bringing down freight rates, but it might be significant that the announcement came at a time when the seven companies had agreed to make the shipments on joint account, each sending one ship and agreeing to charter jointly any additional tonnage needed. The press carried no details of the rates quoted. The shipping firms are reported to have been greatly surprised at losing the contracts and apparently "took steps" to insure their securing contracts on 920,000 tons of ore similarly offered.

On April 10, Article 11 of the National General Mobilization Act went into effect. This practically pegs the dividends which firms may declare at the rate in effect last June or October. It does not apply to shipping companies alone, but as one of the industries whose earnings have greatly increased during the course of the

emergency in China, it seems likely that the shipping industry will now find that the Government has a stronger voice in the distribution of corporate incomes.

Government Studies Insurance Problems:

The tense situation in Europe during the latter part of April led to a conference between officials of the Department of Commerce and Industry and the heads of the principal insurance companies with regard to the procedure to be followed in the event of the outbreak of a European war, particularly insofar as marine insurance and re-insurance are concerned.

While nothing of an absolutely definite nature was decided, it became apparent that the outbreak of war, making it impossible for the Japanese companies to reinsure in England, would likely require the Japanese Government either to undertake all reinsuring activities directly, participate equally with private interests in the formation of a special company for re-insuring war and marine risks, or lend active support to a private company formed specially for the purpose.

SHIPPING CONFERENCES:

Silk Pool Reorganized:

According to a press report, the ten members of the Trans-pacific Conference, comprising seven Japanese lines and three foreign, including the American President Lines, reached an agreement as of April 1, for the reorganization of the shipping pool on raw silk cargoes for the United States via the trans-Pacific and Panama Canal routes.

The agreement provides that the cargo ratios shall remain at 86 percent for the Japanese lines and 14 percent for the foreign lines. Freight rates were fixed at $3.00 for West Coast cargoes and $4.00 for shipments via the Panama Canal. The agreement runs for one year, until March 31, 1940.

SHIPPING SERVICES:

Further Additions to Dairen Service:

It was reported last month that the Osaka Syosen Kaisha had added the 10,000-ton ARIZONA MARU to the Dairen run in order to relieve congestion in passenger traffic caused by immigration and by student bodies going to "Manchoukuo" for the summer on voluntary free labor projects.

Apparently the addition of the ARIZONA MARU has not been sufficient to meet traffic demands, for the company has announced that it would place the following vessels in special service on the route, leaving Kobe on the dates indicated:

MONTEVIDEO MARU	7,000 tons,	April 22
LA PLATA MARU	10,000 tons,	May 16
BUENOS AIRES MARU	10,000 tons,	June 15
AFRICA MARU	10,000 tons,	June 28

N.Y.K. Resumes Hamburg Service:

Resuming a service that has been suspended since shortly after the outbreak of hostilities in China, the Nippon Yusen Kaisha has announced that the port of Hamburg would be included in the European schedule of the MATSUMOTO MARU leaving Yokohama on May 17.

With the sailing of this ship all the N.Y.K.'s European services will have been resumed, save that to Scandinavian ports. It is stated that the demand for tonnage in nearsea service caused the disruption of the northern European services.

Steamers Diverted to Taiwan:

With a view to relieving the congestion of passenger traffic between Taiwan and Japan proper, the Nippon Yusen Kaisha will divert vessels on the South American and European servies to call at Keelung whenever possible. The first vessel to include Keelung under this plan was the YAKUYO MARU, on April 18, which had called at Hongkong on its return trip from Valparaiso.

There are currently six liners of the Kinkai Yusen Kaisha (an affiliate of N.Y.K.) and four Osaka Syosen Kaisha vessels in regular service between Taiwan and Japan proper. The N.Y.K. diversions will continue only until the congestion is relieved.

O.S.K. to Reduce Time on West Africa Run:

Osaka Syosen Kaisha's new cargo vessel, SEIA MARU, 6,500 tons, was delivered to the company on April 28, and was scheduled to enter service on the West Africa run on May 6, sailing from Osaka for the Belgian Congo. As the new vessel develops a maximum of 17 knots, it is expected that the time between Osaka and Matadi will be reduced to 38 days, as against 52 days heretofore required.

SHIPPING COMPANIES AND DIVIDENDS:

O.S.K. - Yamashita Acquire Kawasaki Shares:

As was anticipated in last month's report, Osaka Syosen Kaisha acquired a large block of preferred stock in the Kawasaki Dockyard, Kobe, by purchase from the Fifteenth Bank. The bank had held some 426,000 of the shares as security for a loan, which was made indirectly by the Government in 1927, when the Kawasaki Dockyard and its subsidiaries were in a precarious position following the panic of that year. Within three days after the purchase, however, press reports stated that half of the 400,000 shares acquired by O.S.K. had been transferred to Yamashita Kisen Kaisha.

The reported purchase price was ¥60 per share, or a total of approximately ¥24,800,000. Of this amount, almost ¥4,800,000 is reported to have been paid in cash, the balance having become the debt of Osaka Syosen Kaisha to the Bank.

Upon learning of the transfer of these shares to O.S.K., the Kawasaki interests immediately protested and endeavored to regain control of them. It is believed that the dockyard company was in a position to redeem the loan but chose to leave the shares as security in view of the low interest rate. By the end of the month no final settlement of the dispute had been reached. The only concession that the Kawasaki interests could obtain was that the possession of the shares would not be used to change the present management and personnel of the Kawasaki organization. It is reported that the total number of shares held by the Kawasaki Dockyards is 1,600,000. The shares bought by O.S.K. are preferred, however, and may ultimately lead to the loss of control by Kawasaki interests.

While it seems that Yamashita was the firm originally interested in acquiring a substantial interest in Kawasaki Dockyards (as well as its subsidiaries, Kawasaki Kisen Kaisha, Kawasaki Aviation Company, Kawasaki Vehicle Company, Nippon Steel Tubing Company, etc.), there is also reason to suppose that Osaka Syosen Kaisha was anxious to acquire a direct interest in a prominent shipbuilding firm in order to enhance its competitive position vis-a-vis Nippon Yusen Kaisha, whose connections with the Mitsubishi organization are very close. There have also been rumors that the deal had its inception in a dispute between the military and certain industrial interests, the former undoubtedly preferring amore centralized control, both private and public, over shipping.

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According to the press, the acquisition of the Kawasaki shares by O.S.K. and Yamashita is expected to bring about a united front between these two firms in matters concerning the voluntary control of shipping. Voluntary control has not altogether met the Government's requirements, and it seems unlikely to do so without greater centralization.

Policy Firm for Japan Sea Routes to be Incorporated:

Previous reports have mentioned the projected formation of a "national policy" firm to consolidate services on the Japan Sea. Progress toward the formation of this concern has been blocked by the failure of the three firms concerned to reach an agreement as to the amount and type of investment to be contributed by each. The Nihon Yusen is reported to have been the most reluctant to join the new company because of concessions it would have to make with regard to giving up its trans-Japan Sea service and confining itself largely to coastwise work along the peninsula. It is now reported, however, that agreement has been reached and that the new firm, with a capitalization of ¥40 million, will be incorporated during May.

Capital Control Bureau Approves Increased Capitalization:

The Capital Control Bureau of the Bank of Japan announced on April 26, the extension of permission to three shipping firms to increase capitalization for the purpose of placing orders for additional ships. The firms and the amounts borrowed are as follows: Inui Steamship Company, ¥3,500,500; Towa Steamship Company, ¥2,130,000; and the Toyo Marine Transportation Company, ¥1,636,000.

N.Y.K. Earnings Increase:

It is reported that the Nippon Yusen Kaisha increased both income and expenditures during the half-year ended March 31. Receipts increased by ¥6,500,000 over the previous half-year, and expenditures by ¥4,000,000. The gain in income was a result of increased charterage and freight traffic resulting from the emergency in China.

Stockholders are stated to be hoping for a one percent increase in dividends, but such an increase is likely to conflict with the present government policy with regard to increasing dividends and the management is inclined to devote the increased income to the fund for depreciation of vessels and equipment.

Value of O.S.K. Assets:

Under the heading "Corporate Earnings and Internal Reserves", the Japan Times & Mail for April 15, carried the following item, which may be of interest:

> "There is a marked tendency among industrial companies to build up internal reserves. The Osaka Shosen Kaisha is given as an outstanding instance. This shipping company returned for the second half of last year a profit of ¥16 million, of which only 15 percent was distributed and the remaining 85 percent held was turned to the internal reserve account. The assessment of shipping is ¥137 per ton which is remarkably low considering that even scrap iron is now worth ¥100 per ton. The company owns 220,000 shares in the Kokusai Kisen Kaisha, the value of all these shares being valued at only ¥10,000. The prevailing market quotation of the K.K.K. shares is ¥37 per share. In other words, what is worth something like ¥8 million is assessed at only ¥10,000."

SHIPPING CONDITIONS

Distribution of Tonnage:

There were no changes of significance in the distribution of tonnage as of the beginning of April.

[redacted]

Increase in War Risk Rates:

Reflecting the increase in war risk rates that was put into effect in London on March 23, the Marine Insurance Association of Japan raised its rates for Europe-bound cargoes as of April 1. The premium for cargoes proceeding between Japan and Europe via the Mediterranean was raised to ¥0.37½ from ¥0.25 per ¥100, and for those proceeding via the Panama Canal to ¥0.32 from ¥0.20.

On April 14, after the publication of rates had been withdrawn in New York, the above rates were increased to ¥2.00 and ¥1.00 respectively.

While the Japanese Government did not take positive steps to re-insure risks, as did the British Government, the matter was taken up between representatives of the insurance companies and the Department of Commerce and Industry in a meeting which left the impression that the Government would lend material assistance in the matter of re-insurance, should the need arise.

Sales:

The purchase by Japanese interests of the British steamship MUNERIC and the five Greek vessels, MOUNT ATLAS, MOUNT CYNTHOS, AGIOS VLASIOS and MICHALAKIS, reported last month, was confirmed locally during the month under review. The purchase prices and terms of credit were not, however, made public. These vessels were bought by Yamashita after the refusal of American interests to sell old tonnage. It is reported that numerous applications to purchase foreign tonnage have been made, but there appears to be little prospect that additional purchases will be allowed in the near future.

On April 18, the RYOKA MARU, 5,307 gross tons, 9,000 d.w., built in 1903, was sold locally to Tokai Unso for a reported price of ¥600,000.

Charter Market:

The heavy demand for charter tonnage continued, with at least 36 fixtures during the month. It is believed, however, that owing to the shortage of tonnage, most of the fixtures represented extension of charters already in effect. Brokers report a real need for foreign tonnage but do not anticipate any immediate relaxation of the Government's attitude on foreign charters.

Representative fixtures for the month of April are given below:

ARATAMA MARU	9600	d.w. tons	- 12 months	- ¥6.50
NANIWA MARU	6971	"	- 4 "	- 8.20
TSUNEHIKO MARU	5340	"	- 12 "	- 6.75
TAMON MARU	4760	"	- 5 "	- 8.10
SHOWA MARU	3800	"	- 5 "	- 8.80
TAIHO MARU	3203	"	- 12 "	- 8.00
FUKUI MARU	2600	"	- 12 "	- 9.00

Rates were very firm and probably would have risen, had it not been for the control exercised. It will be recalled that the Army reduced the rate on its charter contracts during the month.

Freights:

A strong demand was reported for colliers, especially in the coasting trade, and the Kyushu-Yokohama rate on coal increased by ten sen to ¥4.90 per ton. The Kyushu-Shanghai rate remained firm at ¥5.00. It seems likely that both rates might have risen materially in a thoroughly free market. The Hongkong, Singapore and Manila rates remained nominal at ¥7.00, ¥8.00 and ¥9.00, respectively.

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Bunker Coal:

The scarcity of bunker coal (and manila rope) has caused operators considerable concern, so much so in fact that the Shipowners' Association devoted most of their mid-April meeting to the subject. The managing director reported that petitions had been filed with the Department of Communications, the Department of Commerce and Industry and the Showa Coal Sales Company and that as a result the authorities had given assurances of a better supply.

Brokers find the scarcity so acute that great difficulty is experienced in making any purchases at all. Prices, f.o.b. and trimmed at Moji, remained unchanged in view of Government price control:

No. 1 Lump	¥23.00
No.2 "	21.50
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LABOR:

Steps Toward Overcoming Shortage of Seamen:

As has been indicated in recent reports, the shortage of qualified seamen has been causing grave concern to both ship operators and the Government. Apparently such inducements as the shipping companies themselves have been able to offer have not proved sufficient to increase materially the number of men willing or qualified to fill jobs afloat.

To augment the inducements to be offered through the Seamen's Insurance Act (to go into effect next year) and higher wages and bonuses than have been offered in some years, the Government is reported to have decided upon the invocation of Article 4 of the General Mobilization Act, under which it is authorized to requisition the services of individuals in case of need. The War Office, Navy Department and the Department of Public Welfare are understood to be drafting an enforcing ordinance under the law, which will provide for the drafting of men between 16 and 50 years of age. The act does not, of course, apply solely to shipping activities but is intended as a means of mobilizing labor for the best use to which it may be put. It is so general in application that only soldiers, sailors on the active list, students at army and navy schools, registered physicians, public officials and prisoners are exempt.

Before Article 4 is invoked, however, it seems that the Government will make use of the recent comprehensive registration of all seamen who have spent a year or more at sea to conduct an active campaign to induce such persons to resume the seafaring life. The Government is also reported as intending to offer short but intensive course aiming at the training of 3,000 additional officers and 15,000 sailors by 1942. The courses are to last from three to twelve months.

O.S.K. Labor Trouble Continues:

For some months the Osaka Syosen Kaisha has been experiencing periodic difficulties with a number of its seamen who are members of the Zokuin Club, whose membership is comprised solely of O.S.K. marine workers. The club seems to be in the nature of a company union, though certainly its activities in recent months would indicate that it is not very strongly under company domination. The disputes that arise from time to time do not seem to be of a very serious nature on the surface, being announced as bickerings in connection with the establishment of a club house in Kobe. It is likely, however, that the demands of the club members go beyond the mere establishment of a club house and equipment to demands for

benefits to the families of such members as are called to the colors and to actual increases in wages and improvements in working conditions. Not all O.S.K. seamen are members of the club, and this fact often leads to trouble between two factions aboard ship.

One of these outbreaks occurred on April 28, when 34 out of 53 sailors on the TAKASAGO MARU of the Japan-Formosa service left the ship at Kobe. They returned upon the advice of the president of the Japan Seamen's Union, but trouble broke out between them and the faction that had stayed aboard, the latter demanding that the strikers leave the ship. The dispute was apparently settled, though the terms were not made known, following intervention by officials of the Japan Seamen's Union, the Kobe Gendarmerie and the Water Police.

It is believed that the trouble was caused this time by the dismissal of the president of the Zokuin Club, whom the company has blamed for inciting trouble between the club and the management.

Sources of Information:

1. Osaka Mainichi, April 8, 1939
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3. Japan Advertiser, April 15, 1939
4. Japan Chronicle, April 8, 1939
5. Osaka Mainichi, April 14, 1939
6. Japan Chronicle, April 30, 1939
7. Osaka Mainichi, April 28, 1939
8. Japan Chronicle, April 13, 1939
9. Domei as reported in Japan Chronicle, April 15, 1939
10. Japan Chronicle, April 20, 1939
11. Japan Times and Mail, April 13, 1939
12. Japan Chronicle, April 28, 1939
13. Japan Times and Mail, April 7, 1939
14. N.Y.K. Passenger Office.
15. Osaka Mainichi, April 25, 1939
16. Kobe Shimbun, April 15, 1939
17. Japan Advertiser, April 18, 1939
18. Japan Advertiser, April 26, 1939
19. Japan Advertiser, April 18, 1939
20. Japan Chronicle, April 1, 1939
21. Summers & Co., Ship Brokers, Kobe: KAIUN, May 1939
22. "
23. KAIUN, ibid.
24. Summers & Co.; KAIUN, Ibid.
25. "
26. "
27. "
28. Japan Chronicle, April 16, 1939
29. Japan Chronicle, April 5, 1939
30. Japan Chronicle, April 30, 1939

24

N. N. I. 96

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ATTACHÉ'S REPORT

E-8-a/6406-D
908 ...

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401-200

From NA/Tokyo Date July 11, 1939. Serial No. 155 (Commence new series each January first) File No. 5 [illegible] 411 (Select proper number from O. N. I. Index)

Source of information

Subject Japan (Nation reported on) Industrial - Industrial Summary (Index title as per index sheet)

Reference

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

OFFICE OF NAVAL INTELLIGENCE RECEIVED

Regulations for the Enforcement of the Military Resources Secrets Law

[redacted]

DECLASSIFIED
E.O. 11652, Sec. 3(E) and 5(D) or (E)
OSD letter, May 3, 1972
By RT, NARS Date MAY 21 1973

Director	B-1, B-2, B-3, B-4, B-10, B-11, B-12, B-13, B-14, B-15, B-16	Monograph	Library	Budget	C. N. O.	Gen'l Board	War College	H. I. B.	Plan.	Ord.	T. & R.	C. & R.	Eng.	S. & A.	M. & S.	Aero.	U. S. M. C.	H. O.
Tech. Div.	C. in C. U. S.	Com. Bat. For.	Com. Scou. For.	C. in C. Asia.	Com. S. S. S.	Com. Air	Attaché at	Operations: Com. Div., W. P., Com., N. T.	State	Commerce		Return to Room No.						

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U. S. GOVERNMENT PRINTING OFFICE

Report No. 155
Japan
July 11, 1939

400 - Industrial
411 - Industrial Summary

Regulations for the Enforcement of the Military Resources Secrets Law [redacted]

Regulations for carrying out the "Military Resources Secrets Law" were promulgated on 26 June 1939 and were made effective as of that date. Under the provisions of these new regulations, which are quoted in full, information in regard to production capacities of various war materials and resources must be kept secret, and must not be made known to either Japanese or foreigners.

The restriction applies to Japan proper, the Hokkaido, Chosen, Taiwan, Karafuto, Kwangtung Leased Territory and all areas under the jurisdiction of Japanese customs offices.

It will be noted that under these regulations production capacities of factories producing aircraft, automobiles, trucks, buses, engines, etc. as well as the numbers actually on hand must be kept secret, and that the following minerals etc. are specifically mentioned:

Aluminum, magnesium, nickel, ferro-nickel, tungsten, molybdenum, ferro-molybdenum, manganese, ferro-manganese, ferro-chrome, cobalt, ferro-vanadum, aluminum alloys, benzol, carbolic acid, fuel oil and lubricating oil for aircraft etc.

While these regulations are in keeping with the general policy of the Japanese Government of making it impossible for the Japanese people as well as foreign governments to learn the true state of affairs as regards Japan's economic and financial ability to continue the hostilities in China, it appears that they have, in these regulations gone to great lengths to accomplish that purpose. It is impossible to reach any conclusion other than that the Japanese are facing a shortage - perhaps serious - in certain of these materials and that the government does not desire any persons, other than government officials to become acquainted with the facts. Whatever the reasons, the Japanese have added to the difficulties of foreign observers in Japan who are interested in estimating Japan's wartime capacity, and her stocks of essential war materials.

June 26, 14th Year of Showa,
(1939)

Ordinance No.3 of the Ministry of War and the Ministry of the Navy:

The regulations governing the enforcement of the Military Resources Secrets Law shall be as follows:

Minister of War, Seishiro Itagaki
Minister of the Navy, Mitsumasa Yonai

Regulations Governing Enforcement of Law Protecting Secrets of Resources for Military Purposes.

Article 1.

The present ordinance is promulgated to prescribe regulations concerning the preservation of secrets regarding military resources as specified by the Minister of War or the Minister of the Navy, to prescribe regulations concerning the posting of notice and the issuing of certificates in regard to entry, inspection etc. of establishments(other than government offices)connected with military industries.

[redacted]

Article 2. In this ordinance when the word "Law" is used reference is made to the Law protecting Secrets of the Resources for Military Purposes and when the word"ordinance"is used reference is made to the Ordinance Pertaining to the Enforcement of the Military Resources Secrets Law.

Article 3. In accordance with the provisions of Article 2 of the law referenced resources for military purposes as specified in the appended list shall be secret.

Article 4. Notifications of the list of resources which for military purposes are secret in accordance with the provisions of the proviso of Article 2 of the referenced law shall be made in writing.

Article 5. When a change occurs in the persons who are required to receive notifications based on the provisions of the proviso of Article 2 of the referenced law, the successors shall without delay report in writing to the Minister of War or the Minister of the Navy giving the names of the persons who have assured control and the date of the change.

Article 6. Notification of the withdrawal from the secret list shall be in accordance with the provisions of Paragraph 2 of Article 3 of the referenced law and shall be made in writing.

Article 7. Persons who have maps, books or articles referring to resources which for military purposes have been declared secret shall attach notices to such maps, books or articles in accordance with the provisions of the following clauses:

(Omitted. Articles indicate how maps etc. shall be marked.)

Article 8. (Refers to prompt removal of secret markings on books, maps, etc. which have been removed from the secret list.)

Article 9. Orders of the Minister of War or the Minister of the Navy in regard to the closing of, the covering of, or other necessary steps for concealing from unauthorized persons establishments or properties affected by the referenced law or this ordinance shall be given in writing, except those as provided in Article 10 and Article 11.

Article 10. Persons who have received such orders in accordance with the provisions of Article 5 of the referenced law shall without delay prepare regulations concerning the entry, inspection etc. of establishments,factories or properties required to be closed to unauthorized persons and submit the same through the appointed authorities to the Minister of War or the Minister of the Navy for approval.

Article 11. Persons who have received such orders in accordance with the provisions of Article 5 of the referenced law shall, following the instructions of the appointed authorities, post notices as provided on the premises of the establishments concerned.

Article 12.
When persons who have received orders from the appointed authorities in accordance with the provisions of Article 5 of the referenced law transfer, discontinue or suspend the establishments, businesses or properties they shall report to the Minister of War or the Minister of the Navy.

Article 13.
In establishments where notices have been posted in accordance with Article 11, no trespassing, surveying, photographing, sketching, etc. shall be permitted inasmuch as it is prohibited by Article 6 of the referenced law. However, exceptions shall be made in the case of persons who have obtained the permission of the Minister of War or the Minister of the Navy or the appointed authorities.

Article 14.
Persons who desire to obtain permission to enter, survey etc. as provided in the foregoing article (except those who have been especially permitted by the Minister of War or the Minister of the Navy) shall present a written application for such permission in accordance with a separate form to the persons in charge of the establishments concerned.

Persons who have received written applications in accordance with the provisions of the foregoing paragraph shall forward the same to the appointed authorities.

Article 15.
When government offices other than those of the Army and Navy desire to obtain approval for the action provided in Article 13 in accordance with the provisions of Article 12 of this ordinance, a written application for permission corresponding to the written application for permission as provided in a separate form shall be submitted to the Minister of War or the Minister of the Navy.

Article 16.
Reports required from owners of establishments coming under the provisions of the referenced law shall be made only on the authority of the Minister of War or the Minister of the Navy, to duly authorized officials or other persons.

Article 17.
The permission to enter, inspect etc. as provided in Paragraph 2 of Article 15 of this ordinance shall be given in accordance with the following classifications:

1. First class: Permission within wide limits.
2. Second class: Permission within limits which are not as wide as provided in the foregoing clause.
3. Third class: Permission within limits other than those which are included in the foregoing clause.

Article 18.
Permission as provided in the foregoing article shall, when it is given to government officers or public officials, be delivered through the Minister of State concerned after consultation between the Minister of War or the Minister of the Navy and the Minister of State concerned (the expression "Minister of State Concerned" used herein as well as hereinafter, shall also mean the Governor-General of Chosén, the Governor-General of Taiwan and the Director of the Government of Karafuto).

When persons other than government officers or public officials desire to obtain permission as provided in the foregoing article, they shall apply to the Minister of War or the Minister of

the Navy through the government office which has jurisdiction over their business. In this case, the delivery of the permission shall be made by the Minister of War or the Minister of the Navy after consultation between the Minister of War or the Minister of the Navy and the competent Minister of State.

Article 19.
When owners of factories etc. who have received orders as provided in Article 9 have completed taking steps for concealing and closing their establishments to unauthorized persons as ordered, they shall report to the Minister of War or the Minister of the Navy through the appointed authorities by letter.

Article 20.
When government officers enter, inspect or question establishment owners in accordance with the provisions of Article 9 of the referenced law, they shall carry the necessary permission as provided.

Article 21.
When factory owners apply for compensation as based on the provisions of Article 10 of the referenced law, they shall attach a written statement showing costs, losses etc. connected with guarding their properties and present same to the Minister of War or the Minister of the Navy through the appointed authorities.

Article 22.
The Minister of War or the Minister of the Navy may, when such measures are deemed necessary, notify the owners who have received orders as provided in Article 9 of the limiting dates when the orders are to be carried out.

Article 23.
The Minister of War or the Minister of the Navy shall, when the amount of compensation has been determined, notify the applicants by letter.

Article 24.
Persons who have books, etc. which are affected by the referenced law and who desire to obtain permission to show, deliver or publish the said secrets, shall submit a written application for permission in accordance with separate form to the Minister of War or the Minister of the Navy through the appointed authorities.

Article 25.
Notwithstanding the provisions of the foregoing article, persons who have books etc. mentioned in the foregoing article may show or deliver the said secret books, etc. upon receipt of instructions from the Minister of War or the Minister of the Navy to persons especially specified by the Minister of War or the Minister of the Navy or when such is requested by government offices other than those of the Army and Navy.

Article 26.
Excepting those cases provided in Article 24, persons who desire to obtain permission to show or deliver or publish secret material within the meaning of the law shall present a written application for permission in accordance with a separate form to the Minister of War or the Minister of the Navy through the nearest commander of gendarmerie (the expression "commander of gendarmerie" used herein as well as hereinafter, shall also mean commander of branch gendarmerie and commander of gendarmerie detachment) or the nearest director of police station (the expression "director of police station" shall be represented by Gun-shu (director of country office) and director of branch office of district government in the case of Taiwan).

Article 27.
When government offices other than those of the Army and Navy desire to obtain approval to show, deliver or publish secret material they shall present a written application for approval to the Minister of War or the Minister of the Navy.

Article 28.
When the appointed authorities have received written application for permission in accordance with the provisions of Article 14 or Article 24, they shall present the same to the Minister of War or the Minister of the Navy together with a statement of their recommendations except in cases provided in paragraph 2 of Article 30.

In the case of the foregoing paragraph, the appointed authorities may, when they consider such measures necessary, seek the opinion of the commanders of gendarmerie or director of police stations

Article 29.
When commanders of gendarmerie or directors of police stations have received written application in accordance with the provisions of Article 26, they shall keep one of the copies and present the other two copies to the Minister of War or the Minister of the Navy together with a statement of their recommendation.

Article 30.
The Minister of War or the Minister of the Navy shall, when permission has been granted, with or without conditions being attached thereto, in accordance with the provisions of Article 14, Article 24 or Article 26, deliver a certificate of permission.

The appointed authorities shall, when they have given permission as based on the provisions of Article 14, with or without conditions being attached thereto, deliver a certificate of permission.

Article 31.
The Minister of War or the Minister of the Navy shall, when approval as based on the provisions of Article 15 or Article 27 with or without conditions being attached thereto, deliver a certificate of approval.

Article 32.
Persons who enter, sketch etc. or who take action as provided in Article 13 shall without fail carry a certificate of permission or a certificate of approval in order to show it at any time at the demand of the appointed authorities, gendarmes, police officers or persons guarding the establishments concerned.

Article 33.
Persons who lose certificates of permission or certificates of approval shall without delay report to the Minister of War or the Minister of the Navy or the appointed authorities, together with a statement of the circumstances under which the certificate in case of necessity. In such cases, such persons may continue their duties or business even though another certificate has not been obtained provided the approval of the appointed authorities or the nearest commander of gendarmerie or director of police station has been obtained.

Article 34.
With reference to the appointed authorities as provided in the present ordinance, the Minister of War or the Minister of the Navy shall designate the persons who are in charge of the establishments, books etc.

Article 35.
When persons who have certificates of permission refuse to show the certificate in accordance with the provisions of Article 32,

they shall be punished with a fine not exceeding ¥10.

Article 36. Persons who destroy or deface the notices mentioned in Article 13 shall be punished with a fine not exceeding ¥50.

Supplementary Rules

The present ordinance shall be enforced as from the day of its promulgation.

List of Secret Materials, Etc.

1. In accordance with Clause 1 or Article 2 of the referenced law the following shall be considered secret:

a. The production of the commodities enumerated hereunder from January of the 13th Year of Showa (1938) in the entire country or in a district (the expression "district" used herein as well as hereinafter, refers to the prefectures in Japan Proper, the provinces in Chosen, Taiwan, Karafuto and the Kwantung Leased Territory and districts larger than such; customs distrbts and Tokyo City, Yokohama City, Nagoya City, Osaka City and Kobe City and districts comprising two or more of these cities); the capacity of producing these materials as well as the plans for the mobilization of commodities as determined by the Cabinet Council or the competent Ministers of State as from January of the 13th year of Showa; and the production and productive capacity as included in the plans for the expansion of production including maps, books and articles indicating such:

Aluminum
Magnesium
Nickel, ferro-nickel
Quicksilver
Tungsten ore, ferro-tungsten
Molybdenum ore, ferro-molybdenum
Manganese ore, ferro-manganese
Ferro-chrome
Cobalt
Ferro-vanadium
Aluminum alloy
Volatile oil for aviation purposes, lubricating oil for aviation purposes
Benzol, carbolic acid, toluol
Trucks
Aircraft or aircraft fuselages, motors or propellers

b. The production of steam engines as from January of the 13th Year of Showa (1938) in Japan Proper, Chosen or the Kwantung Leased Territory; the capacity of producing such as well as the production and productive capacity as included in the plans for the expansion of production as determined by the Cabinet Council or the competent Ministers of State as from January of the 13th Year of Showa including maps, books and articles indicating such.

c. Number of the various facilities as enumerated hereunder as from January of the 13th Year of Showa (1938) in the entire country or in a district; including maps, books and articles indicating such:

Electrolysers for aluminum and magnesium including rectifiers for same
Rollers for aluminum alloys
Fractional distillation apparatuses for benzol and toluol
Appliances for manufacturing bullets

2. Articles affected by Clause 2 of Article 2 of the referenced law:

Production of arms for naval and military purposes, for military purposes or for naval purposes, such as enumerated hereunder, at the factories producing arms (including those in the Kwantung Leased Territory) as from January of the 13th Year of Showa(1938) and the capacity for producing such including maps, books and articles indicating such:

Rifles, guns, gun-carriages, turrets
Cartridges, percussion caps
Gun-powder
Tanks, armoured cars, traction-engines equipped with rails
Ships, engines (including boilers, condensers, etc.)
Aircraft or aircraft fuselages, motors or propellers
Torpedos, torpedo-launching machines, mechanical mines, mechanical mine-laying apparatus
Mine-swpeping apparatus
Range-finders, sights
Photographing apparatus for aviation purposes
Wireless telegraphic apparatus, wireless telephonic apparatus
Search lights, audiphones
Steel caps, gas masks, gas-proof clothing
Catapults, parachutes

3. Articles affected by Clause 3 of Article 2 of the referenced law:

Production of commodities as enumerated hereunder at the factories producing such commodities (including those in the Kwantung Leased Territory) as from January of the 13th Year of Showa (1938) and the capacity of producing such as well as the production and productive capacity as bassed on plans for the expansion of production as determined by the Cabinet Council or the competent Ministers of State as from January of the 13th Year of Showa including maps, books and articles indicating such:

Aluminum (excluding articles produced from waste)
Magnesium
Nickel, ferro-nickel
Quicksilver
Ferro-tungsten
Ferro-molybdenum
Ferro-manganese
Ferro-chrome
Cobalt
Ferro-vanadium
Aluminum alloy (excluding cast articles)
Volatile oils for aviation purposes, lubricating oils for aviation purposes
Toluol, pure benzol
Trucks
Aircraft or aircraft fuselages, motors or propellers
Steam engines for use on tracks wider than 1.067 meters gauge

4. Articles affected by Clause 4 of Article 2 of the referenced law:

Storage of volatile oils for aviation purposes, heavy oils or crude oils in the entire country or in a district as from January of the 13th Year of Showa (1938) and the storage capacity of tanks for use in storing such, including maps, books and articles indicating such.

5. Articles affected by Clause 6 of Article 2 of the referenced law:

Amounts of imports of the commodities as enumerated hereunder in the entire country or Japan Proper, Chosen, Taiwan or the Kwantung Leased Territory as from January of the 13th Year of Showa

(1938) and the plans for imports as included in the programmes for the mobilization of commodities as determined by the Cabinet Council or the competent Ministers of State as from January of the 13th Year of Showa (1938) including maps, books and articles indicating such:

Bauxite, aluminum	Tungsten ore
Magnesium	Manganese ore
Nickel ore	Acid cobalt
Quicksilver	Vanadium ore, acid vanadium

b. Amounts of imports of the commodities as mentioned in the foregoing clause in the harbors as enumerated hereunder as from January of the 13th Year of Showa (1938), including maps, books and articles indicating such:

Muroran harbor, Yokohama harbor, Nagoya harbor, Fushiki harbor, Osaka harbor, Kobe harbor, Imabari harbor, Moji harbor, Wakamatsu harbor, Jinsen (Chemulpo) harbor, Keelung harbor, Takao harbor, Dairen harbor.

6. Articles affected by Clasue 7 of Article 2 of the referenced law:

Total number of the special technicians as enumerated hereunder in the entire country or in a district as from January of the 13th Year of Showa (1938) and the number of the various classes of such technicians including maps, books and articles indicating such:

Persons manning steam engines - engine drivers, assistant engine drivers

Persons manning aircraft - aviators, pilots, mechanics

Persons skilled in the manufacture of wireless communication apparatus

7. Articles affected by Clause 8 of Article 2 of the referenced law:

a. Total number of the various machines as enumerated hereunder in the entire country or in a district as from January of the 13th Year of Showa (1938) including maps, books and articles indicating such:

Aircraft
Trucks
Busses

b. Total number of the horses as enumerated hereunder in the entire country or in a district (referring to the prefectures in Japan Proper, the provinces in Chosen, Taiwan, Karafuto and areas larger than such) as since January of the 13th Year of Showa (1938) and maps, books and articles indicating such:

Mature horses (referring to horses less than four years and not more than 17 years of age)

Horses designated for military purposes

8. Enterprises affected by Clause 9 of Article 2 of the referenced law:

Transporting capacity of the railways belonging to the Karafuto Railway Company.

O. N. I. 96

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ATTACHÉ'S REPORT

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From NA/Tokyo Date August 4, 1939 Serial No. 177 (Commence new series each January first) File No. 901-200 (Submit proper number from O. N. I. Index)

Source of information Press

Subject Japan (Nation reported on) Navy - Organization - Fleets (Index title as per index sheet) (Subtitle)

Reference

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

Change in Organization of Japanese Fleet

45

Dir.	U. S.	Lang. Sol. For.	Lang. Sov. For.	C. & C. Aide	Com. S. S. S.	Com. Air	Attended at	Operations: Com. Div.	W.P.	Com.	Fl. Tr.	State	Commerce		Return to Room No.

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U. S. GOVERNMENT PRINTING OFFICE

Report No. 177
Japan
August 4, 1939

900 - Navy
901 - Organization
200 - Fleets

Change in Organization of Japanese Fleet

Considerable interest was aroused by the Navy Minister on 24 July when, in a conference with Japanese newsmen, he announced that a new naval fleet was to be organized. In revealing the existence of the new fleet, the Navy Minister stated as follows:

"I note that the Soviets have adopted the line of bringing pressure to bear on Japanese oil interests in North Saghalien. The extent of this pressure is not clear and the matter is under negotiation between Ambassador Shigenori Togo and the Moscow Government. The Imperial Navy is firmly resolved to act with determination in safeguarding the legitimate interests of Japan."

According to the press, the fleet has been organized for the following three purposes:

1. To prove to the western Powers that the nation can afford to have a mobile, independent fleet at hand to deal with such potential problems as third Power intervention, despite preoccupation with the China Incident.
2. To be ready for possible corrective measures in case the Anglo-Japanese conference for settlement of Tientsin issues fails to achieve satisfactory results.
3. To keep a close watch on North Saghalien, where the Soviet Union is threatening to expropriate Japanese coal and oil concessions.

The Navy spokesman in a press conference with foreign correspondents stated that the new fleet will engage in training with the Combined Fleet and is intended to assist in securing command of the Western Pacific for the purpose of establishing the New Order in East Asia. He refused to answer questions concerning the strength of the fleet, whether it is composed of newly constructed ships, whether battleships were included, and its proposed base of operations. He did say, however, that two or more ships form a squadron and two or more squadrons form a fleet.

It is believed that the new fleet is composed of units which have been in reserve status and are now being placed in active service for autumn training with the Combined Fleet. The number and size of the units concerned is not definitely known but it is probable that some or all of them will be continued on active service after the completion of the training period for duty in northern waters.

It must be remembered that the organization of this fleet was announced before the United States announced the abrogation of the 1911 Commerce-Navigation Treaty and at a time when Britain was making concession after concession in the Tokyo talks.

It is presumed that the Japanese believed they could take advantage of the seeming British retreat and devote more attention to the Soviet Union which has been allegedly violating Japanese treaty rights with regard to coal and oil in Saghalien and Japanese fishing rights. Another reason which the Navy Ministry may consider of sufficient importance to justify maintaining a small fleet in northern waters is the desire on their part to duplicate some of the "heroic" feats of the Japanese Army against the Russians, and get their "names in the paper" also.

In a future report the Naval Attache will submit further information in regard to the organization and composition of this newly formed unit of the Japanese Navy.

O. N. I. 96

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From NA/Tokyo Date August 9, 1939. Serial No. 178 (Commence new series each January first) File No. 1000-1007 (Select proper number from O. N. I. Index)

Source of information .....

Subject Japan (Nation reported on) Aviation - Summary (Index title as per index sheet) (Subtitle)

Reference .....

Basic.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

ANNUAL NAVAL AVIATION DIGEST - 30 June 1938 to 30 June 1939

[redacted]

NAVAL INTELLIGENCE

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U. S. GOVERNMENT PRINTING OFFICE 6—

Report No. 178
Japan
August 9, 1939

[redacted]

1000 - Aviation
1007 - Summary

ANNUAL NAVAL AVIATION DIGEST

30 June, 1938, - 30 June, 1939.

a. APPROPRIATIONS, FISCAL YEAR 1938-39.

The Japanese fiscal year commences on 1 April and terminates on 30 March. Appropriations for naval aviation during the fiscal year 1938-39 are listed below. In general, they show an increase over last year's appropriations mainly attributable to the increased prices of materials and purchases of war stocks. The appropriations were laboriously pieced together from various sources as the official figures are confidential and not available in the official gazette.

1. Regular budget:

Navy pay	¥ 12,724,629	$ 3,535,000
Miscellaneous pay	500,000	139,000
Aviation equipment	23,811,160	6,620,000
Stations, upkeep	10,127,346	2,860,000
Aviation research	112,916	31,300
Metecrology	94,032	26,100
	¥ 66,102,000	$15,631,400

Besides the items tabulated above, special sums are provided in the China Incident budget and other Supplementary budgets for naval aviation under disguised headings, making the final naval aviation appropriations for the year larger than a hasty examination would reveal.

Activities of naval aviation in China have expanded tremendously with the increased scope of operations of the Navy along the China coast and at inland bases. New stations on the Japanese mainland, designed to cope with any threat from the Soviets, are being established and manned with the least possible delay. The monetary outlay is, necessarily, increasing in proportion.

2. Supplementary budget:

Expansion of Naval Air Force	¥ 56,641,000	$ 15,750,000
China Incident Budget	¥ 162,400,000	$ 45,150,000

3. Public gifts, or contributions.

Ninety-two aircraft, ranging in size from single seater fighters to twin-engined bombers, have been presented to the Japanese Navy during the year by the public. Approximately 94% have been single or two seaters. Other gifts, for "war supplies", have totalled ¥ 125,600.

4. Summary:

Regular budget	¥ 66,102,000	$ 15,631,400
Supplementary budgets	219,041,000	60,900,000
Public Gifts	17,000,000	4,710,000
Total	¥ 302,143,000	$ 81,241,400

The table of pay and allowances of Japanese aviation personnel is slowly being compiled from reliable sources whom it is difficult to hurry. Actual figures are available only for Lieutenant-Commander and Commander, but the report will be submitted when available.

b. PRODUCTION.

Attention is invited to NA/Tokyo Report No. 172-39, copy of which is enclosed (original only), marked annex "A", covering the aircraft manufacturing industry in Japan as of 1 July 1939.

Estimates submitted cover one year of wartime production at near maximum capacity. Units of production are actual airplanes, regardless of type, and represent the number of planes on hand, in storage, and on order from the various manufacturers.

While reports have been heard that vitally necessary alloy steels are at a premium, a Mitsubishi engineer recently proudly proclaimed the virtues of stainless steel exhaust collectors and "Kinsei" engines, stating that he thought them better than American ones. Engine time between checks is 50 hours, compared to 30 hours in the American Navy, but the major overhaul period is reduced to about two hundred hours operating time.

Recent heavy purchases of German and Italian aircraft, amounting to about ¥5,000,000 are believed to be bomber types for use in China, or for copy and later production in this country.

Actual production of aircraft in Japan was approximately two thousand for the year. This includes training planes and the few aircraft for commercial use. These figures check with those of two foreign Air Attaches. Engines produced total about three thousand

The price differential formerly existing between American and Japanese airplanes is gradually disappearing because of the increased prices of materials and the higher wages paid skilled workmen in Japan today.

The following tabulated data show in detail the production of aircraft and aircraft engines in Japan for the year 1938-39:

Aircraft Production

	Employees	Production June '38-39 Army	Production June '38-39 Navy	Total Production	Maximum Estimated Production	Types
Aichi Clock	3,000		75	75	80	VT, VB
Kawasaki	3,200	325		325	400	
Kawanishi	2,100		75	75	100	VP-VF
Mitsubishi	6,500	175	275	440	500	VF-VB
Nakajima	7,500	215	275	490	575	VF-VOS
Tachikawa	3,500	255		255	360	VN-VB
Watanabe	1,200		85	85	85	
Tokyo Gas El.		30		30		
Japan Aircraft		30		30		
Showa		10		10		
	27,000	1,040	785	1,815	2,100	

Aircraft Engine Production

	Employees	Production 1938-39	Maximum Production	Types
Aichi Clock	1,100	210	230	Hiro W.D.
Kawasaki	2,000	375	420	BMW-WC, BMW
Kawanishi	1,700	250	300	Hiro W.C.
Mitsubishi	6,300	750	900	Myako(Hornet) Kinsei (twin wasp)
Nakajima	6,500	800	950	Hikari(Cyclone),Kotobuki
Tachikawa	750	75	125	Bristol,Jupiter
Tokyo Gas	4,500	450	600	Amikaze, Kamikaze,Shimpu
Totals	23,850	2,910	3,525	Tempu

c. BASES.

Japanese naval air bases are generally laid out in the vicinity of major naval bases, on the nearest suitable land. Since the great majority of naval planes are landplanes it is no surprise to find only three stations of importance where seaplane activity is of any importance.

The overwhelming section of the countryside devoted to agricultural pursuits and forests, coupled with the naturally mountainous terrain, makes a large scale air field expansion out of the question and injects an element of danger in flight operations. Should an engine become disabled out of gliding distance of a flying field, the crackup is ordinarily major, and fatal.

Servicing facilities at the major air stations are comparable to those existing at our bases, except that the flying fields are not surfaced and operations in wet weather are dangerous. No radio beams nor other aids to bad weather flying are in use.

All major air stations have adequate storage facilities for airplanes and fuel. Spare parts are a problem to the Japanese, according to reliable reports. They have no set system of spares and many planes remain idle, awaiting the arrival of necessary spares.

Housing facilities are provided for enlisted men. The newer buildings are of substantial construction, well laid out.

Defense installations consist of anti-aircraft guns at the major bases, with additional provision for mobile batteries from the Army to aid in the base defense. Hangars are being camouflaged, oil and gasoline tanks are situated underground or elaborately hidden by devious means.

Overhaul facilities are not adequate. The overhaul stations are at Yokosuka, Hiro, Sasebo and Kanoya, and the annual capacity of these bases is about 250 airplanes. Priority of overhaul is given new type, war-use planes.

d. ORGANIZATION.

Japanese naval aviation exists as a distinct entity. Its head is the Navy Minister who, through a chain of command, directs its activities. Shore-based aircraft are separate from carrier or ship-based planes, and are commanded by Vice Admirals for each geographical location. Naval air stations are under the jurisdiction of the commander of the major naval base in the immediate vicinity, but have their own commanding officers.

The normal tactical unit is the squadron, consisting of twelve planes. This is further subdivided into two divisions and each division into two sections of three planes each. Squadrons are assigned a reserve of 50%, or six planes. These, generally, are older types than the latest squadron equipment, and serve to maintain twelve planes in the air at any given time.

The percentage of commissioned pilots to enlisted pilots is about 30%. Officer pilots are section and squadron leaders. The high percentage of enlisted personnel is said to be due to a desire on the part of the government to effect a saving in flight pay.

Aircraft carriers operate with the main fleet, or independently in support of landing and Army-Navy joint operations. In the latter cases, liaison is maintained by having an Army officer, in some cases the commander, aboard the carrier.

Tables showing the geographical distribution and strength of shore-based units follow:

Shore-based Aircraft in Japanese Territory

Shore Bases	Squadrons	Planes: First Line	Planes: Reserve	Planes: Training & Experimental	Purpose and Types
Yokosuka NAS	3 4	36	18	4 103	Operations, Experimental Advanced Training.
Kasumigaura	3½			130	Intermediate & Advanced Landplane Training.
Tomobe	2			90	Primary Landplane Training.
Anju	2			70	Primary, Intermediate Seaplane training.
Yatabe					Believed Advanced Landplane training.
Kure	2	24	12		Operations VTB, VOS
Sasebo	2	20	10		Operations VOS, VP
Omura	3½	42	21		Operations VF, VTB
Tateyama	5½	60	30		Operations VF, VTB, VOS, VP
Saeki	3½	40	20		Operations VB,VTB,VF,VP
Tomitaka					Auxiliary to Saeki.
Ominato	1½	18	9		Operations VF,VTB,VOS
Maizuru	½ ?	6	3		Operations VOS
Chinkai	½ ?	6	3		Korean Operations VOS
Kanoya	2½	30	15		Operations VF,VTB,VB
Kisarazu	2	24	12		Operations VTB,VB
Tomioka (Yokohama)	2	12	6		Operations VP, VOS
Ohura (Yuya Wan)					Reports Nos. 81-38, 116-38.
Takao	3	18	9		Formosa Operations VB
Bako (Pescadores)					No information.
Ryojun (Port Arthur)					No information.
Odomari (Saghalien)					No information.
TOTALS	43	336	168	397	

Supplementing the shore-bases in Japan are the shore establishments listed below. It is believed that much of the overhaul necessitated by extended operations in war conditions is accomplished at these establishments.

Yokosuka Naval Aircraft Factory and Experimental Laboratory.
Hiro Naval Aircraft Factory.
Sasebo Aircraft Repair Depot.
Kanoya Branch of Sasebo.

e. TRAINING.

Reports of training schools and courses of instruction are contained in various reports from NA/Tokyo and are kept up to date.

The Japanese Navy now uses the system of preliminary flight training for student volunteers, and is well satisfied with the system. Several items in recent newspapers have attested to a shortage of student aviators for both the Army and Navy. A recruiting system whereby commissioned officers visit various schools and whip up enthusiasm for aviation, then select a few men for preliminary training, has been in effect for a short time.

After graduation from the naval flying school at Kasumigaura, pilots are indoctrinated in a service squadron by spending a year at a naval air station where the type planes to which pilots have been assigned are operating.

There are no private flying clubs having official status.

The Assistant Attache for Air noted dive bombing training at Fukaya. Dives were entered from level flight by a 90 degree turn and simultaneous easy pushover. Altitude at entry was 1500 fset and at recovery 300 feet. The dives made by the same pilot were quite similar, and none was over 60 degrees. Miniature bombs were dropped.

Training formation flights have been observed several times, as well as formation flights of service pilots. In every case, formations have been very loose. A formation wingover was observed near Yokohama, with the outside man getting lost each time the maneuver was practiced.

Accidents at training stations are apparently quite high. Wrecked fuselages totalling seventeen were observed at one rail siding leading to an air station, and about the same number of new trainers were being unloaded from crates. Reports from official Japanese sources admit a terrific mortality in training and service training flights, particularly during night flying.

f. TECHNICAL MATTERS.

Japanese technical and research facilities and man-power are at a low level in comparison with the United States and other foreign air powers. They have not designed, by themselves, any types now in production for the armed services. The ability of the country to import, then copy, planes from other countries, with the assistance of foreign technical experts, continues to grow apace.

According to American and other foreign engineers, employed by Japanese concerns, there is no coordination in the production methods employed in Japanese factories. There may be a long string of fuselages awaiting engines, or too many wings piled up at one spot, but apparently they fail to visualize the smooth distribution of parts necessary to efficient production. It is a matter which is causing concern in government circles and the aid of foreign engineers is being sought to remedy the deficiencies.

g. OPERATIONS.

To judge from the ten bombing attacks by the Navy on Chungking, they have adopted formation bombing, though each plane is supposedly equipped with a bombsight. Bombing altitudes have seldom exceeded ten thousand feet, even when anti-aircraft defenses are known to exist.

Coordination between air and land forces has been good in China, all major land operations being preceded and followed by bombardment from the air. Scouting flights have also preceded movements of troops.

Of operations at sea, little is known. It is known that Japanese carriers are "wet" ships in a heavy sea, when operations are curtailed.

Catapults are standard equipment on heavy cruisers and capital ships. These are of the air and powder type. Photographs of launchings from Japanese ships have been sent to Office of Naval Intelligence.

h. LIGHTER THAN AIR.

None.

i. WAR USE OF COMMERCIAL PLANES.

Japanese commercial aviation uses American equipment exclusively, mainly Douglas and Lockheed airliners on the main runs and Beechcrafts for feeder services. These commercial craft would, in war, be used for transportation of staff officers and vitally important cargo. This is virtually the case at present, for the planes are filled with military personnel and a military pass is required for a trip.

Douglas planes number eight, and Lockheed 14's, twenty.

It has been noted that the Tachikawa factory is about to produce Lockheed 14's modified as bombers.

j. MISCELLANEOUS.

Total flying hours, naval establishment	200,000 *
Average pilot hours, per year	200
Number fatal accidents	320 **
Number fatalities	450

* Estimated from Press and other sources.

** Conversation with Japanese naval aviator and others.

Report No. 172
Japan
August 3, 1939

400 - Industrial
409 - Manufactures
700 - Aircraft Production

The Aircraft Industry in Japan

BACKGROUND:

Since the China "Incident" the manufacture of aircraft and parts has become of prime importance to Japan and every effort has been made to place the industry on a sound, permanent basis. Corporations formerly interested in steel and other heavy industries have realized the quick profits to be made by participating in the war boom, and have entered the field of aircraft production. New concerns have sprung up, with the approval of the government, and patents, processes or licenses have been bought from foreign owners for Japanese production.

Each succeeding month, however, the supply of raw materials, consisting principally of steel, aluminum and iron has been more difficult to obtain in the world market because of the precarious situation in regard to foreign exchange. Japan is unable to produce sufficient raw materials and must necessarily import them from abroad. Rising costs of labor, machine tools (which are also imported, then copied, if possible) and the vagaries cooincident with strict governmental control of materials have combined to infest with a cancer the aircraft manufacturing industry so that planes now produced compare favorably in price with those produced abroad, where the higher scale of living has hitherto enabled the Japanese to undersell their competitors. The cost of a recent navy bomber, twin engined mid-wing monoplane, has been substantiated at about one million yen, or at the present rate of exchange, $275,000.

Press releases have indicated that new concerns, capitalized at over three million yen, are springing up like mushrooms. Much of the publicity is, obviously, propaganda for home and foreign consumption, for the capitalization of the aggregate concerns announced in the last few months has reached staggering totals. Having witnessed former statements of the press, and seen no materialization of the grandiose plans announced, it is difficult to see how the money is to be obtained except in the imaginations of reporters.

Recently, a move to establish parts factories tasked with production of accessories for aircraft manufacturers has been in the ascendancy. Instead of buying accessories from independent concerns, engine manufacturers are establishing their own plants to provide themselves with engine parts at a lower cost than formerly. Uniformity of construction is another goal sought.

With regard to the finished products of Japanese aircraft manufacturers, it appears that their standard is comparable to that of American manufacturers, with the exception that the Japanese are inclined to skimp in materials even where strength is a vital factor. Metal work, welding and final finish is good. Production, when facilities are compared to American plants of like dimensions, seems to suffer by comparison. The greatest and most important drawback to Japanese aviation, as such, is the total lack of suitable design and test facilities. No successful Japanese designed modern airplane is in use on any of its airlines, in the armed services or on sale abroad. Copies are produced of German, Italian and American aircraft, either by purchase of rights or out ight mimicry. This year, the government has provided funds to establish aeronautical research laboratories but unless satisfactory talent is available,which to date it is not, the institutes will accomplish little more than a rehashing of foreign technical advances.

American and other foreign engineers continue in demand for technical advice and assistance in setting up machinery and smoothing difficulties in production. Unless the Japanese produce

in the future what they have so badly lacked in the past, namely, capable technical personnel, Japanese aviation and industrial development will remain from two to three years behind that of the United States.

FACTORS AFFECTING PRESENT PRODUCTION:

The limiting factor in aircraft production in Japan is the bottleneck caused by tools and dies. These are worked to the limit of capacity, due care being observed to maintain them in medium to good condition. Precision tools are a major item of import from the United States and they are regarded as the best obtainable. Japanese tools lack the necessary preciseness required in machining metals for close working fit, and further, their machines do not stand up for long periods and are costly to produce. Many companies have sprung up recently, capitalized at from one to three million yen, to manufacture machine tools. Prices have rocketted sky high and the government is experiencing great difficulty in trying to effect a reduction in price demanded by the armed services. Should the Japanese be able to install sufficient modern tooling, their production of engines and fuselages would undoubtedly increase to a ratio commensurate with ours.

Labor employed by aircraft manufacturers is largely trained by them with a nucleous of skilled workmen. Apprentices are housed in dormitories adjoining the factories and work in conjunction with a skilled man until they have acquired the rudiments of machine manipulation. They then are assigned to processing on their own. The period of apprenticeship is approximately one year. Hours of labor are, as previously mentioned, governed by the necessity of maintaining tooling in good shape. At present, the aircraft industry, working under the pressure of a major "incident" is working two shifts of about eight hours each. This is maximum capacity for precision work. There exists a scarcity of skilled labor, even with the apprentice system in vogue. Wages for skilled workmen are comparatively high but, with the expansion of the industry, a shortage was inevitable. One pertinent fact should be here mentioned. The Japanese are not a naturally mechanically minded race. They are not brought up, as our youngsters are, with a taste for experimentation with automobile and other engines, nor do they have the opportunity should they so desire it. Consequently, when men are being trained, they have to assimilate facts which are second nature to the American boy, and this retards the natural development of a competent mechanic. It is believed that even when considered a skilled mechanic in this country, the Japanese man knows his particular job, yet understands little of the process of, say, assembling an engine for which he furnished a part.

Transportation, both for raw materials and finished products, is cheap and efficient in Japan. The costs of handling have increased with the rise in wages of labor.

Power, electric and steam, is at a premium and the government has undertaken an allotment system whereby those industries most necessary to the successful prosecution of the war would be able to secure the maximum allowable. A shortage of coal and the scarcity of rainfall for hydro-electric generation have caused a power famine this year. Rainfall may improve the hydro-electric difficulties, but the coal situation is not expected to improve, and coal-steam generated power will decrease.

Raw materials, as previously mentioned, are not found in great quantities in Japan, nor has her position in that respect improved materially with the acquisition of Manchoukuo. Stringent regulations prohibit the import of any but the most necessary items. Steel and iron companies have amalgamated; small mills are doomed, for they are not as efficient as the larger ones. Processes are patterned after American and German steel methods, and the finished products are comparable in quality, though generally inferior. Aluminum

and its alloys have come into wide use for aircraft construction.

Aircraft manufacturing establishments in Japan are well laid out, adequate in size for the purpose intended, and designed to be spread out over a wide territory in anticipation of air raids. Corporations have expanded widely in recent months, building new additions, enlarging old facilities, or merging both plants and interlocking directorates. All are accessible by rail and some by both rail and water. The output of aircraft has not increased in proportion to the indicated plant expansion because of factors mentioned heretofore.

Practically the entire output of aircraft is absorbed by the military services. Civil aviation in Japan depends entirely on American equipment for service. The question inevitably arises as to what would happen should the Incident end. In order to keep workmen employed, the factories would have to turn to the export field. Yet, with planes being produced in this country which are only copies of those made abroad, probably slightly less efficient, it is difficult to conceive that Japanese planes would find a market. A solution to this perplexing problem will no doubt plague Japanese manufacturers for some time to come.

LIST OF MANUFACTURERS:

Mitsubishi Heavy Industries	(Planes and Engines)
Nakajima Aircraft	(" " ")
Kawasaki	(" " ")
Tachikawa	(" " ")
Tokyo Gas& Electric	(" " ")
Ishikawajima	(" " ")
Showa	(" " ")
Kawanishi	(" " ")
Aichi Tokei	(" " ")

The above mentioned concerns are old-line aircraft manufacturers, reports of whom are on file in Office of Naval Intelligence. New companies, formed or in that process, are listed below, together with pertinent comment.

Kokusai Kogyo (International Industrial) is being organized to manufacture large sized airplanes. Offices at Tamuracho, Shiba-ku, Tokyo. Capitalization ¥ 30,000,000 (?). Business to commence in 1940.

Toyota Weaving Machine Mfg. Co. is interested in absorbing Showa Heavy Industries and will advance to the manufacture of aircraft parts and accessories.

Toyo Aircraft Manufacturing Co. will erect a ¥3,000,000 plant at Fukuoka and eventually engage in the manufacture of motors.

Kawanishi Aircraft Company is enlarging their plant for the manufacture of motors.

Omiya Aircraft Industrial Co. affiliated with the Nakajima Co. was organized early this year to engage in the production of precision parts for its parent organization. Capitalization ¥1,000,000 one fourth paid up.

Manchuria Airplane Mfg. Co. an affiliate of the Manchuria Industrial is increasing capitalization to ¥150,000,000 (?) to increase the size of its Mukden plant.

Watanabe Aircraft Parts Mfg. Co. is increasing capitalization from ¥200,000 to ¥300,000 to enlarge its present plant.

Oriental Aircraft Industrial Co. applied for ¥100,000,000 capitalization (?). It is expected that the company will be organized and start operations next year. Office, Kanda, Tokyo.

Details and particulars pertaining only to Naval aircraft will be found in the Annual Aviation Digest, now in preparation.

[redacted]

M.I.D.-O.N.I. JOINT FORM
TO BE SUBMITTED
ANNUALLY ON 1 SEPT.
DATA AS OF 1 JULY

AVIATION STATISTICS – FORM A
NUMBER OF PLANES
FORM A, SECTION I, SHEET [illegible]

NATION [redacted]
OFFICE Naval Attaché
DATE 1 July 1939

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
	TYPE, NAME & MODEL OF PLANE (FOR CHARACTERISTICS SEE FORM C)	STANDARD AND FIRST LINE PLANES				OBSOLESCENT PLANES				EXPERIMENTAL PLANES				TOTAL PLANES				PLANES ON CONTRACT NOT YET DELIVERED			
		ARMY	NAVY	AIR FORCE	TOTAL	ARMY	NAVY	AIR FORCE	TOTAL	ARMY	NAVY	AIR FORCE	TOTAL	ARMY	NAVY	AIR FORCE	TOTAL	ARMY	NAVY	AIR FORCE	TOTAL
1 a	FITR - Type 90						20								20						
2 a	95		50												50						
3 a	96-1		20												20						
4 a	96-2a		90												90						
5 a	96-2b		110												110						
6 a	97		35												35				100		
7	FITR - Sub-Total		305				20								325						
8 a	BSN - Type 90-2						65								65						
9 a	94		65												65						
10a	95		210												210						
11 a	97		80												80				30		
12	[illegible] - Sub-Total		355				65								420						
13a	[illegible] - Type 94		36												36						
14a	96		130												130						
15a	97		90												90				30		
16a	[illegible] - Sub-Total		256												256						
17a	[illegible] (NR) Type 92						12								12						
18a	94																				
19a	95		102												102						
20a	97-1		36												36						
21a	97-2		32												32				60		
22a	[illegible] - Sub-Total		170				12								182						

[redacted]

M.I.D.-O.N.I. JOINT FORM
TO BE SUBMITTED
ANNUALLY ON 1 SEPT.
DATA AS OF 1 JULY

AVIATION STATISTICS – FORM A
NUMBER OF PLANES
FORM A, SECTION I, SHEET b

[redacted]

NATION JAPAN
OFFICE n/Tokyo
DATE 1 July 1939

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
	TYPE, NAME & MODEL OF PLANE (FOR CHARACTERISTICS SEE FORM C)	STANDARD AND FIRST LINE PLANES				OBSOLESCENT PLANES				EXPERIMENTAL PLANES				TOTAL PLANES				PLANES ON CONTRACT NOT YET DELIVERED			
		ARMY	NAVY	AIR FORCE	TOTAL	ARMY	NAVY	AIR FORCE	TOTAL	ARMY	NAVY	AIR FORCE	TOTAL	ARMY	NAVY	AIR FORCE	TOTAL	ARMY	NAVY	AIR FORCE	TOTAL
1b	PTRL Type 91-1		20												20						
2b	91-2		25												25						
3b	97		12												12				12		
4b	Sub-Total		57												57						
5b	TRNG Type 90						45								45						
6b	93		85												85						
7b	94		100												100				30		
8	Sub-Total		185				45								230						
9	MISC																				
10b	Lockheed		8												8						
11b	Douglas DC		6												6						
12	Sub-Total		14												14						
13																					
14																					
15																					
16																					
17																					
18																					
19																					
20																					
21																					
22	GRAND TOTAL		1342				142								1484				332		

2/2

[redacted]

M.I.D.-O.N.I. JOINT FORM
TO BE SUBMITTED
ANNUALLY ON 1 SEPT.
DATA AS OF 1 JULY

AVIATION STATISTICS — FORM A
NUMBER OF PLANES
FORM A, SECTION 2, SHEET —

[redacted]

NATION [redacted]
OFFICE U.S./Manila
DATE 1 July 1939

	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45
	OPERATING PLANES IN COMBAT SQ'DNS.				RESERVE OR SPARE PLANES IN COMBAT SQ'DNS.				PLANES IN SERVICE UTILITY, ETC. UNITS.				TOTAL PLANES MOBILE FORCES				PLANES IN GOVT. SCHOOLS				PLANES ASSIGNED TO RESEARCH ETC. ESTABLISHMENTS			
	ARMY	NAVY	AIR FORCE	TOTAL	ARMY	NAVY	AIR FORCE	TOTAL	ARMY	NAVY	AIR FORCE	TOTAL	ARMY	NAVY	AIR FORCE	TOTAL	ARMY	NAVY	AIR FORCE	TOTAL	ARMY	NAVY	AIR FORCE	TOTAL
1		6												6				45						
2		36				14								50										
3		18				2								20										
4		60				30								90										
5		72				38								110										
6		32				8								35										
7		219				92								311				45						
8																		65						
9		36				18								54				11						
10		130				80								210										
11		54				26								80										
12		210				134								344				76						
13		27				9								36										
14		72				58								130										
15		54				36								90										
16		153				103								256										
17																		12						
18																								
19		54				32								82				20						
20		27				9								36										
21		27				5								32										
22		108				42								150				33						

[redacted]

M.I.D.-O.N.I. JOINT FORM
TO BE SUBMITTED
ANNUALLY ON 1 SEPT.
DATA AS OF 1 JULY

AVIATION STATISTICS — FORM A
NUMBER OF PLANES
FORM A, SECTION 2, SHEET b

[redacted]

NATION [illegible]
OFFICE [illegible]
DATE July 1939

	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45
	OPERATING PLANES IN COMBAT SQ'DNS.				RESERVE OR SPARE PLANES IN COMBAT SQ'DNS.				PLANES IN SERVICE UTILITY, ETC. UNITS.				TOTAL PLANES MOBILE FORCES				PLANES IN GOVT. SCHOOLS				PLANES ASSIGNED TO RESEARCH ETC. ESTABMENTS			
	ARMY	NAVY	AIR FORCE	TOTAL	ARMY	NAVY	AIR FORCE	TOTAL	ARMY	NAVY	AIR FORCE	TOTAL	ARMY	NAVY	AIR FORCE	TOTAL	ARMY	NAVY	AIR FORCE	TOTAL	ARMY	NAVY	AIR FORCE	TOTAL
1 b		20												20										
2 b		20				5								25										
3 b		12												12										
4		52				5								57										
5 b																		45						
6 b																		85						
7 b																		100						
8																		230						
9 b																								
10 b										8				8										
11 b										6				6										
12										14				14										
13																								
14																								
15																								
16																								
17																								
18																								
19																								
20																								
21																								
22		742				376				14				1132				383						

M.I.D.-O.N.I. JOINT FORM
TO BE SUBMITTED
ANNUALLY ON 1 SEPT.
DATA AS OF 1 JULY

AVIATION STATISTICS — FORM A
NUMBER OF PLANES
FORM A, SECTION 3, SHEET 8

[redacted]
NATION [illegible]
OFFICE [illegible]
DATE [illegible]

	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69
	PLANES NOT OTHERWISE ASSIGNED				TOTAL ACTIVE PLANES COL 34 TO 37 + 38 TO 49 INCL				SPARE PLANES IN STORAGE				PLANES BEING OVERHAULED				TOTAL INACTIVE PLANES COL 54 TO 61 INCL				PLANES IN CIVIL SCHOOLS UNDER CONTR'T			
	ARMY	NAVY	AIR FORCE	TOTAL	ARMY	NAVY	AIR FORCE	TOTAL	ARMY	NAVY	AIR FORCE	TOTAL	ARMY	NAVY	AIR FORCE	TOTAL	ARMY	NAVY	AIR FORCE	TOTAL	ARMY	NAVY	AIR FORCE	TOTAL
1a						51								7				7						
2a						50								7				7						
3a						20								3				3						
4a						90								14				14						
5a						110								17				17						
6a						35								5				5						
7						356								53				53						
8a						65								10				10						
9a						65								10				10						
10a						210								30				30						
11a						80								12				12						
12						420								62				62						
13a						36								5				5						
14a						130								19				19						
15a						90								13				13						
16						256								37				37						
17a						12								4				4						
18																								
19a						102								18				18						
20a						36								5				5						
21a						32								4				4						
22						152								31				31						

M.I.D.-O.N.I. JOINT FORM
TO BE SUBMITTED
ANNUALLY ON 1 SEPT.
DATA AS OF 1 JULY

AVIATION STATISTICS — FORM A
NUMBER OF PLANES
FORM A, SECTION 3, SHEET b

~~CONFIDENTIAL~~
NATION JAPAN
OFFICE NA/Tokyo
DATE 1 July 1939

	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69
	PLANES NOT OTHERWISE ASSIGNED				TOTAL ACTIVE PLANES COL 34 TO 37 + 38 TO 49 INCL				SPARE PLANES IN STORAGE				PLANES BEING OVERHAULED				TOTAL INACTIVE PLANES COL 54 TO 61 INCL				PLANES IN CIVIL SCHOOLS UNDER CONTR'T			
	ARMY	NAVY	AIR FORCE	TOTAL	ARMY	NAVY	AIR FORCE	TOTAL	ARMY	NAVY	AIR FORCE	TOTAL	ARMY	NAVY	AIR FORCE	TOTAL	ARMY	NAVY	AIR FORCE	TOTAL	ARMY	NAVY	AIR FORCE	TOTAL
1b						20								3				3						
2b						25								4				4						
3b						12								1				1						
4						57								8				8						
5b						45								8				8						
6b						95								19				19						
7b						100								20				20						
8						230								47				47						
9																								
10						8								1				1						
11						6								1				1						
12						14								2				2						
13																								
14																								
15																								
16																								
17																								
18																								
19																								
20																								
21																								
22						1515								540				540						

M.I.D. - O.N.I. JOINT FORM
TO BE SUBMITTED
ANNUALLY ON 1 SEPT.
DATA AS OF 1 JULY

AVIATION STATISTICS — FORM A
NUMBER OF PLANES
FORM A, SECTION 4, SHEET a

[redacted]

NATION JAPAN
OFFICE Na/Tokyo
DATE 1 July 1939

	70
	REMARKS
1a	Deck FITR. Obsolete. Training purposes only.
2a	Deck FITR. Operated from shore bases in China.
3a	96-1 Deck FITR. " " " " " "
4a	96-2a Deck FITR. Advanced training at Naval Air Stations.
5a	96-2b Deck FITR. Standard carrier VF.
6a	97 Deck FITR. Experimental and Carrier VF.
7	
8a	Obsolete.
9a	Twin Float OBSV OSP Operated from Tenders.
10a	Carrier Standard OBSV.
11a	97 new carrier OBSV.
12	
13a	
14a	
15a	
16	
17a	
18a	
19a	Type 96 Deck TB (NOC 2XI)
20a	Type 97-1 Deck TB.
21a	Type 97-2 Deck TB.
22	

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M.I.D. - O.N.I. JOINT FORM
TO BE SUBMITTED
ANNUALLY ON 1 SEPT.
DATA AS OF 1 JULY

AVIATION STATISTICS — FORM A
NUMBER OF PLANES
FORM A, SECTION 4, SHEET b

~~CONFIDENTIAL~~

NATION JAPAN
OFFICE MA/Tokyo
DATE 1 July 1939

	70
	REMARKS
1b	
2b	
3b	This is a new, 4-engined Kawanishi patrol plane on secret list. Has been seen by air attache.
4	
5	
6	
7b	A new development, Type 98, now in figs, not in production.
8	
9	
10b	} Used for transporting staff officers.
11b	}
12	
13	
14	
15	
16	
17	
18	
19	
20	
21	
22	

M.I.D. – O.N.I. JOINT FORM
TO BE SUBMITTED
ANNUALLY ON 1 SEPT.
DATA AS OF 1 JULY

AVIATION STATISTICS — FORM G

SYMBOLS FOR USE ON FORMS A,B,C & F

TO ACCOMPANY FORM..... SECTION..... SHEET..a....

~~CONFIDENTIAL~~

NATION ..JAPAN.....
OFFICE ..NA/Tokyo...
DATE 1 July 1939

CONSTRUCTION, TYPE OF
- AIL.-AILERONS
- AL.-ALLOY
- CON.SUR.-CONTROL SURFACES
- FAB.-FABRIC-COVERED
- FUS.-FUSELAGE
- GEO.-GEODETIC
- HOR.S.-HORIZONTAL STABILIZER
- RUD.-RUDDER
- S.S.-STRESSED SKIN (MONOCOQUE)
- ST.-STEEL
- TUB.-TUBULAR
- VERT.S.-VERTICAL STABILIZER
- WING-WINGS
- WO.-WOOD

GENERAL DESIGN-AIRPLANE
- AMPH.-AMPHIBIAN
- B.-BIPLANE
- BOAT-FLYING BOAT
- CONVT.-CONVT. LAND OR SEAPLANE
- LAND.-LANDPLANE
- M.-MONOPLANE
- P.-PUSHER
- SEA.-SEAPLANE
- T.-TRACTOR

GUNS.
- TYPE: A-AUTOMATIC
  - SA.-SEMI-AUTOMATIC
  - S.S.-SINGLE-SHOT
- LOCATION: F-FUSELAGE
  - L-LEFT IN DOUBLE FUSELAGE
  - N.-NOSE
  - NAC.-ENGINE NACELLE
  - R.-RIGHT IN DOUBLE FUSELAGE
  - RR.-REAR
  - TAIL-TAIL
  - TUN.-TUNNEL
- MOUNT: FIX.-FIXED
  - FLEX.-FLEXIBLE
  - RA.-SEMI-FLEXIBLE GUNS WITH VERY RESTRICTED ARC OF FIRE.

HIGH-LIFT DEVICES
- M.F.-MULTIPLE FLAPS
- S.-SLOTS
- S.F.-SPLIT FLAPS

HIGH-LIFT DEVICES (CONT.)
- SPLR.-SPOILERS

LANDING GEAR
- F.-FIXED
- R.F.-RETRACTABLE IN FUSELAGE
- RN.-RETRACTABLE IN ENGINE NACELLE
- RW.-RETRACTABLE IN WING

LAUNCHING AND PICK-UP
- AG.-ARRESTING GEAR
- C.LAND.-CATAPULT LAUNCHED LAND-PLANE
- C.SEA.-CATAPULT LAUNCHED SEA-PLANE
- P.F.-PICKUP FITTINGS
- P.H.-PICKUP HOOKS

MISCELLANEOUS EQUIPMENT
- APP.-AUXILARY POWER PLANT
- B-BUNKS
- CR-CHART ROOM
- FG-FLOTATION GEAR
- G-GALLEY

NAVIGATION EQUIPMENT
- AP-AUTOMATIC PILOT
- GC.-GYRO-COMPASS
- GH.-GYRO-HORIZON
- H.D.-HOMING DEVICE
- ILE.-INSTRUMENT LANDING EQUIP.
- R.C.-RADIO COMPASS

POWER PLANT
- COOLING MEDIUM
  - A-AIR
  - C-CHEMICAL
  - S-STEAM
  - W-WATER
- CYLINDER ARRANGEMENT
  - L-IN LINE
  - O-HORIZONTALLY OPPOSED
  - R-RADIAL
  - RR.-2 ROW RADIAL
  - V-"V" TYPE ENGINE
  - W-"W" SHAPED ENGINE
  - X-"X" SHAPED ENGINE
- ENGINE LOCATION
  - ABW-BETWEEN WINGS
  - AW.-ABOVE WINGS
  - BW-BELOW WINGS

POWER PLANT (CONT.)
- ENGINE LOCATION CONT.
  - F.-FUSELAGE
  - IW.-IN WINGS
- IGNITION:
  - D.-DIESEL OR OTHER COMPRESSION IGNITION
- PROPELLERS:
  - A.-PITCH ADJUSTABLE ON GROUND
  - AUT.-AUTOMATIC OR CONSTANT SPEED
  - C.-CONTROLLABLE PITCH
  - D.D.-DIRECT DRIVE
  - F.-FIXED BLADE
  - 4-4-BLADED
  - HM-HOLLOW METAL
  - M.-SOLID METAL
  - MAN.-MANUAL CONTROL
  - 3-3-BLADED
  - 2-2-BLADED
  - W.-WOOD
- STARTER:
  - A-COMPRESSED AIR
  - C.-CARTRIDGE
  - I.-INERTIA
  - IE.-INERTIA ELECTRIC
  - N.-NONE
- SUPERCHARGER:
  - G.-GEARED
  - N.-NONE
  - T.-TURBO

RADIO
- C.-CONTINUOUS WAVE
- H.-HIGH POWER (OVER 100 W.)
- I.C.-INTERRUPTED CONTINUOUS WAVE
- INT.-INTERPHONE EQUIPMENT
- L.-LOW-POWER (10W)
- M.-MEDIUM POWER (10-100W.)
- V.-VOICE

STATUS:
- EXP.-EXPERIMENTAL
- OB.-OBSOLESCENT
- STD.-STANDARD

TAKE-OFF & LANDING CHARACTERISTICS
- E.-EXCELLENT
- G.-GOOD
- P-POOR

TYPES:
- ATCK.-ATTACK
- FITR.-FIGHTER
- HEBM.L.R.-LONG RANGE, HEAVY BOMBING
- HEBM.M.R.-MEDIUM RANGE, HEAVY BOMBING
- LIBM.-LIGHT BOMBING
- MISC.-MISCELLANEOUS
- OBSN.-OBSERVATION
- PTRL.-PATROL
- TORP.-TORPEDO
- TRNG.-TRAINING

1a	FITR Type 90
2a	95
3a	96-1
4a	96-2a
5a	96-2b
6a	97
7	FITR Sub-Totals
8a	OBSN Type 90-2
9a	94
10a	95
11a	97
12	OBSN Sub-totals
13a	LIBM Type 94
14a	96
15a	97
16	LIBM Sub-Totals
17a	HEBM Type 92
18a	94
19a	96
20a	97-1
21a	97-2
22a	HEBM Sub-Totals

[redacted]

M.I.D.-O.N.I. JOINT FORM
TO BE SUBMITTED
ANNUALLY ON 1 SEPT.
DATA AS OF 1 JULY

AVIATION STATISTICS — FORM B
NUMBER OF SQUADRONS
FORM B, SECTION I, SHEET a

[redacted]

NATION JAPAN
OFFICE NA/Tokyo
DATE 1 July 1939

	1		2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
			SQUADRONS AT HOME																			
			ACT. COMBAT SQ'NS.				RES. COMBAT SQ'NS.				TOTAL COMBAT SQ'NS.				NON-COMBAT SQ'NS.				TOTAL SQNS. AT HOME			
			ARMY	NAVY	AIR FORCE	TOTAL	ARMY	NAVY	AIR FORCE	TOTAL	ARMY	NAVY	AIR FORCE	TOTAL	ARMY	NAVY	AIR FORCE	TOTAL	ARMY	NAVY	AIR FORCE	TOTAL
1a	FITR	90														2				2		
2a		95		4																4		
3a		96-1		3																3		
4a		96-2		3																3		
5a		96-3		4																4		
6a		97		3																3		
7	Sub-Total			17												2				19		
8a	ObSN	90-2		3												2				5		
9a		94		3												1				4		
10a		95		14																14		
11a		97		3																3		
12	Sub-Total			23												3				26		
13a	LIBM	94																				
14a		96		5																5		
15a		97		3																3		
16a	Sub-Total			8																8		
17a	[redacted]	92		1												1				2		
18a		94		1																1		
19a		96		9																6		
20a		97-1		3																3		
21a		97-2		3																3		
22	Sub-Total			16												1				17		

[redacted]

M.I.D.-O.N.I. JOINT FORM
TO BE SUBMITTED
ANNUALLY ON 1 SEPT.
DATA AS OF 1 JULY

AVIATION STATISTICS — FORM B
NUMBER OF SQUADRONS
FORM B, SECTION I, SHEET b

[redacted]
NATION Japan
OFFICE Tokyo
DATE 1 July 1930

		SQUADRONS AT HOME																			
		ACT. COMBAT SQ'NS.				RES. COMBAT SQ'NS.				TOTAL COMBAT SQ'NS.				NON-COMBAT SQ'NS.				TOTAL SQNS. AT HOME			
		ARMY	NAVY	AIR FORCE	TOTAL	ARMY	NAVY	AIR FORCE	TOTAL	ARMY	NAVY	AIR FORCE	TOTAL	ARMY	NAVY	AIR FORCE	TOTAL	ARMY	NAVY	AIR FORCE	TOTAL
1b	PTHL Type 91-1		2																2		
2b	91-2		3																3		
3b	97		1																1		
4	Sub-Total		6																6		
5b	TMNG Type 90														3				3		
6b	93														5				5		
7b	94																				
8	Sub-Total														8				8		
9	MISC																				
10b	Lockheed																				
11b	Douglas DC																				
12	Sub-Total																				
13																					
14																					
15																					
16																					
17																					
18																					
19																					
20																					
21																					
22	GRAND TOTAL		70												14				84		

[redacted]

M.I.D. - O.N.I. JOINT FORM
TO BE SUBMITTED
ANNUALLY ON 1 SEPT.
DATA AS OF 1 JULY

AVIATION STATISTICS — FORM B
NUMBER OF SQUADRONS
FORM B, SECTION 2, SHEET 2

[redacted]

NATION JAPAN
OFFICE MA/Tokyo
DATE 1 July 1939

	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45
	SQUADRONS IN FOREIGN POSSESSIONS AND COLONIES																				GRAND TOTAL COMBAT SQ'NS.			
	ACT. COMBAT SQ'NS.				REG. COMBAT SQ'NS.				TOTAL COMBAT SQ'NS.				NON-COMBAT SQ'NS.				TOTAL SQ'NS. ABROAD							
	ARMY	NAVY	AIR FORCE	TOTAL	ARMY	NAVY	AIR FORCE	TOTAL	ARMY	NAVY	AIR FORCE	TOTAL	ARMY	NAVY	AIR FORCE	TOTAL	ARMY	NAVY	AIR FORCE	TOTAL	ARMY	NAVY	AIR FORCE	TOTAL
1																								
2																						4		
3																						3		
4		4								4								4				7		
5																						4		
6																						3		
7																								
8																						3		
9																						3		
10		11								11								11				25		
11																						3		
12																								
13																								
14																						5		
15																						3		
16																								
17																						1		
18																						1		
19																						8		
20		3								3								3				6		
21																						3		
22																								

[redacted]

M.I.D. - O.N.I. JOINT FORM
TO BE SUBMITTED
ANNUALLY ON 1 SEPT.
DATA AS OF 1 JULY

AVIATION STATISTICS — FORM B
NUMBER OF SQUADRONS
FORM B, SECTION 2, SHEET b

[redacted]

NATION JAPAN
OFFICE AA/Tokyo
DATE 1 July 1939

	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45
	SQUADRONS IN FOREIGN POSSESSIONS AND COLONIES																				GRAND TOTAL COMBAT SQ'NS.			
	ACT. COMBAT SQ'NS.				RES. COMBAT SQ'NS.				TOTAL COMBAT SQ'NS.				NON-COMBAT SQ'NS.				TOTAL SQ'NS. ABROAD							
	ARMY	NAVY	AIR FORCE	TOTAL	ARMY	NAVY	AIR FORCE	TOTAL	ARMY	NAVY	AIR FORCE	TOTAL	ARMY	NAVY	AIR FORCE	TOTAL	ARMY	NAVY	AIR FORCE	TOTAL	ARMY	NAVY	AIR FORCE	TOTAL
1 b																						2		
2 b																						3		
3 b																						1		
4																								
5 b																								
6 b																								
7																								
8																								
9																								
10																								
11																								
12																								
13																								
14																								
15																								
16																								
17																								
18																								
19																								
20																								
21																								
22	GRAND TOTAL																	18				88		

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M.I.D. – O.N.I. JOINT FORM
TO BE SUBMITTED
ANNUALLY ON 1 SEPT.
DATA AS OF 1 JULY

AVIATION STATISTICS – FORM B
NUMBER OF SQUADRONS
FORM B, SECTION 3, SHEET a

~~CONFIDENTIAL~~

NATION JAPAN
OFFICE MA/Tokyo
DATE 1 July 1939

	46	47	48	49	50	51	52	53	54	55	56	57
	GRAND TOTAL NON-COMBAT SQD'S.				AGGREGATE ALL SQUADRONS				PLANES PER SQUADRON			
	ARMY	NAVY	AIR FORCE	TOTAL	ARMY	NAVY	AIR FORCE	TOTAL	ACTIVE	RESERVE	TOTAL	REMARKS
1a		2				2			9	3	12	
2						4			9	3	12	
3						3			9	3	12	
4						7			9	3	12	
5						4			12	6	18	
6						3			12	6	18	
7												
8		2				5			10	6	16	
9		1				4			10	6	16	
10						25			12	6	18	
11						3			12	6	18	
12												
13												
14						5			9	6	15	
15						3			9	6	15	
16												
17		1				2			6	3	9	
18						1			12	6	18	
19						6			9	3	12	
20						6			9	3	12	
21						3			9	3	12	
22												

M.I.D. – O.N.I. JOINT FORM
TO BE SUBMITTED
ANNUALLY ON 1 SEPT.
DATA AS OF 1 JULY

AVIATION STATISTICS – FORM B
NUMBER OF SQUADRONS
FORM B, SECTION 3, SHEET b

~~CONFIDENTIAL~~

NATION JAPAN
OFFICE NA/Tokyo
DATE 1 July 1939

	46	47	48	49	50	51	52	53	54	55	56	57
	GRAND TOTAL NON-COMBAT SQD'S.				AGGREGATE ALL SQUADRONS				PLANES PER SQUADRON			REMARKS
	ARMY	NAVY	AIR FORCE	TOTAL	ARMY	NAVY	AIR FORCE	TOTAL	ACTIVE	RESERVE	TOTAL	
1b						8			9	1	10	
2b						3			6	2	25	
3b						1			12	0	12	
4												
5b		3				3			V A R I E S			Due to heavy crash rate and slow overhaul, squadrons
6 b		5				5						of trainers may vary from 6 to 10 planes.
7												
8												
9												
10												No YJ units organized as squadrons.
11												
12												
13												
14												
15												
16												
17												
18												
19												
20												
21												
22		14				102						

M.I.D. – O.N.I. JOINT FORM
TO BE SUBMITTED
ANNUALLY ON 1 SEPT.
DATA AS OF 1 JULY

AVIATION STATISTICS — FORM G

SYMBOLS FOR USE ON FORMS A, B, C & F

TO ACCOMPANY FORM ..... SECTION ..... SHEET b

~~CONFIDENTIAL~~

NATION JAPAN
OFFICE NA/Tokyo
DATE 1 July 1939

CONSTRUCTION, TYPE OF
- AIL.-AILERONS
- AL.-ALLOY
- CON.SUR.- CONTROL SURFACES
- FAB.-FABRIC-COVERED
- FUS.-FUSELAGE
- GEO.-GEODETIC
- HOR.S.-HORIZONTAL STABILIZER
- RUD.-RUDDER
- S.S.-STRESSED SKIN (MONOCOQUE)
- ST.-STEEL
- TUB.-TUBULAR
- VERT.S.-VERTICAL STABILIZER
- WING-WINGS
- WO.-WOOD

GENERAL DESIGN-AIRPLANE
- AMPH.-AMPHIBIAN
- B.-BIPLANE
- BOAT-FLYING BOAT
- CONVT.-CONVT. LAND OR SEAPLANE
- LAND.-LANDPLANE
- M.-MONOPLANE
- P.-PUSHER
- SEA.-SEAPLANE
- T.-TRACTOR

GUNS
- TYPE: A-AUTOMATIC
  - SA.-SEMI-AUTOMATIC
  - S.S.-SINGLE-SHOT
- LOCATION: F-FUSELAGE
  - L-LEFT IN DOUBLE FUSELAGE
  - N.-NOSE
  - NAC.-ENGINE NACELLE
  - R-RIGHT IN DOUBLE FUSELAGE
  - RR.-REAR
  - TAIL-TAIL
  - TUN.-TUNNEL
- MOUNT: FIX-FIXED
  - FLEX.-FLEXIBLE
  - RA.-SEMI-FLEXIBLE GUNS WITH VERY RESTRICTED ARC OF FIRE

HIGH-LIFT DEVICES
- MF.-MULTIPLE FLAPS
- S.-SLOTS
- S.F.-SPLIT FLAPS

HIGH-LIFT DEVICES (CONT.)
- SPLR.-SPOILERS

LANDING GEAR
- F.-FIXED
- R.F.-RETRACTABLE IN FUSELAGE
- RN.-RETRACTABLE IN ENGINE NACELLE
- RW.-RETRACTABLE IN WING

LAUNCHING AND PICK-UP
- AG.-ARRESTING GEAR
- C.LAND-CATAPULT LAUNCHED LAND-PLANE
- C.SEA.-CATAPULT LAUNCHED SEA-PLANE
- P.F.-PICKUP FITTINGS
- P.H.-PICKUP HOOKS

MISCELLANEOUS EQUIPMENT
- APP-AUXILARY POWER PLANT
- B-BUNKS
- CR-CHART ROOM
- FG-FLOTATION GEAR
- G-GALLEY

NAVIGATION EQUIPMENT
- AP-AUTOMATIC PILOT
- GC.-GYRO-COMPASS
- GH.-GYRO-HORIZON
- H.D.-HOMING DEVICE
- ILE.-INSTRUMENT LANDING EQUIP.
- R.C.-RADIO COMPASS

POWER PLANT
- COOLING MEDIUM
  - A-AIR
  - C-CHEMICAL
  - S-STEAM
  - W-WATER
- CYLINDER ARRANGEMENT
  - L-IN LINE
  - O-HORIZONTALLY OPPOSED
  - R-RADIAL
  - RR.-2 ROW RADIAL
  - V-"V" TYPE ENGINE
  - W-"W" SHAPED ENGINE
  - X-"X" SHAPED ENGINE
- ENGINE LOCATION
  - ABW-BETWEEN WINGS
  - AW.-ABOVE WINGS
  - BW.-BELOW WINGS

POWER PLANT (CONT.)
- ENGINE LOCATION CONT.
  - F.-FUSELAGE
  - IW.-IN WINGS
- IGNITION:
  - D.-DIESEL OR OTHER COMPRESSION IGNITION
- PROPELLERS:
  - A.-PITCH ADJUSTABLE ON GROUND
  - AUT.-AUTOMATIC OR CONSTANT SPEED
  - C.-CONTROLLABLE PITCH
  - D.D.-DIRECT DRIVE
  - F.-FIXED BLADE
  - 4-4-BLADED
  - HM-HOLLOW METAL
  - M.-SOLID METAL
  - MAN.-MANUAL CONTROL
  - 3-3-BLADED
  - 2-2-BLADED
  - W.-WOOD
- STARTER:
  - A-COMPRESSED AIR
  - C.-CARTRIDGE
  - I.-INERTIA
  - IE.-INERTIA ELECTRIC
  - N.-NONE
- SUPERCHARGER:
  - G.-GEARED
  - N.-NONE
  - T.-TURBO

RADIO
- C.-CONTINUOUS WAVE
- H.-HIGH POWER (OVER 100 W.)
- I.C.-INTERRUPTED CONTINUOUS WAVE
- INT.-INTERPHONE EQUIPMENT
- L.-LOW-POWER (10W)
- M.-MEDIUM POWER (10-100W.)
- V.-VOICE

STATUS:
- EXP-EXPERIMENTAL
- OB.-OBSOLESCENT
- STD.-STANDARD

TAKE-OFF & LANDING CHARACTERISTICS
- E.-EXCELLENT
- G.-GOOD
- P-POOR

TYPES:
- ATCK.-ATTACK
- FITR.-FIGHTER
- HEBM.L.R-LONG RANGE, HEAVY BOMBING
- HEBM.M.R.-MEDIUM RANGE, HEAVY BOMBING
- LIBM.-LIGHT BOMBING
- MISC.-MISCELLANEOUS
- OBSN.-OBSERVATION
- PTRL.-PATROL
- TORP-TORPEDO
- TRNG.-TRAINING

1b	PTRL Type 91-1
2b	91-2
3b	97
4	PTRL Sub-Totals
5b	TRNG- Type 90
6b	97
7b	94
8	TRNG Sub-totals
9b	MISC
10b	Lockheed
11b	Douglas DC
12b	MISC - Sub-Totals
13	
14	
15	
16	
17	
18	
19	
20	
21	
22	

M.I.D. — O.N.I. JOINT FORM
TO BE SUBMITTED
ANNUALLY ON 1 SEPT,
DATA AS OF 1 JULY

AVIATION STATISTICS — FORM C
AIRCRAFT CHARACTERISTICS AND PERFORMANCE

CONFIDENTIAL

FORM C SECTION I SHEET [redacted]

NATION JAPAN
OFFICE [redacted]
DATE [redacted]

	AIRCRAFT										WEIGHTS		
	1 MANUFACTURER	2 MODEL	3 TYPE	4 YEAR OF FIRST PRODUCTION ORDER	5 STATUS	6 NUMBER ON HAND	7 GENERAL DESIGN	8 NO. OF ENG'S	9 LOCATION OF ENGINES	10 COST LESS ENGINE	11 GROSS (NORMAL)	12 OVERLOAD (GROSS)	13 EMPTY
1a	Nakajima FITR	90	VF	1930	OB	20	TB Land	1	F				
2a	" "	95	VF	1935	STD	50	" "	1	"				
3a	Mitsubishi	96-1	"	36	"	120	TM "	1	"				
4a	"	96-2a	"	36	"	90	" "	1	"				
5a	"	96-2b	"	36	"	110	" "	1	"	¥17,500 [E]			
6a	Nakajima-Mitsubishi	97	"	37	"	35	" "	1	"	$15,000	3,800		
7	Sub-Total					325							
8a	OBSN Nakajima	90-2	VOS	1930	OB	65	TB Gonut	1	F	$ 9,000			
9a	Kawanishi	94	"	34	STD	65	TB Sea	1	"				
10a	Nakajima	95	"	35	"	210	TB Gonut	1	"	$11,000			
11a	"	97	VB	37	"	90	TM Land	1	"		6,000 [E]		
12	Sub-Total					430							
13a	LIBM Aichi	94	VB	1934	STD	36 [E]	TB Land	1	F				
14a	"	96	"	36	"	130	" "	1	"				
15a	"	97	"	37	"	90	TM Land	1	"				
16	Sub-Total					256							
17a	HRHM Mitsubishi	92	VTB	1932	OB	12	TB Land	1	"				
18a		94	"	34	STD		" "	1	"				
19a		96	"	36	"	102	" "	2	"		17,500 [E]		
20a	Nakajima-Mitsubishi	97-1	VB	37	"	36	TM Land	2	"	¥50,000			
21a	Nakajima-Mitsubishi	97-2	"	37-8	"	32	" "	2	"	¥50,000			
22	Sub-Total					182							
	GRAND TOTAL					1,183							

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DATA AS OF 1 JULY

AVIATION STATISTICS — FORM C
AIRCRAFT CHARACTERISTICS AND PERFORMANCE

~~CONFIDENTIAL~~

FORM C SECTION I SHEET b

NATION JAPAN
OFFICE [illegible]
DATE 1 July 1936

	AIRCRAFT										WEIGHTS		
	1 MANUFACTURER	2 MODEL	3 TYPE	4 YEAR OF FIRST PRODUCT ORDER	5 STATUS	6 NUMBER ON HAND	7 GENERAL DESIGN	8 NO. OF ENG'S	9 LOCATION OF ENGINES	10 COST LESS ENGINE	11 GROSS (NORMAL)	12 OVERLOAD (GROSS)	13 EMPTY
1 b	Mitsubishi	91-1	VF	1931	STD-OB	20	TA Boat	2	AH				
2 b	" "	91-2	"	"	"	25	"	2	A"				
3 b	Kawanishi	97	VF	1937	STD	12	TA Boat	4	I-		18,000		
4						57							
5 b	Tachikawa	90	VB	1930	OB	45	TD Land	1	[illegible]				
6 b	"	93	"	1933	STD	85	TD Conv.	1	[illegible]				
7 b	"	94	"	1934	STD	100	TD Conv.	1	[illegible]				
8													
9													
10													
11													
12													
13													
14													
15													
16													
17													
18													
19													
20													
21													
22													

M.I.D. – O.N.I. JOINT FORM
TO BE SUBMITTED
ANNUALLY ON 1 SEPT.
DATA AS OF 1 JULY

AVIATION STATISTICS — FORM C
AIRCRAFT CHARACTERISTICS AND PERFORMANCE
FORM C SECTION 2 SHEET A

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NATION JAPAN
OFFICE NA Tokyo
DATE 1 July 1939

	ENGINES.													
	14	15	16	17	18	19	20	21	22	23	24	25	26	27
	MANUFACTURER	MODEL	CYLS. NO. AND ARRGT.	COOLING MEDIUM	PROP GEAR RATIO	SUPER CHARGER	STARTER	WEIGHT DRY	HORSEPOWER SEA LEVEL H.P.	R.P.M.	CRITICAL ALTITUDE CRITICAL ALT. (FT.)	H.P.	R.P.M.	REMARKS
1a	Nakajima	Kotobuki-2	9R	A	5-1	No	I		450	1900	8,000			
2a		3	"	"	6-1	"	"		550	1900	10,000			
3a		5	"	"	5.4-1	"	"		500	1900	10,000			
4a		Hikari	"	"		"	"		650	1900	8,000	700	1950	Wright License
5a		Jupiter	"	"		"	"		430					
6a	Mitsubishi	Kinsei	14R	A		"	"		900	2500	10,000	800	2450	P&W Twin Wasp
7a		Kyojo	9R	"		"	"		750	1950	6,000			Hornet
8a		Junkers	12V	W	5.3-1	"	A		450	2100				
9a		His Suiza	12V	W	6-1	"	A		800	1900				
10a		" "	12V	W	6.2-1	"	A		450	1800				
11a	Kawasaki	BMW	12V	W	5.5-1	"	A		400	1800				
12a		"	"	"	"	"	"		500	"				
13a		"	"	"	"	"	"		700	"				
14a	Tokyo Gas	Shimpu	7R	A	5.3-1	"	I		150	2000				Used in VW planes.
15		Tenpu	9R	A	6.2-1	"	I		300	1800				" " " "
16	Hiro NAF	Hiro 91	12V	W		"	I		650	1850				
17														
18														
19														
20														
21														
22														

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M.I.D. – O.N.I. JOINT FORM
TO BE SUBMITTED
ANNUALLY ON 1 SEPT.
DATA AS OF 1 JULY

AVIATION STATISTICS — FORM C
AIRCRAFT CHARACTERISTICS AND PERFORMANCE
FORM C SECTION 2 SHEET b

[redacted]

NATION Japan
OFFICE NA/Tokyo
DATE 1 July 1950

	ENGINES													
	14	15	16	17	18	19	20	21	22	23	24	25	26	27
	MANUFACTURER	MODEL	CYLS NO AND ARR'GT	COOLING MEDIUM	PROP GEAR RATIO	SUPER CHARGER	STARTER	WEIGHT DRY	HORSEPOWER SEA LEVEL H.P.	HORSEPOWER SEA LEVEL R.P.M.	HORSEPOWER CRITICAL ALTITUDE CRITICAL ALT. (FT.)	HORSEPOWER CRITICAL ALTITUDE H.P.	HORSEPOWER CRITICAL ALTITUDE R.P.M.	REMARKS
1														
2														
3b	Mitsubishi	Kinsei	14-A	A			I		900	2500	10,000			
4														
5														
6														
7														
8														
9														
10														
11														
12														
13														
14														
15														
16														
17														
18														
19														
20														
21														
22														

M.I.D.—O.N.I. JOINT FORM
TO BE SUBMITTED
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DATA AS OF 1 JULY

AVIATION STATISTICS — FORM C
AIRCRAFT CHARACTERISTICS AND PERFORMANCE

FORM C SECTION 3 SHEET 8

~~CONFIDENTIAL~~

NATION JAPAN
OFFICE NA/Tokyo
DATE 1 July 1939

	GENERAL DATA												
	28	29	30	31	32	33	34	35	36	37	38	39
	NO. IN CREW	SPAN (FEET)	LENGTH OVERALL (FEET)	WING AREA (SQ. FEET)	CAPACITY (GALS.) GASOLINE NORMAL	GASOLINE MAXIMUM	OIL	FUEL CONSUMPTION GALLONS PER HOUR MAXIMUM R.P.M.	CRUISING R.P.M.	PROPELLER	LANDING GEAR	HIGH LIFT DEVICES
1 a	1	30.8	21.3		90	120	6	30	22	M-2-F	F	
2 a	1	32.9	21.8		90	120	6	30	21	"	F	
3 a	1	35	22.5		120	150	9	38	27	"	F	F
4 a	1	35	22.5		120	150	9	45	30	M-3-A	F	F
5 a	1	35	22.5		120	150	9	45	30	M-3-C	F	F
6 a	1	36.2	24.1		120	150	11	50	33	"	F	F
7 a												
8 a	2	30	21		90	90	5			M-2-F		
9 a	2	38	26		120	130	10	40	25	M-2-F		
10 a	2	40	27		120	120	10	43	29	M-2-A	F	
11 a	2	42	31.6		140	140	10	65	25	M-3-C	F	F
12 a												
13 a	3	37.4	31.5		120	120						
14 a	3											
15 a	3											
16 a												
17 a	3											
18 a	3											
19 a	5											
20 a	6	72.2	52		600	950	29	2 @ 69	2 @ 40	M-3-C	R	F
21 a	6	71	53		600	950	29	"	"	M-3-C	R	F
22												

M.I.D.—O.N.I. JOINT FORM
TO BE SUBMITTED
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DATA AS OF 1 JULY

AVIATION STATISTICS — FORM C
AIRCRAFT CHARACTERISTICS AND PERFORMANCE
FORM C SECTION 3 SHEET b

~~CONFIDENTIAL~~

NATION JAPAN
OFFICE NA/Tokyo
DATE 1 July 1939

	GENERAL DATA												
	28 NO. IN CREW	29 SPAN (FEET)	30 LENGTH OVERALL (FEET)	31 WING AREA (SQ. FEET)	32 CAPACITY (GALS.) GASOLINE NORMAL	33 GASOLINE MAXIMUM	34 OIL	35 FUEL CONSUMPTION GALLONS PER HOUR MAXIMUM R.P.M.	36 CRUISING R.P.M.	37 PRO-PELLER	38 LANDING GEAR	39 HIGH LIFT DEVICES
1 b	6	75.5	52.3									
2 b	6	73	53									
3 b	7	85	67				56	4 @ 65	4 @ 32	CSL		
4												
5												
6												
7 b	2	32.4	26.1		40	40	5			2P-	2	
8												
9												
10												
11												
12												
13												
14												
15												
16												
17												
18												
19												
20												
21												
22												

M.I.D. – O.N.I. JOINT FORM
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ANNUALLY ON 1 SEPT.
DATA AS OF 1 JULY

AVIATION STATISTICS — FORM C
AIRCRAFT CHARACTERISTICS AND PERFORMANCE
FORM C SECTION 4 SHEET a

~~CONFIDENTIAL~~
NATION JAPAN
OFFICE NA Tokyo
DATE 1 July 1939

GENERAL DATA

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	TYPE OF CONSTRUCTION			
1a	FUS - TUBST - FAB	WING - WO - FAB	CON.SUR. ST - FAB	
2a	" " "	" " "	" " " "	
3a	" A-1 "	" A-1 "	" " A-1 "	
4a	" " "	" " "	" " "	SS
5a	" " "	" " "	" " "	SS
6a	" " "	" " "	" " "	SS
7				
8a	FUS - TUBST - FAB	WING - WO - FAB	CON.SUR. - ST - FAB	
9a	" " "	" " "	" " " "	
10				
11a	" A-1	" A-1	" " A-1	SS
12				
13a	FUS - TUBST - FAB	" ST FAB	" " TUBST "	
14				
15				
16				
17				
18				
19a	FUS - TUBST - FAB	WING - TUBST - FAB	CON.SUR. - TUBST - FAB	
20a	" AL - SS	" AL - SS	" " AL - FAB	
21a	FUS - ST - TUB - FAB	WING - AL - SS	CON.SUR. - AL - FAB	
22				

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ANNUALLY ON 1 SEPT.
DATA AS OF 1 JULY

AVIATION STATISTICS — FORM C
AIRCRAFT CHARACTERISTICS AND PERFORMANCE
FORM C SECTION 4 SHEET b

[redacted]

NATION JAPAN
OFFICE AA/Tokyo
DATE 1 July 1939

	GENERAL DATA
	40
	TYPE OF CONSTRUCTION
1	
2	
3 b	See detailed report AA/Tokyo Report No. 143-39 for full description of secret boat.
4	
5	
6 b	Wing - Mo - Pad Fus - Tubut - Pad Con. Sur. - Tubut - Fab.
7 b	" " " " " " " " " "
8	
9	
10	
11	
12	
13	
14	
15	
16	
17	
18	
19	
20	
21	
22	

M.I.D.—O.N.I. JOINT FORM
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ANNUALLY ON 1 SEPT.
DATA AS OF 1 JULY

AVIATION STATISTICS — FORM C
AIRCRAFT CHARACTERISTICS AND PERFORMANCE
FORM C SECTION 5 SHEET

[redacted]
NATION JAPAN
OFFICE NAVY
DATE 1 July 1939

	GENERAL DATA														
	41	42	43	44	45	46	47	48	49	50	51	52	53	54
	MAXIMUM SPEED				SPEED M.P.H.			CLIMB						
	SPEED	ALTITUDE	SEA LEVEL	CRIT. ALT.	LANDING	CRUISING	TIME/ALTITUDE	TIME/ALTITUDE	TIME/ALTITUDE	SERVICE CEILING (FEET)	ENDURANCE (HRS.) MAXIMUM SPEED	ENDURANCE (HRS.) CRUISING SPEED	CHARACTERISTICS TAKE-OFF	CHARACTERISTICS LANDING
1a														
2a														
3a	210	8,000			65	160							G	G
4a	212	"			"	"							G	G
5a	220	"			"	"				26,000	2.5	4.0	G	G
6a	225	10,000			76	170				27,000	2.5	4.0	G	G
7														
8														
9														
10														
11a	170	8,000			60	140				20,000	3.0	6.5	G	G
12														
13														
14														
15a	195	8,000			67	140				24,000	2.0	6.5	G	G
16														
17														
18														
19														
20														
21e	220	10,000			62	170				22,000	4.1	10	A	A
22														

M.I.D.—O.N.I. JOINT FORM
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ANNUALLY ON 1 SEPT.
DATA AS OF 1 JULY

AVIATION STATISTICS — FORM C
AIRCRAFT CHARACTERISTICS AND PERFORMANCE
FORM C SECTION 5 SHEET b

[redacted]

NATION [illegible]
OFFICE [illegible]/Tokyo
DATE 1 July 1939

GENERAL DATA

	41	42	43	44	45	46	47	48	49	50	51	52	53	54
	MAXIMUM SPEED				SPEED M.P.H.		CLIMB				ENDURANCE (HRS.MIN)		CHARACTERISTICS	
	SPEED	ALTITUDE	SEA LEVEL	CRIT. ALT.	LANDING	CRUISING	TIME/ALTITUDE	TIME/ALTITUDE	TIME/ALTITUDE	SERVICE CEILING (FEET)	MAXIMUM SPEED	CRUISING SPEED	TAKE-OFF	LANDING
1														
2														
3 b	180	10,000	160	10,000	65	135				19,000	6.0	[illegible]	G	G
4														
5														
6														
7 b	140		140		47	110				[illegible]	1.8	3.0	[illegible]	[illegible]
8														
9														
10														
11														
12														
13														
14														
15														
16														
17														
18														
19														
20														
21														
22														

M.I.D. – O.N.I. JOINT FORM
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ANNUALLY ON 1 SEPT.

AVIATION STATISTICS – FORM C
AIRCRAFT CHARACTERISTICS AND PERFORMANCE
FORM C SECTION 6 SHEET

~~CONFIDENTIAL~~

NATION JAPAN
OFFICE NA/Tokyo
DATE 1 July 1939

	ARMAMENT												
	55	56	57	58	59	60	61	62	63	64	65	66	67
	GUNS				AMM.	LARGEST	BOMBS						
	MANUFACTURER	TYPE	NUMBER AND CALIBER	TYPE AND LOCATION OF GUN INSTALL.	RDS. PER GUN	BOMBS WHICH CAN BE CARRIED	PERMISSIBLE BOMB LOADING			WAR IN RANGE WITH BOMB LOAD			
							NO./WT.	NO./WT.	NO./WT.	MAX. RANGE	BOMB WT.	RANGE	MAX. BOM.W
1													
2													
3 a		▲	2 - .30	FN		100#							
4 a		▲	2 - .30	FN		100							
5 a		▲	2 - .30	FN		100							
6 a		▲	2 - .30	FN		100							
7													
8													
9													
10													
11													
12													
13													
14													
15 a		▲	2 - .30	1 FN 1 GUN		1000	3- 500	1-100	18-100	800	1500		
16													
17													
18													
19													
20													
21		▲	3 - .30	3 FLEX 2 ▲ 1 FRS		2 1000	4-500	2-1000		650	2000	1000	1000
22													

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AVIATION STATISTICS – FORM C
AIRCRAFT CHARACTERISTICS AND PERFORMANCE
FORM C SECTION 6 SHEET b

~~CONFIDENTIAL~~

NATION JAPAN
OFFICE NAVTOKYO
DATE 1 July 1939

	ARMAMENT												
	55	56	57	58	59	60	61	62	63	64	65	66	67
	GUNS				AMM.	LARGEST	BOMBS						
	MANUFACTURER	TYPE	NUMBER AND CALIBER	TYPE AND LOCATION OF GUN INSTALL.	RDS. PER GUN	BOMBS WHICH CAN BE CARRIED	PERMISSIBLE BOMB LOADING			WAR IN RANGE		WITH BOMB LOAD	
							NO./WT.	NO./WT.	NO./WT.	MAX. RANGE	BOMB WT.	RANGE	MAX. BOMB WT.
1													
2													
3 b			Unknown			1,000							
4													
5													
6													
7													
8													
9													
10													
11													
12													
13													
14													
15													
16													
17													
18													
19													
20													
21													
22													

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TO BE SUBMITTED
ANNUALLY ON 1 SEPT.

AVIATION STATISTICS — FORM C
AIRCRAFT CHARACTERISTICS AND PERFORMANCE
FORM C SECTION 7 SHEET a

[redacted]

NATION JAPAN
OFFICE NA/Tokyo
DATE 1 July 1939

	EQUIPMENT				
	68 RADIO	69 NAVIGATION	70 LAUNCHING AND PICK UP	71 MISCELLANEOUS	72 REMARKS
1					
2					
3					
4 a	V	NONE	AG		
5 a	V	"	"		
6 a	V	"	"		
7					
8					
9 a			C-SEA TT		
10					
11 a	CM	GH-GC	AG		
12					
13					
14					
15 a	V - INT - CM	GH - GC	AG		Fold Wings ?
16					
17					
18					
19					
20 a	V - INT - CM	GC - GH - HD			
21 a	V - INT - CM	GC - GH - HD			
22					

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TO BE SUBMITTED
ANNUALLY ON 1 SEPT.

AVIATION STATISTICS — FORM C
AIRCRAFT CHARACTERISTICS AND PERFORMANCE

FORM C SECTION 7 SHEET b

~~CONFIDENTIAL~~

NATION JAPAN
OFFICE NA/Tokyo
DATE 1 July 1950

	EQUIPMENT				
	68 RADIO	69 NAVIGATION	70 LAUNCHING AND PICK UP	71 MISCELLANEOUS	72 REMARKS
1b	CH-INT	CH-GC-HD			
2b	CH-INT	CH-GC-HD			
3b	CH-INT	CH-GC-HD-AP			
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					

M.I.D.— O.N.I. JOINT FORM
TO BE SUBMITTED
ANNUALLY ON 1 SEPT.
DATA AS OF 1 JULY

AVIATION STATISTICS — FORM D

NUMBER OF ENGINES

FORM D SECTION I SHEET a

~~CONFIDENTIAL~~

NATION JAPAN
OFFICE NA/Tokyo
DATE 1 July 1939

	1 MANUFACTURER	2 MODEL	3 YEAR OF FIRST PROD. ORDER	4 STATUS	5 NO. ON HAND	6 NO. ON ORDER	7 COST PER ENGINE	8 AIRPLANES IN WHICH INSTALLED	9 REMARKS
1	Nakajima	KOTOBUKI-2		STD				1a, 8a, 13a	
2	"	" 3		"				2a, 10a, 14a	
3	"	" 5		"					
4	" •	HIKARI	1936	"					Copy of Wright Cyclone
5	"	JUPITER		OB					
6	Mitsubishi •	KINSEI	1936	STD		800	$8,500	20a, 21a	P&W Twin Wasp 900 HP
7	"	MYOJO	1936	"				8b	P&W Hornet
8	"	HIS.SUIZA	1933	"				16a, 17a, 4b, 17a	
9	Kawasaki	BMW	1931	OB				} Used in old types. Not	
10	"	"	1931	OB				} now in production.	
11	"	"	1931	OB				}	
12	Tokyo Gas	SHIKFU	1935	STD				} Training planes only.	
13	"	TEMPU	1935	"				}	
14	Miro NAF	HIRO 91	1931	OB				9a, 5b, 16a, 8b, 6b	
15	Rolls Royce	BUZZARD	1931	"				Old VP	
16									
17	•	These two types account for 75%							
18		of engines produced in Japan.							
19									
20									
21									
22									

M.I.D. – O.N.I. JOINT FORM
TO BE SUBMITTED
ANNUALLY ON 1 SEPT.
DATA AS OF 1 JULY

AVIATION STATISTICS — FORM F
SHIP BASED AIRPLANES
FORM F SECTION I SHEET a

~~CONFIDENTIAL~~

NATION JAPAN
OFFICE NA/Tokyo
DATE 1 July 1939

	1 SHIP	2 NUMBER OF FIGHTERS	3 NUMBER OF SQDN'S.	4 NUMBER OF BOMBERS	5 NUMBER OF SQDN'S.	6 NUMBER OF SCOUTS	7 NUMBER OF SQDN'S.	8 TOTAL SQDN'S.	9 TOTAL PLANES	10 REMARKS
1	CV AKAGI	15	1	30	2	15	1	4	60	Includes 1/3 Reserve planes.
2	KAGA	15	1	30	2	15	1	4	60	" " " "
3	RYUJO	9	1	30	2			3	39	" " " "
4	HOSHO	15	1	15	1			2	30	" " " "
5	SORYU	30	2	30	2			4	60	" " " "
6	HIRYU	15	1	15	1	15	1	3	45	" " " "
7	* SHOKAKU									
8	AV KAMOI					8	1	1	8	
9	NOTORO					8	1	1	8	
10	CHITOSE					12	1	1	12	
11	CHIYODA					12	1	1	12	
12	MIZUHO					12	1	1	12	
13	CONVERTED MERCHANTS									
14	KAMIKAWA MARU					10	1	1	10	
15	KINAGAWA MARU					10	1	1	10	
16	KANUKAYA MARU					10	1	1	10	
17	KAKYO MARU					10	1	1	10	
18										
19										
20										
21	Sub-Total							32	384	
22										

* Launched spring 1939. Planes not aboard or in commission.

M.I.D. – O.N.I. JOINT FORM
TO BE SUBMITTED
ANNUALLY ON 1 SEPT.
DATA AS OF 1 JULY

AVIATION STATISTICS — FORM F
SHIP BASED AIRPLANES
FORM F SECTION I SHEET b

~~CONFIDENTIAL~~

NATION JAPAN
OFFICE NA/TOKYO
DATE 1 JULY 1940

	1	2	3	4	5	6	7	8	9	10
	SHIP	NUMBER OF FIGHTERS	NUMBER OF SQDN'S.	NUMBER OF BOMBERS	NUMBER OF SQDN'S.	NUMBER OF SCOUTS	NUMBER OF SQDN'S.	TOTAL SQDN'S.	TOTAL PLANES	REMARKS
1	10 Battleships @ 8					80	8	8	80	No spares.
2	Cruisers @ 4					16	1	1	16	ASHIGARA - HAGURO - MYOKO - NACHI
3	Cruisers @ 4					16	1	1	16	MOGAMI - MIKUMA - SUZUYA - KUMANO
4	Cruisers @ 4					8	½	½	8	OHIKUMA - TONE
5	Cruisers @ 8					18	1	1	18	TAKAO - ATAGO - CHOKAI - MAYA
6	Cruisers @ 8					8	1	1	8	KINUGASA - AOBA - FURUTAKA - KAKO
7	Cruisers @ 8					10	1	1	10	OI - KISA - TAMA - KITAKAMI - KUMA
8	Cruisers @ 1					11	1	1	11	Small cruisers.
9										
10										
11										
12										
13										
14										
15										
16										
17										
18										
19										
20										
21										
22								80½	497	

243

M.I.D. – O.N.I. JOINT FORM
TO BE SUBMITTED
ANNUALLY ON 1 SEPT.
DATA AS OF 1 JULY

AVIATION STATISTICS — FORM G
SYMBOLS FOR USE ON FORMS A, B, C & F

TO ACCOMPANY FORM ..... SECTION ..... SHEET a

~~CONFIDENTIAL~~

NATION JAPAN
OFFICE NA/Tokyo
DATE 1 July 1939

CONSTRUCTION, TYPE OF
- AIL.-AILERONS
- AL.-ALLOY
- CON.SUR.-CONTROL SURFACES
- FAB.-FABRIC-COVERED
- FUS.-FUSELAGE
- GEO.-GEODETIC
- HOR.S.-HORIZONTAL STABILIZER
- RUD.-RUDDER
- SS.-STRESSED SKIN (MONOCOQUE)
- ST.-STEEL
- TUB.-TUBULAR
- VERT.S.-VERTICAL STABILIZER
- WING-WINGS
- WO.-WOOD

GENERAL DESIGN-AIRPLANE
- AMPH.-AMPHIBIAN
- B.-BIPLANE
- BOAT-FLYING BOAT
- CONVT.-CONVT. LAND OR SEAPLANE
- LAND.-LANDPLANE
- M.-MONOPLANE
- P.-PUSHER
- SEA.-SEAPLANE
- T.-TRACTOR

GUNS
- TYPE: A-AUTOMATIC
  - SA.-SEMI-AUTOMATIC
  - SS.-SINGLE-SHOT
- LOCATION: F-FUSELAGE
  - L-LEFT IN DOUBLE FUSELAGE
  - N.-NOSE
  - NAC.-ENGINE NACELLE
  - R-RIGHT IN DOUBLE FUSELAGE
  - RR.-REAR
  - TAIL-TAIL
  - TUN.-TUNNEL
- MOUNT: FIX.-FIXED
  - FLEX.-FLEXIBLE
  - RA.-SEMI-FLEXIBLE GUNS WITH VERY RESTRICTED ARC OF FIRE.

HIGH-LIFT DEVICES
- MF.-MULTIPLE FLAPS
- S.-SLOTS
- SF.-SPLIT FLAPS

HIGH-LIFT DEVICES (CONT.)
- SPLR.-SPOILERS

LANDING GEAR
- F.-FIXED
- R.F.-RETRACTABLE IN FUSELAGE
- RN.-RETRACTABLE IN ENGINE NACELLE
- RW.-RETRACTABLE IN WING

LAUNCHING AND PICK-UP
- AG.-ARRESTING GEAR
- C.LAND-CATAPULT LAUNCHED LAND-PLANE
- C.SEA.-CATAPULT LAUNCHED SEA-PLANE
- P.F.-PICKUP FITTINGS
- P.H.-PICKUP HOOKS

MISCELLANEOUS EQUIPMENT
- APP-AUXILARY POWER PLANT
- B-BUNKS
- CR-CHART ROOM
- FG-FLOTATION GEAR
- G-GALLEY

NAVIGATION EQUIPMENT
- AP-AUTOMATIC PILOT
- GC.-GYRO-COMPASS
- GH.-GYRO-HORIZON
- HD.-HOMING DEVICE
- ILE.-INSTRUMENT LANDING EQUIP.
- R.C.-RADIO COMPASS

POWER PLANT
- COOLING MEDIUM
  - A-AIR
  - C-CHEMICAL
  - S-STEAM
  - W-WATER
- CYLINDER ARRANGEMENT
  - L-IN LINE
  - O-HORIZONTALLY OPPOSED
  - R-RADIAL
  - RR.-2 ROW RADIAL
  - V-"V" TYPE ENGINE
  - W-"W" SHAPED ENGINE
  - X-"X" SHAPED ENGINE
- ENGINE LOCATION
  - ABW-BETWEEN WINGS
  - AW.-ABOVE WINGS
  - BW.-BELOW WINGS

POWER PLANT (CONT.)
- ENGINE LOCATION CONT.
  - F.-FUSELAGE
  - IW.-IN WINGS
- IGNITION:
  - D.-DIESEL OR OTHER COMPRESSION IGNITION
- PROPELLERS:
  - A.-PITCH ADJUSTABLE ON GROUND
  - AUT.-AUTOMATIC OR CONSTANT SPEED
  - C-CONTROLLABLE PITCH
  - D.D.-DIRECT DRIVE
  - F.-FIXED BLADE
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  - 2-2-BLADED
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- STARTER:
  - A-COMPRESSED AIR
  - C-CARTRIDGE
  - I-INERTIA
  - IE.-INERTIA ELECTRIC
  - N.-NONE
- SUPERCHARGER:
  - G-GEARED
  - N.-NONE
  - T.-TURBO

RADIO
- C.-CONTINUOUS WAVE
- H.-HIGH POWER (OVER 100 W.)
- I.C.-INTERRUPTED CONTINUOUS WAVE
- INT.-INTERPHONE EQUIPMENT
- L.-LOW-POWER (10W)
- M.-MEDIUM POWER (10-100W.)
- V.-VOICE

STATUS:
- EXP.-EXPERIMENTAL
- OB.-OBSOLESCENT
- STD.-STANDARD

TAKE-OFF & LANDING CHARACTERISTICS
- E.-EXCELLENT
- G.-GOOD
- P-POOR

TYPES:
- ATCK.-ATTACK
- FITR.-FIGHTER
- HEBM.L.R.-LONG RANGE, HEAVY BOMBING
- HEBM.M.R.-MEDIUM RANGE, HEAVY BOMBING
- LIBM.-LIGHT BOMBING
- MISC.-MISCELLANEOUS
- OBSN.-OBSERVATION
- PTRL.-PATROL
- TORP-TORPEDO
- TRNG.-TRAINING

1	a	FITR Type 90
2	a	96
3	a	96-1
4	a	96-2a
5	a	96-2b
6	a	97
7		FITR Sub-Totals
8	a	OBSN Type 90-2
9	a	94
10	a	95
11	a	97
12		OBSN Sub-Totals
13	a	LIBM Type 94
14	a	96
15	a	97
16		LIBM Sub-Totals
17	a	HEBM Type 98
18	a	94
19	aq	96
20	a	97-1
21	a	97-2
22	a	HEBM Sub-Totals

M.I.D. – O.N.I. JOINT FORM
TO BE SUBMITTED
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DATA AS OF 1 JULY

AVIATION STATISTICS — FORM G

SYMBOLS FOR USE ON FORMS A, B, C & F

TO ACCOMPANY FORM ..... SECTION ..... SHEET .b....

~~CONFIDENTIAL~~

NATION JAPAN
OFFICE NA/Tokyo
DATE 1 July 1950

CONSTRUCTION, TYPE OF
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- CON.SUR.- CONTROL SURFACES
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  - W-WATER
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  - 4-4-BLADED
  - HM-HOLLOW METAL
  - M.-SOLID METAL
  - MAN.-MANUAL CONTROL
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  - 2-2-BLADED
  - W.-WOOD
- STARTER:
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  - C.-CARTRIDGE
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- OBSN.-OBSERVATION
- PTRL.-PATROL
- TORP.-TORPEDO
- TRNG.-TRAINING

b	PTRL Type 91-1
2 b	91-2
3 b	97
4	PTRL Sub-Totals
5 b	TRNG- Type 90
6 b	93
7 b	94
8	TRNG Sub-Totals
9 b	MISC
10 b	Lockheed
11 b	Douglas DC
12 b	MISC - Sub-Totals
13	
14	
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16	
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19	
20	
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22	

Nation JAPAN

SUPPLEMENTARY
AIR FORCE STRENGTH REPORT

FORM "b"

Date 1 July 1939

Air Personnel

	REGULAR ESTABLISHMENT				INACTIVE RESERVES				TOTAL AIR ESTABLISHMENT			
OFFICERS	ARMY	NAVY	AIR FORCE	TOTAL	ARMY	NAVY	AIR FORCE	TOTAL	ARMY	NAVY	AIR FORCE	TOTAL
Pilots	1500	550										2050
Student Pilots		50										50
Student Specialists												
All other officers	1200	500										1700
Total Officers	2700	1100										3800
WARRANT OFFICERS												
Pilots												
Student Pilots												
Student Specialists												
All other W. O.												
Total Warrant Officers												
CADETS												
Pilots												
Student Pilots	400	250										650
Specialists												
Student Specialists												
Total Cadets	400	250										650
ENLISTED MEN												
Pilots	1400	1500										2900
Student Pilots	400	250										650
Student Specialists	3000	100										3100
All other E. M.	25000	12000										37000
Total Enlisted Men	29800	14050										43850
BOYS & APPRENTICES												
GRAND TOTAL, MILITARY	33000											
Civilian Employees	5000	2500										7500
AGGREGATE, AIR ESTABLISHMENT	37000	18000										55,000

O. I. 86

ISSUED BY THE INTELLIGENCE DIVISION, OFFICE OF CHIEF OF NAVAL OPERATIONS, NAVY DEPARTMENT

ATTACHÉ'S REPORT

13366-D
E-8-a

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From NA/Tokyo Date Aug. 10, 1939 Serial No. 194 (Continuous new series each January first) File No. 982-158 (Select proper number from O. N. I. Index)

Source of information

Subject Japan. (Nation reported on) Navy - Personnel. (Index title as per Index sheet) Numbers. (Subtitle)

Reference

RADIO.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

Summary of Japanese Naval Personnel.

SEP 5 1939

NAVAL INTELLIGENCE

47

Distribution:

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Tech. Div.	C. in C. U. S.	Com. Bat. For.	Com. Sco. For.	C. in C. Asia	Com. S. E. A.	Com. Air	Attached at		Operations: Com. Div.	W. P.	Com.	Ft. Tr.	Route	Com-munications		Return to Room No.		

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U. S. GOVERNMENT PRINTING OFFICE 4—8888

Report No. 181
Japan.
August 10 1939.

900 - Navy.
903 - Personnel.
150 - Numbers.

Summary of Japanese Naval Personnel.

Reference: DNI letter Op-16-Z A3-1/QN/EF37 of 21 June 1939.

The following report on Japanese Naval Personnel as of 1 July 1939 is submitted.

The figures given in this report are estimates. Inquiries at the Japanese Navy Department showed that the Japanese were as unwilling this year as they were last year to exchange personnel data. It is noted that no report of Japanese naval personnel was submitted for 1 July 1938.

Although the figures are estimates, it is believed that they are accurate within fairly narrow limits. It will be noted that there has been a considerable expansion in both officer and enlisted personnel during the two years of hostilities. This expansion is continuing although at a decreased rate due to the increased needs of the Japanese Army. It is believed that future naval personnel requirements will be met by calling reserves to the colors rather than by increasing first enlistments.

A.

	No. of Officers	Warrant Officers	Enlisted Men
(1) Regular Navy	8,500	3,060	165,000
(2) Colonial Navy (Manchukuo)	130		3,500
(3) Civilians performing Naval duties.			
Employed in Naval Aviation	2,500		
Prison guards	870		
Hospitals	650		
At Navy Yards etc.	270		
Totals	4,290	8,630	3,060	168,500
Aggregate total				184,480

B.

(1) Percentage of officers and men afloat		48.3%
(2) Number midshipmen at sea - 326: number ashore - 1366		
(3) Number retired officers and men on active duty	*200	*3,000
(4) Number reserve officers and men on active duty	*400	*6,000
(5) Number officers and men in Naval aviation	**1,450	**14,050

* - Those figures not included in paragraph A (1).
** - Those figures included in paragraph A (1).

C. Remarks on Enlistments.
(1) Age for first enlistments - 20; No. of first enlistments - 38,000.
(2) Length periods of enlistments and reenlistments:
Petty officers - 6 years.
Volunteers - 5 years.
Conscripts - 3 years.
(3) Character of enlistments:
Volunteers - 60%
Conscripts - 40%

C. Remarks on enlistments, continued

(4) Number enlisted men by periods:

Less than four years -	88,000
Four to eight years	41,000
Eight to twelve years	19,000
Twelve to sixteen years	10,000
Over sixteen years	7,000

(5) Number enlisted men provided for in fiscal year 1939 - 168500

(6) Number expected to be provided for during coming fiscal year 175000

D. Marine Corps

(1) Officers and men performing duties similar to U.S. Marines (mostly in China)(ashore) *28,500

* - This figure included in paragraph A (1).

E. Number of Officers by Rank - Total

	Adm	Vice Adm	Rear Adm	Capt	Comdr	Lieut Comdr	Lieut	Lieut (jg)	Ensign	Total
All Corps	8	28	124	520	960	1640	1824	1748	1648	8500

F. Officers Classified according to U.S. Navy classification.

	Adm	Vice Adm	Rear Adm	Capt	Comdr	Lieut Comdr	Lieut	Lieut (jg)	Ensign	Total
Line	8	24	101	425	779	1383	1420	1466	1427	7033
Medical		1	9	43	78	107	246	160	70	714
Dental										0
Supply		2	9	40	89	124	130	90	145	629
Constr.		1	5	12	14	26	26	28		112
Civil Eng.							2	4	6	12

G. Warrant Officers of Regular Navy

Line	2050
Engineer	800
Paymaster	200
Bandmaster	10
Total	3060

H. Number of officers and men assigned to various classes of ships:

10	Battleships	11,594
37	Cruisers	19,877
6	Aircraft carriers	5,580
5	Seaplane tenders	2,039
119	Destroyers	15,970
20	Torpedo boats	1,400
15	Submarine chasers	615
63	Submarines	3,770
1	Survey ship	110
12	Gunboats	890
7	Submarine tenders	1,921
7	Coast defense ships	2,749
51	Mine layers and sweepers	8,843
13	Oilers and colliers	1,800
40	Miscellaneous	6,900
	Staff Personel	1,100
	Total	85,258

I. Total Number of Reserve Officers and Men.
The First and Second Reserve is composed of officers and men who have served in the Regular Navy. The Special Reserve is composed of officers and men of the Merchant Marine who are graduates of Merchant Marine Schools.

	1st and 2nd Reserve:	Special Reserve:	Total
Officers	1800:	1300:	3100
Special Service Officers	1100:	180:	1280
Warrant Officers	700:	400:	1100
Petty officers and men	56000:	700:	56700
Totals	59600:	2580:	62180

J. Officers and men assigned to shore stations 62802

N. I. 90

ISSUED BY THE INTELLIGENCE DIVISION, OFFICE OF CHIEF OF NAVAL OPERATIONS, NAVY DEPARTMENT

ATTACHÉ'S REPORT

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From NA/Tokyo Date Sept. 5, 1939 Serial No. 189 (Commence new series each January first) File No. (Select proper number from O. N. I. Index)

Source of information "Tokyo Gazette"

Subject Japan (Nation reported on) (Index title as per index sheet) (Subtitle)

Reference

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

ACTIVITIES OF THE JAPANESE NAVY IN CHINA
as Announced by the Publicity Bureau of the Navy Department.

Brief resume of the activities of the Japanese Navy in China as made public by the Japanese Navy Department, including comments on the Naval Blockade of the Chinese coasts, observations on the hostilities in the Shanghai area two years ago, and general statements regarding the result of two years of hostilities.

It should be noted that the Japanese still make much of British assistance to China and hint that a more intensive blockade of the China coasts may be necessary.

The Japanese Navy state that they have secured command of the Western Pacific, and have prevented the United States, Great Britain or Soviet Russia from intervening on behalf of China.

OCT 3 1939

OFFICE OF NAVAL INTELLIGENCE RECEIVED

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Tech. Div.	C. in C. U. S.	Com. Bat. For.	Com. Sco. For.	C. in C. Asia	Com. S. S. S.	Com. Air	Attached at	Operations: Com. Div.	W. P.	Com.	Ft. Tr.	State	Commerce		Return to Room No.			

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U. S. GOVERNMENT PRINTING OFFICE 4—8868

Report No. 189
Japan
September 5, 1939

Notes

ACTIVITIES OF THE JAPANESE NAVY IN CHINA as Announced by the Publicity Bureau of the Navy Department

The following summary of the activities of the Japanese Navy in China was issued by the Publicity Bureau of the Navy Department. It was published in the "Tokyo Gazette" which is under the supervision of the Cabinet Information Bureau:

Extension of Naval Blockade:

"The Imperial Navy is now blockading the entire 2,850 mile China coast, from Shanhaikwan, on the Manchoukuo China border in the North, to the border between South China and French Indo-China, including Hainan Island in the South. The first proclamation for suspension of traffic along the China coast, applying to Chinese shipping, was issued in the name of the Commander-in-Chief of the Third Fleet, on August 25, 1937. Suspension of traffic since has been extended on several occasions, until it is now applied to the entire China coast. The Japanese fleet is making invisible but substantial contributions to the termination of the present conflict with China by patrolling China waters, seizing Chinese junks and cutting off the supply of arms to the Chiang Kai-shek regime. The warships on duty patrol not only the muddy waters of the Yellow Sea, but the South China Sea and inland waterways as well.

"It is no easy task to patrol such a vast stretch of coastline. Although there is nothing spectacular about it, such as an encounter with a powerful enemy fleet, it calls for the constant vigilance of the Imperial Fleet against Chinese blockade runners who attempt to smuggle arms and war materials to the Chiang Kai-shek Government, and also against Chinese vessels which are disguised as third-Power ships and are used for similar purposes. In addition, the naval forces must fight the elements day and night. Their quiet role requires extraordinary patience and perseverance. The great contributions they are making to the cause of the Japanese crusade in China may sometimes escape public notice, but the officers and men in the naval service nevertheless are doing their best in the discharge of their duties, without caring for public acclaim.

"In enforcing the suspension of traffic, attention first must be given the seaports. Since the outbreak of the current hostilities, the major ports of China have fallen to the Japanese, including Tangku, Chefoo, Weihaiwei, Tsingtao, Lienyunchiang, Haichow, Shanghai, Amoy, Canton, Hoihow (Haikow) and Yulin. The last two are in Hainan Island. These seaports have ceased to function entirely for the supply of military equipment to the Chiang Kai-shek regime. There remained, however, some treaty ports in South China, which were not yet occupied by the Japanese, and which were utilized by vessels of certain third Powers to supply the Chungking regime with vital necessities.

"New operations, therefore, were started recently by the Imperial Navy against these strategic ports. Following the Swatow campaign of June 21, a Japanese naval unit, covered by warships and aeroplanes, effected a landing in the southern part of Chushan Island at the mouth of Hangchow Bay early on the morning of June 23rd. The same evening, the Japanese landing party occupied Tinghai, island capital. Taishan Island, north of Chushan, also was taken. The Chusan group consists of Kintang, Taishan and a number of tiny islets. They dominate not only Hangchow Bay and the mouth of the Yangtze River, but Ningpo and Chenhai, ports in Chekiang Province.

"The Chungking regime had concentrated a large body of Central Army troops along the Tsientang River, with bases at Shaohing and Ningpo with the idea of bringing in war materials from abroad through Chushan Island, Ningpo and Shaohing. Chinese troops crossed the Tsientang River from time to time in attempts to invade Hangchow, capital of Chekiang. The Japanese occupation of Chushan Island, together with the earlier seizure of Swatow, therefore, has great strategic significance, upsetting as it does the Chinese plan of operations. Again on June 27, the Japanese naval force carried out a blockade against Foochow, capital of Fukien Province, and Wenchow, important seaport in Chekiang Province.

"On July 12, the Imperial Navy decided to blockade Chuanchow, new treaty port in Fukien Province, as well as Tungshan and Chaoan, in the same province. Consequently, the Commander-in-Chief communicated with the foreign consular corps and the Chinese Maritime Customs Administration to the effect that Mr. Yoshiaki Miura, Japanese Consul-General at Shanghai, was requesting third-Power warships and merchant vessels to withdraw from those ports. At 8 o'clock on the morning of July 15, the Navy started operations to blockade the three ports.

"Further tightening the blockade of the South China coast, the Imperial Navy captured Swabue in Kwangtung Province at 8 o'clock on the morning of July 18. Swabue lies halfway between Hongkong and Swatow, forming a transit point for the other two ports. It also is a centre of coastal trade in South China. Hinghwa, south of Foochow, was blockaded the next morning. The Powers were notified three days in advance in both instances.

"Santuao, Loyuan and Shacheng, all ports in Fukien Province, were blockaded on July 21 and 22. Meanwhile, the Japanese naval authorities on July 26 informed the foreign consular bodies at Canton and Hongkong that the Pearl River would be closed to foreign shipping for two weeks, starting July 28.

"The Japanese suspension of shipping hitherto has been in effect only off the China coast, but it now is enforced vigorously in the seaports as well. Japan is fully aware of possible friction with third powers in trade questions, but is manifesting her solid national determination to deprive the Chiang Kai-shek regime of foreign assistance at all costs.

"Suspension of port traffic has the same object as a coastal blockade, that is, in depriving the enemy of war materials. In view of the fact that the objective of the China Affair is the construction of a New Order in East Asia by crushing the Kuomintang Government and the Chinese armies opposing Japan for the sake of lasting peace in the Far East, and not in antagonizing the law-abiding Chinese people, war has not been declared by Japan against China. In official terminology, therefore, the current conflict is not a war, but an affair. Therefore, the term blockade is not used formally, but instead the Navy's programme is called suspension of Chinese shipping or a "peacetime blockade". This practice is recognized by international law. Moreover, history shows that some of the Powers which are now criticizing the action of the Imperial Navy themselves have enforced "peacetime blockades" openly in the past.

"A peacetime blockade is not directed against third-Power shipping in principle. Consequently, Chinese vessels frequently attempt to slip through the Japanese blockade under false colors. Japanese patrol boats therefore order all vessels of suspicious appearance to heave to while a boarding-party inspects them. The Japanese blockade units cannot seize munitions and other goods supplied by foreign Powers and destined for the Chiang

Kai-shek Government, so long as they remain in neutral territory, leased territory or foreign bottoms. They are seized immediately, however, once they pass into Chinese hands. Such goods usually are landed at Hongkong, Macao or Kwangchow, French leased territory. From these points they are transhipped in Chinese junks for smuggling into Chinese ports.

"Explanation must be made here of the reason the Navy has tightened its blockade of the South China coast. Nowadays any country, even in peacetime, cannot attain independence, existence and development by secluding itself from the outside world. The sea provides trade lanes, and seaports form the doors of international intercourse. It is hardly necessary to say what a severe blow a country would suffer if it had its door closed by another Power. Now, China is not an industrial country, and although she may have had a large stock of munitions before the outbreak of hostilities, her attempt to wage protracted warfare against Japan makes it necessary for her to import more munitions from abroad. It is true that there still are some routes by which the Chiang Kai-shek regime may import munitions. One is the so-called Red route in Northwestern China via Lanchow, capital of Kansu Province, through which China can procure munitions from the Soviet Union. Another is the Burma route. Still another is the French Indo-China route. Through the last two avenues, China can get what she needs from foreign countries via Yunnan Province. There are other overland and, of course, air routes. The topography of China, however, makes the sea-route most convenient because goods can be handled in greater volume and shorter time.

"Now that the sea has been closed to the Chinese Government, the number of foreign vessels plying between Chinese ports since the beginning of the China Affair is clearly shown by statistics compiled by the Japanese blockade units. It is worthy of special notice that British shipping has topped the list of foreign vessels calling at Chinese ports since the start of hostilities.

"Even after the Japanese occupation of Canton, which nullified the value of the Canton-Hankow Railway and the Canton-Kowloon Railway as supply routes, Hongkong has figured most prominently as a source of arms supply for the Chungking Government. These materials are landed at Hongkong, from where they are transhipped to Haiphong in French Indo-China, Swatow and other South China seaports.

"After the fall of Tsingtao, Shanghai and Canton, the three major treaty ports of China, Swatow remained as the only available seaport for the Chinese Government. The port became crowded with shipping of third Powers friendly to the Chiang regime. During the three months which followed the fall of Canton, Swatow accounted for 38 per cent of the total foreign trade handled by the sea ports under the jurisdiction of the Chiang Kai-shek regime, thus occupying the foremost place among them. This was before the fall of Nanchang, capital of Kiangsi Province. Since the Japanese occupation of Nanchang, junction of the Chekan Railway and the Kiukiang-Nanchang Railway, which caused a disruption of the former line between Chekiang and Kiangsi provinces, Swatow gained further importance, veritably becoming the only major seaport left to the Nationalist Government.

"Swatow enjoyed a very large excess of exports over imports. This shows what an important role it played in supplying the Chiang Kai-shek regime with war sinews by securing foreign currencies from its favorable balance of trade.

"Swatow, together with Amoy, Chuanchow, Canton and Hainan Island, all are now under Japanese control.

"The Kuomintang Government already has lost its major sources of revenue - customs and salt gabelle revenue - and is now facing loss of another no less important source of revenue in the form of remittance from Chinese nationals abroad. Its specie holdings in foreign countries also are being steadily drained, adding to its financial difficulty. But despite these factors, the Kuomintang is desperately continuing resistance against Japan, relying more and more on third Powers, particularly Great Britain, at the same time paying no heed to the suffering of the Chinese people. Such being the case, the longer Britain assists General Chiang Kai-shek, the more prolonged will be the suffering of the innocent masses. On the other hand, the Japanese blockade of the China coast will be tightened in proportion to the assistance rendered by Britain to the Nationalist Government. Viewed in this light, the policy of Britain is the main obstacle to the realization of peace in the Far East and the construction of a New Order in East Asia. Britain must be urged to reconsider her attitude. The Japanese for their part must be firmly determined to prosecute hostilities and carry on construction at one and the same time.

Second Anniversary of the Shanghai Campaign:

"The second anniversary of the outbreak of the Shanghai campaign was observed on August 13. In the summer of 1937, the month following the Marco Polo Bridge incident in North China furnished danger signals indicating imminent trouble in central and South China. The Japanese naval authorities on the spot exercised the utmost self-restraint, while protecting Japanese life and property, so as to prevent the outbreak of untoward incidents. The Chinese authorities, however, feverishly pushed war preparations in accordance with their fixed plan. In the Shanghai area, they defied the truce agreement and moved regular troops into the demilitarized zone, where they started the construction of defense works. They threatened to overpower the Japanese with their military force, which was numerically far superior to the Japanese force. The wanton murder of Japanese naval Lieutenant Takeo Oyama and Warrant Officer Saito, on August 9, started the Shanghai incident. On August 13, the Chinese forces opened fire on the Japanese landing party, which was compelled to respond and to chastise the Chinese armies.

Lesson of the Shanghai Campaign:

"At the outset more than 100,000 Chinese troops had surrounded the International Settlement of Shanghai. The Japanese landing party was only 3,000 strong, though the Third Fleet was concentrated at Shanghai. The overwhelming odds against which the Japanese fought, complicated by delicate international aspects, placed the Japanese at a heavy strategic disadvantage. Indiscriminate aerial bombardments resorted to by the Chinese on and after August 14 intensified the seriousness of the situation. But the Japanese fought valiantly.

"During the ten days that passed before the vanguard of the Japanese military forces effected a successful landing in the Woosung sector, the Japanese landing party, less than one-fortieth the size of the enemy forces, bore the entire brunt of the Chinese attacks. Even when a large body of Japanese troops was deployed steadily south of the Yangtze estuary, the landing party, as the extreme left wing of the Japanese line, stubbornly defended the International Settlement against the Chinese assaults. Covered by the fleet and the naval air force, it succeeded in driving the Chinese forces back from the Shanghai area in conjunction with the military forces late in October, thus preparing the ground for the drive on Nanking.

"During the entire campaign, the Commander of the Japanese landing party refrained from requesting reinforcements, placing full confidence in his men. Thus, the Shanghai Campaign resulted in an impressive victory for the Japanese, thanks to their high morale and the full utilization of modern weapons.

Development of the Naval and Military Operations:

"Indiscriminate bombings launched by the Chinese air force at the beginning of the Shanghai Campaign roused the Japanese naval air force to action. Transoceanic operations resolutely carried out by the Japanese naval air force proved so successful that not only was the furious Chinese onslaught against the International Settlement checked, but the naval fliers had nearly liquidated the Chinese air force by the end of September.

"The action of the Imperial Navy since has been marked by close cooperation and coordination with the Army in driving the Chinese forces into the interior. Landing parties have been active in various seaports of China; a naval unit has successfully pushed up the Yangtze River, and the naval forces have kept up their attacks on almost all important towns in central and South China. At sea, the Japanese fleet not only destroyed the Chinese navy, but suspended Chinese commercial shipping along the entire coast. The steady development of the military situation has called for large-scale joint operations between the Army and Navy in various parts of China, including Hangchow Bay, Bias Bay, Hainan Island, and Swatow, where both fighting services have achieved brilliant successes.

"Special mention must be made of the Combined Fleet of the Imperial Navy, which not only has firmly secured the command of seas in the Western Pacific, but has succeeded in precluding any possiblity of undue pressure or intervention on the part of third Powers, particularly Great Britain, the United States and the Soviet Union. In this connection, it must be remembered that securing the command of the Western Pacific provides a key to the successful construction of a new China, while at the same time, the Imperial Navy bears further grave responsibilities in view of the heavy naval building programmes now being pushed by Great Britain, the United States, the Soviet Union, France and other Powers.

"In observing the second anniversary of the outbreak of the Shanghai Campaign tribute must be paid to the war dead as well as to the sick and wounded who fought so valiantly for the national cause. While wishing their families health and prosperity, we call upon the nation to redouble its endeavors for the achievement of the ultimate purpose of the present Affair, the construction of a New Order in East Asia."

N. I. 96

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ISSUED BY THE INTELLIGENCE DIVISION, OFFICE OF CHIEF OF NAVAL OPERATIONS, NAVY DEPARTMENT

ATTACHÉ'S REPORT

Forward seven copies (original and six carbons); this number is necessary because of the limited personnel in O. N. I. and because of the necessity for quickly disseminating information from attachés. These copies will be distributed by O. N. I. as per footnote or elsewhere, according to subject matter.

From **NA/Tokyo** Date **Sept. 11**, 19[illegible] Serial No. **194** (Commence new series each January first) File No. **902-1000** (Select proper number from O. N. I. Index)

Source of information **Reliable**

Subject **Japan** (Nation reported on) **Cities & Towns - Coast Cities & Towns -** (Index title as per index sheet) **Logistics** (Subtitle)

Reference

Brief.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

Japanese Oil Situation - Calendar Year 1938

A summary of the oil situation in Japan for the year 1938. It should be noted that:

(a) Domestic production has fallen about 10%;

(b) Non-government imports remain approximately the same as in 1937;

(c) Government imports of crude oil more than doubled over 1937;

(d) Total consumption remained approximately the same as in 1937;

(e) Government consumption increased about 50%;

(f) All oil storage facilities in Japan are now filled to capacity.

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Report No. 194
Japan
September 11, 1939.

600 - Cities and Towns
602 - Coast Cities and Towns
1000 - Logistics

[redacted]

Japanese Oil Situation - Calendar Year 1938

Reference: NA/Tokyo Report No. 178-38

Enclosure: Confidential Table of Detailed Figures.

The following is a summary of the oil situation in Japan for the year 1938. The detailed figures in barrels, furnished by a reliable source, are forwarded as an enclosure. These figures have been converted into tons for this report. For comparison, the figures for 1937 are included.

Conversion factors used are as follows:

Fuel oil	- 280 gallons equal one ton.
Crude oil	- 300 gallons equal one ton.
Diesel oil	- 320 gallons equal one ton.
Kerosene	- 330 gallons equal one ton.
Light or gas oil (Neutral below 28° A.P.I.)	- 330 gallons equal one ton.
Gasoline	- 360 gallons equal one ton.
Lubricating oil	- 304 gallons equal one ton.

1. Domestic Production:

	1938	1937
(a) Crude:		
Japan Proper	342,539	344,000
Formosa	5,241	5,060
Saghalien	150,363	227,800
Manchuria	148,764	148,800
Totals:	646,907	725,660

Products produced from imported and domestic crude oil:

(b)	Fuel and Diesel Oil (Conversion factor 280 gal)	532,817	543,642
(c)	Gasoline	873,022	694,660
(d)	Kerosene	247,307	151,680
(e)	Light or gas oil (Neutral below 28° A.P.I.)	158,489	177,400
(f)	Lubricating oil	336,714	304,600

2. Imports (Other than Government)

	1938	1937
(a) Crude:		
(A) Japan-Korea-Formosa	2,287,992	
(B) Dairen	158,189	
Total	2,446,181	2,168,000
(b) Fuel Oil:		
(A) Japan-Korea-Formosa	366,424	
(B) Dairen	-	
Total	366,424	628,000
(c) Diesel Oil:		
(A) Japan-Korea-Formosa	872,048	
(B) Dairen	10,061	
Total	882,109	1,092,000
(d) Gasoline:		
(A) Japan-Korea-Formosa	378,284	
(B) Dairen	85,835	
Total	464,119	589,500
(e) Kerosene:		
(A) Japan-Korea-Formosa	56,180	
(B) Dairen	48,594	
Total	104,774	136,300
(f) Lubricating Oil:		
(A) Japan-Korea-Formosa	31,224	
(B) Dairen	6,263	
Total	37,487	60,240
Total of all Imports:	4,301,094	4,674,040

3. Government Imports:

	1938	1937
(a) Crude:		
United States	1,078,275	
Mexico	12,299	
Total	1,090,574	462,500
(b) Fuel Oil:		
United States	262,304	349,500
Dutch East Indies	49,348	82,250
Total	311,652	431,750
(c) Gasoline:		
United States	105,888	33,200

4. Total Supply (Domestic Production plus Imports, including Government)*

(a) Crude	4,183,662	3,360,000
(b) Fuel and Diesel (Conversion factor 280 gal)	2,208,304	2,700,000
(c) Gasoline	1,443,029	1,318,000
(d) Kerosene	352,082	289,300
(e) Light oil	158,489	177,600
(f) Lubricating oil	374,203	363,500
Totals:	8,719,769	8,208,400

* Based on production and imports of the current year 1938. Stock carried over from previous term not taken into consideration.

5. Consumption (Other than Government)**

(a) Crude (Domestic Production and Imports)	2,942,725	2,670,000
(b) Fuel and Diesel Oil (Deliveries) (Conversion factor 280 gal)	1,862,515	1,968,000
(c) Gasoline (Deliveries)	1,028,695	1,138,000
(d) Kerosene (Deliveries)	260,139	263,700
(e) Light oil (Deliveries)	113,955	125,000
(f) Lubricating oil (Deliveries)	359,511	372,000
Totals:	6,567,540	6,536,700

6. Consumption (Government) **

(a) Crude	1,240,937	690,000
(b) Fuel and Diesel Oil	364,766	461,800
(c) Gasoline	105,888	39,010
Totals	1,711,591	1,190,810

** Total consumption is based on actual sales and estimated deliveries into consumption except for crude, for which production and import figures have been taken.

	1938	1937
7. Supply over Consumption (including Government):		
(a) Crude	none	none
(b) Fuel and Diesel Oil	(-)18,977	263,870
(c) Gasoline	308,446	141,980
(d) Kerosene	91,943	199,453
(e) Light Oil	44,534	410,820
(f) Lubricating Oil	14,692	(-) 8,260
8. Navy Oil in Storage:***		
(a) Crude and Fuel	3,000,000	3,000,000
(b) Gasoline	300,000	300,000
9. Civilian Companies' Reserve Oil Storage:****		
(a) Crude	1,000,000	1,000,000
(b) Fuel Oil	450,000	450,000
(c) Diesel	450,000	450,000
(d) Gasoline	525,000	525,000
(e) Kerosene	125,000	170,000
(f) Light oils	150,000	200,000
(g) Lubricating Oil	100,000	140,000

*** Estimated.

**** Estimated.

According to the American representative of the Associated Oil Company in Tokyo, the Japanese Government in July, 1939, was desirous of purchasing a large amount of crude and fuel oil but were unable to carry out the plan due to the fact that all storage spaces were filled to capacity. Since that time smaller purchases have been made to replace oil as it is used.

PETROLEUM STATISTICS - YEAR 1938

Barrels of 42 American Gallons

	Japan Proper	Korea	Formosa	Saghalien	Total	Manchuria	Grand Total
(1) Domestic Production:							
(a) Crude	2,446,707	-	37,437	1,074,026 (Japanese production)	3,558,170	1,062,600	4,620,770
(Saghalien-Soviet Production 2,325,838 Barrels)							
Products produced in Japan from imported and domestic crude:							
(b) Fuel and Diesel Oil	2,541,677	400,841	-		2,942,518	609,593	3,552,111
(c) Gasoline	6,356,572	588,678	132,727		7,077,977	405,068	7,483,045
(d) Kerosene	1,557,490	262,280	17,391		1,837,161	105,969	1,943,130
(e) Light or Gas Oil (Neutral below 28° A.P.I.)	994,840	171,330	9,655		1,175,825	69,446	1,245,271
(f) Lubricating Oil	2,176,644	213,105	3,158		2,392,907	44,267	2,437,174
Totals	13,627,223	1,636,234	162,931		15,426,388	1,234,343	16,660,731

(2) Imports (Other than Government):

	U.S.A.	D.E.I.	Roumania	Br.Borneo	Br.Malaya	Persia	Ecuador	Mexico	Others	Total
(a) Crude										
(A)Japan-Korea-Formosa	15,006,678			766,081*		293,994	108,516	167,529		16,342,798
(B)	1,020,666					109,255				1,129,921
Total	16,027,344			766,081		403,249	108,516	167,529		17,472,719
(b) Fuel Oil										
(A)	1,670,872			771,954						2,442,826
(B)										
Total	1,670,872			771,954						2,442,826
(c) Diesel Oil										
(A)	4,949,196	1,694,980								6,644,176
(B)	52,549	24,108								76,657
Total	5,001,745	1,719,088								6,720,833
(d) Gasoline										
(A)	373,418	1,002,944	208,669		1,657,400					3,242,431
(B)	666,852	36,021			32,858					735,731
Total	1,040,270	1,038,965	208,669		1,690,258					3,978,162
(e) Kerosene										
(A)	2,221	166,375			272,822					441,418
(B)	362,403	19,405								381,808
Total	364,624	185,780			272,822					823,226
(f) Lubricating Oil										
(A)	212,766	24			1,063				12,155	226,008
(B)	45,162								175	45,337
Total	257,928	24			1,063				12,330	271,345
Total (A)	22,215,151	2,864,323	208,669	1,538,035	1,931,285	293,994	108,516	167,529	12,155	29,339,667
Total (B)	2,147,632	79,534			32,858	109,255			175	2,369,454
GRAND TOTAL	24,362,783	2,943,857	208,669	1,538,035	1,964,143	403,249	108,516	167,529	12,330	31,709,121

	U.S.A.	D.E.I.	Roumania	Br.Borneo	Br.Malaya	Persia	Ecuador	Mexico	Others	Total
				* Topped Crude included with Fuel Oil in previous statement.						
(3) Government Imports:										
(a) Crude	7,701,966							87,849		7,789,815
(b) Fuel Oil	1,677,266	328,990								2,006,256
(c) Gasoline	907,619									907,619
Total	10,286,851	328,990						87,849		10,703,690

	Japan, Korea, Formosa and Saghalien	Manchuria	Total
(4) Total Supply (Domestic Production, Imports, including Government Imports):			
(a) Crude	27,690,783	2,192,521	29,883,304
(b) Fuel and Diesel Oil	14,035,776	686,250	14,722,026
(c) Gasoline	11,228,027	1,140,799	12,368,826
(d) Kerosene	2,278,579	487,777	2,766,356
(e) Light Oil	1,175,825	69,446	1,245,271
(f) Lubricating Oil	2,618,915	89,604	2,708,519
Total	31,337,122	2,473,876	33,810,998

	Japan, Korea, Formosa and Saghalien	Manchuria	Total
(5) Consumption (Other than Government):			
(a) Crude (Domestic Production & Imports)	18,826,942	2,192,521	21,019,463
(b) Fuel and Diesel Oil (Deliveries)	12,123,275	293,489	12,416,764
(c) Gasoline "	8,022,662	794,723	8,817,385
(d) Kerosene "	1,609,058	434,896	2,043,954
(e) Light Oil "	842,153	53,206	895,359
(f) Lubricating Oil "	2,377,426	224,750	2,602,176
Total	24,974,574	1,801,064	26,775,638
(6) Consumption (Government):			
(a) Crude (Imports only)	8,863,841		8,863,841
(b) Fuel and Diesel Oil (Imports only)	2,006,256	425,517	2,431,773
(c) Gasoline " "	907,619		907,619
Total	2,913,875	425,517	3,339,392

			Total Supply as per (4) *	Total Consumption as per (5) & (6) **	Supply over Consumption
(7) Supply over Consumption (including Government):					
(a) Crude	(A) Japan-Korea-Formosa-Saghalien		27,690,783	27,690,783	
	(B) Manchuria (including Dairen)		2,192,521	2,192,521	
		Total	29,883,304	29,883,304	
(b) Fuel and Diesel Oil	(A)		14,035,776	14,129,531	(-) 93,755
	(B)		686,250	719,006	(-) 32,756
		Total	14,722,026	14,848,537	(-)126,511
(c) Gasoline	(A)		11,228,027	8,930,281	2,297,746
	(B)		1,140,799	794,223	346,076
		Total	12,368,826	9,725,004	2,643,822
(d) Kerosene	(A)		2,278,579	1,609,058	669,521
	(B)		487,777	434,896	52,881
		Total	2,766,356	2,043,954	722,402
(e) Light Oil	(A)		1,175,825	842,153	333,672
	(B)		69,446	53,206	16,240
		Total	1,245,271	895,359	349,912
(f) Lubricating Oil	(A)		2,618,915	2,377,426	241,489
	(B)		89,604	224,750	(-)135,146
		Total	2,708,519	2,602,176	106,343
Total - Japan-Korea-Formosa-Saghalien			31,337,122	27,888,449	3,448,673
Total - Manchuria (including Dairen)			2,473,876	2,226,581	247,295
		Total	33,810,998	30,115,030	3,695,968

Notes: * Total Supply Based on production and imports of the current year 1938, as per (4). Stock carried over from previous term not taken into consideration.

** Total Consumption Based on actual sales & estimated deliveries into consumption except for Crude for which we have taken production and import figures, as per (5) and (6).

O. N. I. 96

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From NA/Tokyo Date Sept. 12, 1939 Serial No. 195 (Commence new series each January first) File No. 400 (Select proper number from O. N. I. Index)

Source of information Commercial Attache, American Embassy, and various others

Subject Japan (Nation reported on) — (Index title as per index sheet) Economic Forces (Subtitle)

Reference

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

GENERAL INTELLIGENCE SUMMARY - PART III
FINANCE, INDUSTRY, COMMERCE

Japan's finance, industry and commerce are geared to carry on the war in China. At present Japan is suffering from shortages of funds, labor and raw materials, but there is no reason to expect a break down in her economy unless she loses her trade with the United States. Major revisions in her economic policies are necessary because of the European war.

OCT 3 1939

OFFICE OF NAVAL INTELLIGENCE RECEIVED

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U. S. GOVERNMENT PRINTING OFFICE 4—8888

Report No. 195
Japan
September 12, 1939

400 - Economic Forces

GENERAL INTELLIGENCE SUMMARY - PART III

FINANCE, INDUSTRY, COMMERCE.

The "China Incident" has placed a great strain on Japan's financial and economic structure, but at the same time it has added great impetus to the internal industrial reorganization of the country which has been stressed by the armed services - that is, the changing of Japan from a "land of silk and cotton to a land of iron and steel". Under present conditions, the Japanese Government through the National Mobilization Act has direct and complete control of all phases of Japan's economic life, and can do almost anything from conscripting capital to conscripting labor. That is, under the National General Mobilization Law and the Material Mobilization Plan, the Government has control over the commodity and personal resources of the entire nation, including the right to draft all subjects for mobilization enterprises, to establish regulations governing the use of labor, establish working hours and wage rates, restrict or prohibit the importation and exportation of goods, raise or lower import and export duties, expropriate commodities, control capital investments and dividends, regulate disposition of business profits, restrict the establishment of new industrial enterprises, fix prices for transportation, restrict or prohibit the publication of news, provide for the training of technicians and workers, and grant subsidies to the producers of articles and commodities required for national defense.

After more than two years of hostilities the Government has evolved and has put into effect various plans designed to enable Japan to bring the incident to a successful conclusion. It remains to be seen whether these plans are really effective and in the meantime Japan now finds herself faced with a new situation brought about by the hostilities in Europe. That situation is in brief that Japan will probably be cut off from her major sources of supply of essential war and peace time materials - except for the United States. On the other hand, it appears probable that she will benefit by an increased demand for certain peace time manufactured goods in belligerent and neutral countries as well as increased demand for shipping. In this connection it is desired to point out that this new situation may have far reaching effects on the future of Japan's relations with the United States. The United States must necessarily become Japan's only certain source of raw cotton, wood pulp, iron and steel, oil, machinery and other industrial equipment, non-ferrous metals and those chemicals which have been imported from Germany and Great Britain in the past. If the United States refuses to ratify a new treaty of Commerce and Navigation, or if, due to Japan's refusal to modify her policies in China the United States were to place an embargo on exports to Japan, the Japanese industrial expansion program for the yen block countries would break down and even the present productive capacity would be seriously curtailed. Japan must make certain definite and drastic changes in her foreign as well as her economic policies. It is still too early to predict what these will be but the following is a brief summary of the commercial and economic conditions as they are at the present time.

FINANCE:

The total outstanding national debt of Japan at the end of June was ¥18,445,452,000 of which ¥17,167,659,000 were domestic loans and ¥1,277,793,000 were foreign obligations. The domestic debt has increased ¥7,860,498,000 since July 7, 1937, and further increases amounting to approximately ¥3,000,000,000 can be expected during the fiscal year ending 31 March 1940 due to the issuance of national bonds to cover future costs of the China incident. Most

of the bonds which have been issued have been absorbed by the various banks and the Government Deposit Bureau - although almost ¥1,000,000,000 have been sold direct to the public through the Post Offices. Under the present conditions there appears to be no reason why the bonds to be issued in the future should not be absorbed as readily as those which have already been issued.

There has been a great increase in amounts deposited in Postal Savings and in the various banks throughout the country. The Government sponsored thrift campaigns, and the campaign to sell privately owned gold to the government have had considerable success. The Japanese people have already shown a great capacity to save money and to economize and it is probable that they are capable of making even greater efforts in the future should it become necessary.

The money market in Japan during the first half of the present year has been easy and with the assurance of increased government expenditures and payments and with larger bank resources and deposits there appears to be no reason to expect any change. Also the value of securities and bill clearings continue to increase. Foreign exchange which had been held steady for months has dropped along with the English pound, but it is probable that if any further drop takes place the yen will be linked with the dollar. There is no reason to expect any great change in the foreign exchange value of the yen unless unforeseen events take place in Japan's international relations.

Japanese private business and financial leaders are naturally exercising great care and caution in their transactions due to government control of all of their activities as well as to the unsettled state of world affairs. The failure of the recent Anglo-Japanese negotiations over economic issues in China, the renewed tension with Soviet Russia, and finally the outbreak of war in Europe have all tended to add to the uneasiness prevailing in Japan. This condition will continue until Japanese business has had time to adjust itself to the new situation, and until Japan makes more of a success of her continental venture.

INDUSTRY:

Japan's industry is subordinated almost entirely to the production of basic commodities required for national defense and for carrying on the hostilities in China. All other commodities are subject to rigid restrictions and even the production of export items is curtailed if there is any conflict with military needs. As yet there is no great hardship to the general public through production curtailment of goods for general consumption but there is plenty of evidence that if the three year expansion program recently announced by the Cabinet Planning Board is carried through the general public will begin to suffer.

The general plan for industrial expansion as it exists at present, is to make Japan, Manchoukuo and North China independent of foreign sources of supply for basic commodities - that is, iron and steel materials, non-ferrous metals, gasoline and heavy oils, chemicals, pulp, machine tools, rolling stock, motor vehicles and wool - by the spring of 1942. This plan naturally calls for great expansion in the industrial capacity of the three areas concerned and also greatly intensified exploitation of the natural resources of Manchoukuo and North China. As announced, the plan calls for the following percentage increase in the production of various basic commodities:

Ordinary steel	60%
Special steel	100%
Steel ingots	60%
Pig Iron	100%

Iron ore	150%
Coal	30%
Aluminum	"Several 100%"
Magnesium	1000%
Copper	80%
Lead	90%
Tin	100%
Zinc	70%
Gasoline	
Natural	30%
Artificial	800%
Heavy Oil	
Natural	40%
Artificial	2900%
Alcohol	1200%
Soda	20%
Caustic soda	40%
Industrial salt	65%
Sulphate of Ammonium	50%
Pulp for Paper	20%
Pulp for Rayon	220%
Gold	20%
Machine tools	100%
Railway rolling stock	
Locomotives	30%
Passenger cars	70%
Freight cars	50%
Automobiles	400%
Wool	240%

In order to finance this expansion, all available Japanese capital is to be reserved for these so-called vital projects, and capital for all "non-emergency" industries is to be eliminated. It is well known that Japan is having considerable difficulty in obtaining sufficient capital for all of these enterprises, but government circles appear confident that funds will become available when needed. Another great source of worry to the government agencies charged with the expansion program is the shortage of labor. Steps have been taken and plans drawn up to mobilize all available labor resources and to train technicians but even with these efforts there is a labor shortage in many industries - especially of efficient laobr. The labor shortage in Manchukuo and North China is even more acute than it is in Japan.

The success of these ambitious plans depends therefore on a number of very uncertain and unknown factors - unknown because the Japanese Government has made it almost impossible for any one not connected with the government to learn the true state of Japanese industry, by placing the Military Secrets Law into effect. Perhaps, however, the best summary of Japan's industrial position at the present can be given by citing the fact there has been, in the last two years a 10% increase in normal peace time goods production and an increase of approximately 40% in production of heavy industries and munitions.

COMMERCE:

Japanese trade statistics for recent months should be divided into two groupings - trade within the yen-bloc, and trade with non-yen-bloc countries. For the first seven months of the present year, significant figures in regard to Japan's trade are as follows:

Imports from non-yen-bloc countries	¥1,308,933,743
Exports to non-yen-bloc countries	877,737,055
Unfavoreble balance	¥ 431,196,688

Of the above non-yen-bloc trade, 45% of the imports came from the United States and 30% of the exports went to the United States. If trade with yen bloc countries (Manchoukuo and North China) is included, Japan has a favoreble balance of over ¥200,000,000, but trade within the yen bloc does very little to assist in bolstering Japan's international accounts.

Japan's foreign trade will of necessity be considerably influenced by the war in Europe. Already plans to make barter arrangements with various countries are being studied in order to try to assure supplies of raw cotton, wool, oil, iron ore, crude rubber. New markets for Japanese finished goods are being sought in Central and South America and elsewhere. Government plans to assist "small and medium sized" manufacturers are being made, in order that they can recover, to some extent, the losses that they sustained since the outbreak of the China Incident.

GENERAL:

Japan's economic structure must, of necessity, continue to be guided by the same general principles that have been in effect the last two years - that is, she must continue to devote her efforts to supplying her armies on the continent and in building up the munitions and heavy industries for possible greater efforts in the future. Major revisions must be made, however, to meet the new situation caused by the European war. It is impossible to state at this time what revisions will be found necessary, because this depends to a great extent on moves by the United States and European countries. It seems certain, however, that Japan will in the future endeavor to:

(a) Maintain the external value of the yen at its present rate;

(b) Continue or even intensify the present economic control measures;

(c) Prevent the advance of commodity prices as much as possible;

(d) Keep money rates low in order to allow national bonds to be absorbed readily;

(e) Keep Japan's heavy industries and export commodity manufactures well supplied with raw materials and change national policies as necessary to insure this;

(f) Increase general exports to non-yen-bloc countries in order to insure an increased supply of foreign exchange.

N. I. 96

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From NA/Tokyo Date Sept. 12, 1939 Serial No. 197 (Commence new series each January first) File No. 500-505 (Select proper number from O. N. I. Index)

Source of information Official Gazette

Subject Japan (Nation reported on) Commercial & Merchant Marine (Index title as per index sheet) (Subtitle)

Reference

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

Merchant Vessels Registered in Japan on June 30, 1939

Official summary of the total number and tonnage of Japanese merchant vessels. Japan has 1,121 vessels over 1,000 tons and is well prepared for the shipping boom which is expected to result from the European war.

51

Director	A, B, C-D-E B-1, B-2, B-3, B-4, B-10, B-11, B-12, B-13, B-14, B-15, B-16	Memorandum	Air Division	Budget	C.N.O.	Gen'l Board	War College	M. I. D.	Nav.	Ord.	T. & D.	C. & R.	Eng.	S. & A.	M. & S.	Aero.	U. S. M. C.	H. O.
Tech. Dev.	C. in C. U. S.	Com. Bat. For.	Com. Sea. For.	C. in C. Asia	Com. S. S. S.	Com. Air	Attaché at	Operations: Com. Div.	W. F.	Com.	Fl. Tr.	State	Commerce		Return to Room No.			

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U. S. GOVERNMENT PRINTING OFFICE 4—6788

Report No. 197
Japan
September 12, 1937

500 - Commercial
505 - Merchant Marine

Merchant Vessels Registered in Japan on June 30, 1939

According to statistics made public by the Communications Ministry, the number and tonnage of merchant vessels registered in Japan on June 30, 1939, are as follows:

	Number of Ships	Gross Tons	Registered Tonnage
20 - 99 tons	1,919	87,694	41,093
100 - 299 tons	545	99,849	50,088
300 - 499 tons	211	82,792	44,275
500 - 999 tons	233	172,825	100,057
1,000 - 1,999 tons	242	358,258	211,908
2,000 - 2,999 tons	184	453,530	272,850
3,000 - 3,999 tons	151	510,207	305,199
4,000 - 4,999 tons	129	577,757	366,030
5,000 - 5,999 tons	149	882,450	587,296
6,000 - 6,999 tons	99	652,043	419,905
7,000 - 7,999 tons	61	445,115	275,889
8,000 - 8,999 tons	37	313,871	197,720
9,000 - 9,999 tons	27	257,151	155,438
10,000 and over	32	402,420	254,811
Totals:	4,029	5,295,962	3,282,559
Total - 1,000 tons and over	1,121	4,852,802	3,047,046

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From NA/Tokyo Date Oct. 9th, 19 39 Serial No. 226 (Commence new series each January first) File No. 1000-1006 (Select proper number from O. N. I. Index)

Source of information Official Tokyo Gazette

Subject Japan (Nation reported on) Aviation - Commercial (Index title as per index sheet) (Subtitle)

Reference

Brief.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

<u>Civil Aviation Progress 1929-1939</u>

1. Importance of civil airways recognized.
2. New routes.
3. Difficulties encountered.
4. Encouragement of the aircraft industry.
5. Research efforts.
6. Aviation training.
7. Improvement and extension of aviation facilities.

	B-12, B-13, B-14, B-15, B-16	graph	[illegible]	Budget	C.N.O.	Gen'l Board	War College	M.I.D.	Nav.	Ord.	Y.&D.	C.&R.	Eng.	S.&A.	M.&S.	Aero.	U.S. M.C.	H.O.

Tech. Div.	C. in C. U.S.	Com. Bat. For.	Com. Sco. For.	C. in C. Asia	Com. S.S.S.	Com. Air	Attached at	Operations: Com. Div.	W.P.	Com.	Fl. Tr.	State	Commerce		Return to Room No.

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Report No. 226
Japan
October 9, 1939

1000 - Aviation
1006 - Commercial

Civil Aviation Progress 1929-1939

1. Importance of Civil Airways Recognized.

The importance of civil aviation is increasing in Japan, as in other countries, not only as a means of high-speed transportation, but as a reserve force for national defense, which is highly significant at this time of unprecedented change in East Asia and international political and military strife.

With the establishment of a sound national policy for air transportation and the aviation industry becoming urgent, the Department of Communications has adopted a new policy for the readjustment and development of civil aviation and the development and extension of air routes in East Asia along the following lines:

(1) Establishing and extending both domestic and international air routes.
(2) Strengthening the airplane manufacturing industry.
(3) Training civilian aviators and mechanics.
(4) Construction and extension of facilities for aviation.

2. New Routes.

In the autumn of 1922 the Japan Aerial Transport Institute inaugurated the first air service in Japan between the city of Sakai, near Osaka, and the Island of Shikoku, in the Inland Sea. Hydroplanes were used. But it was not until 1929 that commercial air transportation worthy of the name was established by the Japan Air Transport Company with a line connecting Tokyo, Oseka and Fukuoka, and later between Fukuoka and Dairen.

Combined efforts of the Government and private enterprises during the 10 years that followed have brought tremendous improvements to civil aviation in Japan. Airways today virtually cover the Empire. Japan and Manchoukuo are connected and regular lines operate between Tokyo and Dairen, Fukuoka and Taihoku, Tokyo and Sapporo, and Tokyo and Hsinking. Last October, Tokyo and Peking were linked, as were Fukuoka and Nanking, to meet the acute demand for speedy communications between Japan and the occupied areas in China. With the inauguration of aerial service to the Asiatic mainland, a new epoch was born in the annals of Japanese aviation. Early this year, giant seaplanes went into service between Tokyo and Palao, thereby shortening the distance between Japan and the South Sea Mandated Islands from a two-week voyage to a two-day flight and laying a stepping stone for the future extension of Japanese air routes to Australia, our great southern neighbor, and the islands of the Pacific.

The total mileage of airlines in Japan passed the 19,000 kilometer mark this year. The number of passengers and the volume of goods carried by air have increased accordingly.

The development of air services operated by the Japan Air Transport Company (now the Japan Airways Company) during the 10 years of its existence is traced on the attached table, Appendix A.

The company operated a total of nine air routes in 1939, adding four more in 1937 and still two more in 1938. The lines existing in 1936 and the subsequent extensions are as follows:

(April 1936 to March 1937)
Tokyo- Dairen, Osaka-Shanghai, Fukuoka-Taihoku, Tokyo-Niigata, Tokyo-Toyama-Osaka, Osaka-Matsue, Osaka-Kochi, Taihoku-Takao and Taihoku-Karenko.

(April 1937 to March 1938)
Tokyo-Dairen, Fukuoka-Taihoku, Tokyo-Niigata, Tokyo-Toyama-Osaka, Osaka-Matsue, Osaka-Kochi, Taihoku-Tainan, Taihoku-Karenko, Tainan-Bako, Tokyo-Sapporo, Tokyo-Hsinking, Keijo(Seoul)-Dairen, and Tokyo-Nagoya-Osaka.

(April 1938 to March 1939)
Taihoku-Tainan and Taihoku-Karenko services in Formosa were added to the new Round Island Route and new routes were opened between Tokyo and Peking, Fukuoka and Nanking and Keijo and Seishin.

The above table reveals that the length of airlines operated by the Japan Airways Company today are six times the length of routes existing during the first year of the company's existance 10 years ago; the number of passengers carried have increased by 25 times; the volume of goods hauled has been multiplied by 120, and mail matter conveyed has increased 95 times.

With the unexpected spread of the China Affair to its present magnitude, embracing the length and breadth of China, and the consequent advance of economic reconstruction in East Asia, it has become of paramount importance to promote aviation on the Asiatic Continent through the systematic extension, unification and control of the air routes over the three sister countries of Japan, Manchoukuo and China.

With the expansion of the Chinese areas under Japanese influence foreign aviation companies such as the China National Aviation Corporation, backed by American interests, and the German Eurasia Aviation Corporation have been obliged to narrow their range of operation.

The China Aviation Company was established under joint Chinese and Japanese capitalization in December, 1938, with the former Huitung Company as its nucleus. Two months before, the Japan Airways Company had opened new routes to China, as mentioned above. Measures now are pending for increasing the capitalization and expanding the facilities of the new China Aviation Company.

3. Difficulties Encountered.

Despite the noteworthy progress of the past few years, the management of aviation companies has encountered difficulties such as huge expenditures for costly planes, equipment and fuel, making it hard to carry on business with profits. Yet in view of the importance of aviation in the national progress of Japan, especially at this moment, it must be pushed to even greater development. Consequently, full recognition has been given the necessity of national measures to promote civil aviation, which hitherto has been left in the hands of private enterprises. The establishment of a national corporation called the Japan Airways Company (Dai Nippon Koku Kabushiki Kaisha) through the merger of the Japan Air Transport Company and the International Air Transportation Company, has been the first step in this direction.

The Government early this year submitted the Bill for the Establishment of the Japan Airways Company to the 74th session of the Imperial Diet. Following its enactment, the Japan Airways Company Law was promulgated in April and was put into force in May 1939. Under provisions of the Law, the present capitalization of the company which is 25,500,000 yen will be increased to 1,000,000,000 yen. As a national corporation, it will be put under the protection and direct control of the Government, and not only will monopolize the air transportation of Japan but also will concern itself with the financing and development of aviation companies on the Asiatic Continent, including the Manchoukuo Aeronautical Company, a national corporation of Manchoukuo and the China Aviation Company.

The Japan Airways Company's expansion program envisages the improvement and strengthening of air transportation facilities for the existing Tokyo-Hsinking line, the inauguration of a new Tokyo-Hsinking direct line, stabilization of the new service between Japan and the South Sea Mandated Islands, and the establishment of a Japan-South China route. The future linking of Japan with American and European countries also is being considered.

4. Encouragement of the Aircraft Industry.

The aircraft manufacturing industry has not kept abreast of the progress made by other Powers. Improvement in the technique of aircraft manufacture, enlargement of the productive capacity of aircraft factories and improved training for specialists and mechanics are keenly demanded in order to raise the standards of the industry in Japan to the level of those in the most advanced countries. In order that a greater supply of superior aircraft may be manufactured without excessive cost, the Aircraft Manufacturing Industry Law was promulgated last year. Under its provisions, the Government is authorized to give proper protection and encouragement to aircraft manufacturers, at the same time effecting systematic control over them.

The Aircraft Manufacturing Industry Law prescribes a license system for the manufacture of aircraft, engines and propellers designed to prevent an excessive increase in competitive factories. It also authorizes the Government to award various privileges and protective measures to these manufacturers, and includes several State orders necessary for national defense and public interest. At present a total of 14 companies are authorized to make aircraft and accessories thereof under the Law. But the productive power of these companies is far short of the present and prospective demand. Therefore, to assure the attainment of the proposed program for the development of aviation, effective measures must be worked out immediately for the expansion of production facilities in existing factories and to encourage the establishment of new companies.

The China Affair has given great impetus to aircraft manufacturing in the country. The industry has been handicapped from the start to a certain extent, however, and is not yet totally independent of the influence of Western countries. The types of airplanes and engines mostly follow foreign models and many of them are manufactured under foreign patents, involving the payment of large royalties to patent holders abroad. The present ability of Japanese aircraft manufacturers and the productive capacity of their factories are somewhat insufficient to meet the ever-increasing demand for superior planes in great numbers.

5. Research Efforts.

Established in Japan at present are the Army Aeronautical Institute, the Naval Aviation Arsenal and the Aeronautical Institute, Tokyo Imperial University, for research and investigation in the special science and practical art of aviation. These institutes are making valuable contributions to their respective spheres of activity. But there as yet has been no institution specially established for scientific research, both fundamental and practical, to lay technical foundations for the aircraft manufacturing industry.

The Committee for the Establishment of a Central Aeronautical Institute, therefore, has been organized, including as its members competent authorities and experts in aviation manufacture. In accordance with the final recommendations of the Commission, the Government has decided to establish the Central Aeronautical Institute, to carry out an exhaustive five-year research program at the cost of ¥50,000,000. The Institute came into being on 1 April 1939 as an establishment under the jurisdiction of the Department of Communications. The Institute at present is concerned with investigation

looking toward (a) the manufacture of high-speed aircraft, (b) large-sized passenger planes, and (c) the possibility of greater production of superior airplanes. The installation of all equipment necessary for such thorough and specialized research is now being carried out.

6. Aviation Training.

Equally important as program for improving the aircraft manufacturing industry is the need for proper training of aviators and mechanics. Skilled flying personnel is required for the sound development of civil air transportation and for reserve defense requirements. Hitherto the work of the Board of Aviation in training pilots and mechanics has been rather lax, and only a small number of young men was sent to military schools for training as pilots and mechanics. But the execution of the proposed program for the development of civil aviation in Japan requires the institution of a fundamental measure for better and more thorough training of more future aviators. To carry out this part of the program, the Government has established central and local institutes which are under the direct management of the Board of Aviation. In these institutions, young men will be trained thoroughly as pilots and mechnics, the number of students being restricted to the actual need for the year, so there will be no graduates out of work. At the same time, a fixed number of civilian aviators and mechanics will be held in reserve for times of emergency.

The local training institutes will be established at five important points in Japan proper during the 1938-39 fiscal year and in five more places in the 1930-40 fiscal year. Additional schools will be established as needed. Students will be trained under courses of study similar to those in the class A technical schools. They will be graduated either as pilots, mechanics or technicians, to enter directly into commercial aviation or the aircraft manufacturing industry and as a reserve force for national defense.

The Central Institute for Aviators will be established at Matsudo, Chiba Prefecture for the purpose of training instructors for the local institutes. Fifty graduates of the local institutes will be selected annually to finish their training in the central institute. The institute will begin to function normally in 1940 following two years of preparation. As it is self-evident that several years will pass before the first students are graduated from this institute, training will continue in existing organs to supply the immediate need for aviation personnel.

7. Improvement and Extension of Aviation Facilities.

Proper airport equipment, mechanical flying aids and safety devices naturally are indispensable requisites for the smooth operation of regular air lines. For instance, the improvement of weather observation and radio facilities is most important for the enhancement of safety and guiding pilots during stormy weather. The role played by the wireless in aviation is far more important than most people imagine. To enable aviators to follow an accurate course safely through darkness, rain and fog when visibility is reduced to inches, sensitive gauges and indicators in the planes, radio beams, light beacons along the route and special devices to facilitate blind landings must work together with hairline precision. The full installation of such equipment is indispensable. As night flying is essential to perfect the system of speedy transportation and communication, all routes to be covered at night must have beacons along the way as well as neon landmarks, signs to mark obstacles, lighted weather-vanes, searchlights and well-illuminated airports. Emergency landing fields between regular airports also are necessary.

For the installation of the facilities, the Government has exercised all possible efforts in recent years and such equipment on

the main air routes in Japan proper now are nearly adequate, so far as the present need is concerned. However, such equipment is not sufficient to cope with the situation created by the speeding up of flight nd the appearance of huge transport planes. Several landing fields more than 1,000 meters in length are to be prepared for large passenger planes. Regular airports are to be extended in area to 300,000 tsubo. The Government this year began the work of enlarging Gannosu Airport at Fukuoka, which serves as a hub for flights connecting Japan, Chosen, Manchoukuo and China. At the same time, the improvement of the Haneda International Airport in Tokyo and the construction of the new Sunamachi airdrome are being carried on. Authorities also are contemplating the construction of a number of new flying fields.

APPENDIX A.

DEVELOPMENT OF AIR SERVICE BY THE JAPAN AIR TRANSPORT COMPANY, 1929-1939

Year April to March	Length of Route (In km)	Number of Flights	Distance of Flights (In k.m.)	Passengers		Goods		Mail Matter	
				Number	Aggregate Distance	Volume (In kg)	Ton-kilometer	Volume (In kg)	Ton-kilometer
1929-30	2,575	2,558	1,020,300	2,755	1,014,610	2,244	1,029	8,592	3,453
1930-31	2,575	4,454	1,670,900	7,642	2,864,260	8,966	3,614	25,063	9,063
1931-32	2,575	4,867	1,753,230	6,766	2,317,615	32,414	11,616	40,871	14,143
1932-33	2,575	5,301	1,744,105	10,716	3,178,395	28,510	9,539	93,950	29,594
1933-34	2,575	5,224	1,715,400	10,992	3,180,495	28,049	9,541	219,560	66,120
1934-35	2,618	5,648	1,683,652	12,187	3,252,248	57,023	17,026	197,199	55,657
1935-36	4,228	5,846	1,833,056	10,822	2,876,452	67,297	19,567	263,960	80,627
1936-37	6,925	9,205	2,856,262	18,955	6,203,957	80,116	26,825	354,641	120,349
1937-38	10,303	13,270	5,126,385	47,342	17,012,760	248,607	122,059	591,158	242,421
1938-39	15,305	17,144	6,209,873	69,268	32,496,937	297,807	178,441	819,261	419,163

N. I. 90

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ATTACHÉ'S REPORT O-12-c/7206-S

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From NA/Tokyo Date Oct. 11, 1939 Serial No. 231 (Consecutive new series each January first) File No. 902-100 (Select proper number from O. N. I. Index)

Source of information Reliable

Subject Japan (Nation reported on) Navy - Policy - Basic (Index title as per index sheet) (Subtitle)

Reference

Basic.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

~~CONFIDENTIAL~~

Japanese Capital Shipbuilding Program

Japan now has eight capital ships building in Navy yards.
These include;
four 40,000 ton vessels to be completed in 1941
four 45,000 ton vessels to be completed in 1944
All of these vessels carry twelve 16-inch guns.

Original of report went to The President, The White House. This report to be filed in place of original.

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	B-12, B-13, B-14, B-15, B-16						Record	College	M. I. D.	Nav.	Ord.	T. & S.	C. & E.	Eng.	S. & A.	M. & S.	Aero.	U. S. M. C.	M. G.
Tech. Dev.	C. in C. U. S.	Cont. Bat. For.	Cont. Sea. For.	C. in C. Asia	Cont. S. S. S.	Cont. Air	Attended at	Operations: Cont. Div.	W. P.	Cont.	Ft. Tr.	State	Communications		Return to Room No.				

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U. S. GOVERNMENT PRINTING OFFICE 6—[illegible]

Report No. 231
Japan
October 11, 1939

900 - Navy
902 - Policy
100 - Basic

[redacted]

Japanese Capital Shipbuilding Program

The following information in regard to Japanese capital shipbuilding program is believed to be reliable. It was obtained in conversations extending over a period of several months with various Japanese naval officers, and from other sources, principally other naval attaches. While certain details of this information may be in error it is considered that the margin of error is small. It is hoped that additional information on this subject can be obtained in the near future.

The Third and Fourth Replenishment Programs, covering the periods 1939-41 and 1939-44 respectively, provide for a total of ¥1,757,980,000 for the construction of vessels. To these amounts have been added funds estimated to exceed ¥500,000,000 originally intended for the China Incident but which have not been used for that purpose. Approximately half of this total, that is roughly ¥1,200,000,000 is being used to construct capital ships.

It was the original intention of the Japanese Navy to build only four capital ships of 40,000 tons mounting twelve 16-inch guns, and funds to begin the construction of these vessels were provided in the Third Replenishment Program. All four ships were laid down early in 1937, to be completed in 1940-41. It is understood, however, that due to various delays these vessels will not be ready until the summer of 1941. Later, under the Fourth Replenishment Program the total capital ship construction was increased to eight vessels. These four additional vessels are of approximately 43,000 tons and also mount twelve 16-inch guns.

The four ships building under the Third Program have the following characteristics:

Tonnage: 40,000 (Approximately)
Armament: Twelve 16-inch in four triple turrets
Speed: 28 knots (approximately)

These vessels are under construction at the following yards:

1 at Yokosuka
2 at Kure
1 at Sasebo

All of the above vessels have been launched and are to be completed in 1941.

The four capital ships building under the Fourth Program have the following characteristics:

Tonnage: 43,000 (approximately)
Armament: Twelve 16-inch in four triple turrets
Speed: 30 knots (approximately)

All four of these vessels have been laid down during the summer of 1939 at the following yards:

1 at Yokosuka
2 at Kure
1 at Sasebo

It is expected to complete these vessels in 1943-44.

It will be noted that according to this information all of the above capital ships are being built in navy yards. Reports

[redacted]

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have been received from various sources that capital ships were also under construction at Mitsubishi in Nagasaki and at Kawasaki in Kobe. It is believed that these reports are in error and that Mitsubishi is building two cruisers of approximately 15,000 tons while Kawasaki is building a large carrier of 20-25,000 tons. Subsequent reports in regard to this and other aspects of the Japanese building program will be submitted in the near future.

O. N. I. 96

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12-42-F
A-1

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From NA/Tokyo Date Dec 1, 1939. Serial No. 258 (Commence new series each January first) File No. 1000-500 (Select proper number from O. N. I. Index)

Source of information Estimate.

Subject Japan (Nation reported on) Aviation - Organization (Index title as per index sheet) Air strength. (Subtitle)

Reference

Summary.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

Revised Summary of Japanese Naval Aviation - 1 November 1939.

[redacted]

This concise, authoritative summary of Japanese Naval Aviation activities, afloat and ashore, in Japan proper and her farflung outposts, presents a clear picture of her air strength, in first line planes, as of 1 November 1939.

JAN 12 1940

Distribution:
DNI (7)
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OSD letter, May 3, 1972
By RT, NARS Date MAY 21 1973

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U. S. GOVERNMENT PRINTING OFFICE

Report No. 258. [redacted]
Japan.
December 1 1939

1000 - Aviation.
1002 - Organization.
500 - Air strength.

Revised Summary of Japanese Naval Aviation - 1 November 1939.

A. SHORE BASED AIRPLANES:

	Squadrons	Planes	Types
1. Japan Proper - Naval Air Stations			
Yokosuka	6	72	2 sq.97-TB, 2 sq.97 SSF, 2 sq. DB
Kure	2	24	1 sq 97 B, 1 sq 97 SSF
Sasebo	4	44	1 sq 97 B, 1 sq. DB, 2 sq SSF
Omura	4	42	1 sq 97 B, 1sq. DB, 2 sq SSF
Tatoyama	6	60	2sq PAT, 1 sq B, 1 sq DB, 1 sq SS
Soeki	4	40	2 sq SS, 1sq SSF, 1sq 96-B
Uminato	2	18	1 sq SS, 1 sq PAT
Maizuru	1	6	1 sq SS
Kanoya	4	42	1 sq SSF, 1 sq 97-B, 2 sq DB
Kisarazu	2	24	2 sq 97-B
Yokohama	2	12	97 Kawanishi PAT (4-engine)
Chura	½	6	DB
Odomari	½	3	SS
Lake Biwa	½	3	Old Pat.
Usa	½	6	SS
Totals	38½	402	
2. Formosa			
Taihoku	1	12	97 B
Bako	3	18	1 sq 97 B, 1 sq. SSF
Taka	4	48	2 sq. 97 B, 2 sq. SSF
	7	78	
3. China			
Tsingtao	1	12	½ sq 95 SSF, ½ sq 92 TB
Hainan	4	12	2 sq 97 B, 2 sq SSF
Gutchow	1	9	SSF
Canton	3	36	2 sq 96 B, ½ sq 96 TB, ½ sq 96SS
Hankow	5	60	3 sq 97 B, 2 sq SSF
Anking	3	36	2 sq 97 B, 1 sq SSF
	17	189	
4. South Seas			
Marshall Islands, Jaluit		2	PAT
5. Others			
Chinkai	1	6	PAT
Ryojun	1	9	PAT
	2	15	

Total shorebased airplanes..... 686

B. FLEET BASED AIRCRAFT

	SSF	SDB	TB	Total
1. Carriers				
Akagi	15 (*18)	15	30 (*36)	60 (*48)
Kaga	15 (*12)	15 (*18)	30	60 (*30)
Ryujo	9 (* 6)	(*12)	30 (*12)	39 (*30)
Hosho	15 (*12)		15 (* 8)	30 (*20)
Soryu	30 (*12)	(*18)	12 (*12)	42 (*42)
Hiryu	15 (*12)	15 (*18)	12 (*12)	42 (*42)
Shokaku	15 (*12)	15 (*18)	30 (*18)	60 (*48)
(squadrons formed, ship not operating yet)				
Zuikaku (launched 11/27/39)				

Total carrier based aircraft - 333 (*260)

* - British Air Ministry estimate seen by Asst. Naval Attache for Air.

2. Battleships

Nagato	3	Scout Seaplanes
Mutsu	3	
Haruna	3	
Kirishima	3	
Yamashiro	3	
Fuso	3	
Kongo	3	
Hyuga	3	
Ise	3	
Hiyei	3	
Total	30	

3. Cruisers

Ashigara	4	Scout seaplanes
Haguro	4	
Myoko	4	
Nachi	4	
Takao	4	(*3)
Atago	4	(*3)
Chokai	4	(*3)
Maya	4	(*3)
Mogami	4	
Mikuma	4	
Suzuya	4	
Kumano	4	
Chikuma	4	(*6)
Tone	4	(*6)
Kinugasa	2	
Aoba	2	
Furutaka	2	
Kako	2	
Oi	2	
Kiso	2	
Tama	2	
Kitagami	2	
Kuma	2	
Nagara	2	
Small cruisers	11	
Total	87	(*87)

* - British estimate.

4. Aircraft Tenders

Kamoi	8	(*9)
Notoro	8	(*9)
Chitose	14	(*16)
Chiyoda	14	(*16)
Mizuho	16	(*20)
Kamikawa	10	
Kinugasa	10	
Kagu	10	
Two others name unknown (10 each)	20	
Total	90	

* - British information - no estimate, as they have the marking of every plane and know definitely type and number. We therefore accept their information as correct.

5. Submarines

I-5	1
I-6	1
	2

6. Submarine tenders

Tsurugizaki	3
Takasaki	3
Jingei	1
Chogei	1
Taigei	1
total	9

C. RECAPITULATION

Shorebased		686
Fleet Based		
Carriers	333	
Battleships	30	
Cruisers	87	
Aircraft tenders	90	
Submarines	2	
Submarine tenders	9	551
Grand total - Navy		1237 - first line.

The above summary is an accurate survey of the first line planes of the Japanese Navy. It does not include the training planes at training centers. These number about 400.

The British Air Ministry estimates were seen by the Assistant Naval Attache for Air. It was noted that the entire resources of the British intelligence service was used in the compilation of their summary. The totals reached by our estimates and theirs differed by a few planes.

Abbreviations used:

sq -	squadron.
TB -	torpedo-bomber
DB -	dive bomber
SSF	single seater fighter
B -	bomber (scout)
SS -	scout seaplane
97 -	type 97 (1937 first production model)

O. I. 86

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From NA/Tokyo Date Jan. 16, 1940 Serial No. 7 (Consecutive army series each January first) File No. 900-912 (Select proper number from O. N. I. Index)

Source of information Considered reliable

Subject Japan (Nation reported on) Navy - Ships (Index title as per index sheet) (Subtitle)

Reference

Razor.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

Speeds of Japanese Naval Vessels

[redacted]

According to information which has been received, Japanese ships are from 5-10% faster than has been believed. It should be noted that if this information is correct, the Japanese battle line has a speed of 25 knots.

Division	A-B-C-D-E B-1, B-2, B-3, B-4, B-10, B-11, B-12, B-13, B-14, B-15, B-16	Mimeograph	Air Attaché	Budget	C. N. O.	Gen'l Board	War College	M. I. D.	Nav.	Ord.	T. & D.	C. & R.	Eng.	S. & A.	M. & R.	Aero.	U. S. M. C.	M. G.

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Report No. 7
Japan 40
January 16, 1939

900 - Navy
912 - Ships

[redacted]

CONFIDENTIAL

Speeds of Japanese Naval Vessels

The following information in regard to the speeds of various types of Japanese vessels was obtained from a source which is believed to be reliable. It will be noted that on an average the speeds of vessels given are between 5% and 10% in excess of announced speeds. There appears to be no way in which this information can be verified in Tokyo at the present time.

CAPITAL SHIPS:

Name	Published Speed	Actual Speed
MUTSU	23	25
NAGATO	23	25
ISE	23	25
HYUGA	23	25
FUSO	22.5	25
YAMASHIRO	22.5	25
KONGO	26	28
HARUNA	26	28
KIRISHIMA	26	28
*HIEI	?	28 ?

* Reported as having been rearmed and ready for war service.

AIRCRAFT CARRIERS:

Name	Published Speed	Actual Speed
SORYU	30	33
HIRYU	30	33
RYUJO	25	28
KAGA	23	25
AKAGI	28 5	30
HOSHO	25	28

HEAVY CRUISERS:

Name	Published Speed	Actual Speed
ATAGO	33	35
TAKAO	33	35
CHOKAI	33	35
MAYA	33	35
NACHI	33	35
MYOKO	33	35
ASHIGARA	33	35
HAGURO	33	35
KINUGASA	33	36
AOBA	33	36
KAKO	33	36
FURUTAKA	33	36

LIGHT CRUISERS:

Name	Published Speed	Actual Speed
MIKUMA	33	36
MOGAMI	33	36
SUZUYA	33	36
KUMANO	33	36
TONE	33	36
CHIKUMA	33	36
JINTSU	33	35
NAKA	33	35
SENDAI	33	35

[redacted]

LIGHT CRUISERS (continued):

Name	Published Speed	Actual Speed
ISUZU Class	33	35
KUMA Class	33	35
YUBARI	33	35

DESTROYERS:

Type	Published Speed	Actual Speed
KUROSHIO Class	34	36
KAWAKAZE Class	34	36
ARIAKE Class	34	36+
FUBUKI Class	34	36
MUTSUKI Class	34	36