

Documents G Toyko Vol. II

**ESTIMATE**  
*of*  
**Potential Military Strength**  
**Documents G**  
**Naval Attaché**  
**TOKYO**

DECLASSIFIED

EO. 11652, Sec. 3(E) and 5(D) or (E)

OSD letter, May 3, 1972

BT, NARS Date MAY 21 1973

**Volume 1**  
**Documents Numbers 1 to 27**  
(18 Jan. 1937 — 9 June 1938)

ISSUED BY OFFICE OF NAVAL INTELLIGENCE, NAVY DEPARTMENT

ATTACHE'S REPORT BLANK

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From NA/Tokyo Date Jan, 18, 1937 Serial No. 5 File No. 401  
(Continuate new series each January first) (Select proper number from O. N. I. index)

Source of information \_\_\_\_\_

Subject Japan Industrial Industry in General  
(Nation reported on) (Index title as per index sheet) (SubTitle)

Reference

Remark.—(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.)



Manufacturing Production in 1936.

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E.O. 11652, Sec. 3(E) and 3(D) ~~or~~ (S)

OSD letter, May 8, 1972

By RT, NARS Date MAY 21 1973

Director	B-2, B-3, B-11, B-12, B-13, B-14, B-15, B-16, B-17, B-18	Admiral	Inspector	Budget	C.M.O.	Com'l Board	W.P. College	M.I.D.	Navy	Ord.	T.A.D.	C.A.R.	Eng.	R.S.A.	M.A.S.	Avn.	U.S. M.C.	H.Q.
Sen. Nav. Adm.	C. in C. U.S.	Com. Sec. For.	Com. Sec. For.	C. in C. Asst.	Com. S.S.S.	Com. Adm.	Admiral at	Operations			State	Com. course	Ship. Board	Returns to Bureau No.				
								Com. Dir.	W. P.	Com.	P.T.R.							

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Report No. 5.

Japan.

Jan. 18, 1937.

400 - Industrial.

401 - Industry in general.

Manufacturing Production in 1936.

The following statements are quoted from "Contemporary Opinions on Current Topics" of Jan. 14, 1937.

"Compared with 1931 it is calculated that the value of manufactured products for 1936 shows an enormous increase of 225%, the largest increase in metals which is 400%.

"The increase of Japan's productive power, which has been expanding at a rapid rate since the second gold embargo of 1931, is well illustrated once again by the advance report of the Factory Statistics for 1935, compiled by the Ministry of Commerce and Industry and published just recently, which includes the value of the manufactured products and the number of factories and employees. According to what may be estimated from the advance report, the number of factories totalled 85,222 at the end of 1935 throughout Japan Proper, representing an increase of 6.1 percent over the figure one year before and no less than 32 percent over the figure at the end of 1931, and the value of manufactured output aggregated ¥10,770,399,000 for 1935 and ¥11,645,451,000 for 1936, a gain of 14.7 and 8.1 percent respectively over the preceding years.

"It should be borne in mind, however, that the Factory Statistics cover only those factories which actually employed, or had productive facilities enough to employ, five hands or more, and the advance report includes only factories situated in 40 prefectures, and does not include the Hokkaido and Tokyo, Osaka, Kyoto, Gifu, Kanagawa and Shimane prefectures whose figures were not available at the time of compiling.

"What has kept Japanese manufacturing industries expanding in the past? First and foremost, the export boom has a great deal to do with the growth of the manufacturing industries at such a pace. The enormous treasury spending in recent years is calculated as the second reason, while the great increase in both the earnings and savings of the nation is another factor that has contributed to industrial prosperity. The above three reasons are considered as by far the most important causes of the recent growth in manufacturing, although some minor factors may be counted, such as, the stride in manufacturing technique, the development of domestic resources and the appreciation of commodity prices.

"Productive power is likely to continue expanding further, particularly in war material manufactures. But export trade will no longer be so powerful a stimulant as in the past, because trade expansion is already shrinking and the shrinkage appears to be an unavoidable trend for some time to come. In spite of this, the huge national spending, especially on defense preparation, will continue unabated at least for the next six years and will benefit heavy, chemical and other war industries very greatly in the future. Out of 1,400 million yen appropriated for the defense services in the 1937-38 fiscal year, the portion which will be defrayed for the purchase of war supplies will be 860 million yen, a sum so stupendous that one feels doubtful whether local industrialists alone will entirely cope with it."

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7206-P<sup>C</sup>  
0-12-C

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From NA/Tokyo Date Jan. 22, 1937 Serial No. 9 File No. 902-100

Source of information \_\_\_\_\_ (Continuation new series each January first) (Select proper number from O. N. I. Index)

Subject Japan. Navy - Policy. Basic Naval Policy.

(Nation reported on)

(Index title as per Index sheet)

(Subtitle)

Reference \_\_\_\_\_

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~~CONFIDENTIAL~~

Third Replenishment Program.

DECLASSIFIED

E.O. 11652, Sec. 3(E) and 5(D) or (H)

OSD letter, May 3, 1972

By RT, NARS Date MAY 21 1973

Director	A-1, A-2, A-3, A-4, A-11, A-12, A-13, A-14, A-15, A-16		Man- graph	Arch- ives	Budget	C. N. O.	Ch- ief	Off- ice	H. I. B.	Nav.	Ord.	T. S. B.	C. & S.	Eng.	S. S. A.	M. & S.	Asst.	U. S. M. C.	H. O.
Tech. Div.	C. M. C.	Com. U. S.	Com. Int. Nav.	Com. Int. Air	Com. Int. S. S. S.	Com. Int. Air	Attached at	Continuation			Com. Div.	W. P.	Com. J. L. T.	State	Com- mission	Returns to Excess M.			

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Report No. 9. [REDACTED] 900 - Navy.  
 Japan. 200 - Policy.  
 Jan. 22, 1937. 100 - Basic Naval Policy.

Third Replenishment Program.

A pamphlet issued by the Finance Ministry to members of the Diet contains the following information concerning the Third Replenishment Program:

Warship Construction

¥837,049,000 to be spread over a period of five years beginning with an expenditure of ¥60,757,000 in the year 1937-38.

Extend facilities of dockyards and other establishments.

¥36,309,600 to be spread over a period of five years beginning with an expenditure of ¥57,567,000 in the year 1937-38.

Expansion of Air Forces.

¥75,267,724 to be spread over a period of four years beginning with an expenditure of ¥26,876,724 in the year 1937-38.

Refitting and Modernization of ships.

¥142,989,897 of which ¥111,472,480 is for modernization over a period of five years; ¥26,750,000 for refitting expenses over a period of three years; ¥3,567,417 for replacement of storage batteries over a period of four years. Of the total sum for refitting and modernization, ¥50,038,045 is to be expended in the year 1937-38.

Munitions (replenishment of naval stores).

¥25,092,750 to be spread over a period of five years beginning with an expenditure of ¥18,922,750 in the year 1937-38.

In 1933, while the Second Replenishment Program was under consideration by the Diet, the following was given as the cost per ton of various vessels in the program: (NA/Tokyo report No. 110-33).

Class B cruiser	¥3600 per ton.
Aircraft carriers	4200 " "
Destroyers	4800 " "
Submarines	5400 " "
Mine layer	2400 " "

The above building costs include the construction of the hull, armament and equipment of the vessel. No figures are available as to cost of battleship construction but on the assumption that construction is at the rate of ¥3000 per ton and with comparative costs the same in 1937-42 as 1933-37, the amount allotted to warship construction in the Third Replenishment Program would very nearly permit the following program:

4 - 35,000 ton BB's	420,000,000
2 - 10,000 " CV's	84,000,000
8 - 5,000 " CL's	144,000,000
12 - 1500 " DD's	86,400,000
12 - 1500 " SS's	107,200,000
Total	841,600,000

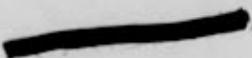
The above estimate does not take into account the recent advance in commodity prices, especially those of iron and steel which will increase the cost per ton of warship construction. Neither does it allow for construction of other types such as mine layers and auxiliaries.

As regards the increase in cost of shipbuilding a recent report in Tokyo was to the following effect:

"The cost of shipbuilding in Japan has risen nearly 60% since 1932 when its cost was estimated at ¥300. per ton for commercial ships. The rise in shipbuilding outlay is due to the recent upward trend in the prices of steel, iron building materials and machinery".

This info has been given to Lt. Col. Berken  
US Maritime Commission. 11 Mar 1936

J. H. Raper



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ATTACHÉ'S REPORT

7314 71

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From NA/Tokyo Date Jan. 21, 1937 Serial No. 12 File No. 902-150

Source of information \_\_\_\_\_  
(Common use series until January 1937) (Select proper number from O. N. I. Index)

Subject Japan Navy - Policy Building programs  
(Nation reported on) (Index title as per Index sheet) (Section)

Reference \_\_\_\_\_

NOTE:—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 Navy Vessels Built, Building or Authorized.**

3

DECLASSIFIED

E.O. 11652, Sec. 3(E) and 5(D) or (S)

OSD letter, May 8, 1972

By **BT**, **MANR** Date **MAY 21 1973**

Tech. Div.	C. M. C. U. S.	Com. Int. Pers.	Com. Sec. Pers.	C. in C. Asia	Com. S. S. S.	Com. AF	Attached to	Operations	Com. Div.	W. P.	Class.	P. T.	State	Com. Sec.	Return to Bureau File
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Report No. 12.  
 Japan.  
 Jan. 21, 1937.

900 - Navy.  
 902 - Policy.  
 150 - Building programs.

Japanese Navy Vessels Built, Building or Authorized.  
 (Information as of 1 January 1937).

(The numbers in brackets refer only to vessels which have been completed)

<u>BUILT</u>		<u>BUILDING</u>	<u>AUTHORIZED</u>
		<u>Capital Ships (9).</u>	
Fuso	Mutsu		
Yamashiro	Kongo	None	None
Ise	Haruna		
Hyuga	Kirishima		
Nagato,			
-----		<u>Armored Cruisers (7).</u>	
Asama	Kasuga		
Yakumo	Adzuma	None	None
Idzumo	Tsushima		
Iwate			
-----		<u>"A" Class Cruisers (12)</u>	
Furutaka	Myoko		
Kako	Ashigara	None	None
Aoba	Takao		
Kinukasa	Atago		
Nachi	Chokai		
Faguro	Maya		
-----		<u>"B" Class Cruisers (21)</u>	
Hirato	Isuzu		
Yahagi	Natori	Suzuya	None
Tenryu	Yura	Kumano	
Tatsuta	Kinu	Tone	
Kuma	Yubari	Chikuma	
Tama	Sendai		
Kitagami	Abukuma		
Oi	Jintsu		
Kiso	Naka		
Nagara	Mikuma		
	Mogami		
-----		<u>Aircraft Carriers (4)</u>	
Hosho	Akagi	Soryu	None
Ryujo	Kaga	Hiryu	
-----		<u>Seaplane Carriers (2)</u>	
Notoro		Chitose	Mizuho
Kamoi		Chiyoda	
-----			

BUILTBUILDINGAUTHORIZEDDestroyers, first line (67)

Minekaze	Yunagi	Shikinami	*Murasame	Minegumo
Sawakaze	Mutsuki	Asagiri	* Yudachi	No. 84
Okikaze	Kisaragi	Yugiri	Samidare	
Shimakaze	Yayoi	Amagiri	Harusame	
Nadakaze	Uzuki	Sagiri	Umikaze	
Yakaze	Satsuki	Oboro	Kawakaze	
Hakaze	Minazuki	Akebono	Yamakaze	
Shiokaze	Fumitsuki	Ushio	Suzukaze	
Akikaze	Nagatsuki	Sazanami	Asashio	
Yukaze	Kikuzuki	Ikazuchi	Arashio	
Tachikaze	Mikazuki	Enazuma	Natsugumo	
Hokaze	Mochizuki	Akatsuki	Michishio	
Nokaze	Yuzuki	Hibiki	Oshio	
Namikaze	Fubuki	Nenohi	Asagumo	
Numakaze	Shinonome	Hatsuharu	Kasumi	
Kamikaze	Usugumo	Hatsushimo	Yamagumo	
Asakaze	Shirakumo	Wakaba		
Harukaze	Isonami	Ariake		
Matsukaze	Shirayuki	Yugure		
Hatakaze	Hatsuyuki	Shiratsuyu		
Oite	Murakumo	Shigure		
Hayate	Uranami			
Asanagi	Ayanami			

\*completed Jan.7, 1937.

Destroyers, second line (30)

Momo	Tsuga	Sumire	None	None
Kashi	Kiku	Yomogi		
Hinoki	Aoi	Tade		
Yanagi	Hagi	Wakatake		
Kaya	Suzuki	Kuretake		
Nire	Fuji	Sanae		
Kuri	Tsuta	Asagao		
Ashi	Nashi	Yugao		
Take	Hishi	Fuyo		
Kaki	Hasu	Karukaya		

Torpedo Boats (7)

Chidori	Otori	Kasasagi	Eight (8) more.
Manazuru	Hiyodori	Kiji	
Tomozuru	Hayabusa	Kari	
Hatsukari		Sagi	
		Hato	

Submarine Chasers (3)

No. 1	No. 4
2	5
3	6

<u>BUILT</u>		<u>BUILDING</u>				<u>AUTHORIZED</u>
<u>Submarines. (55)</u>						
Ro-26	Ro-56	Ro-67	I-24	I-61	Ro-34	None
27	57	68	51	62	I - 8	
28	58	I - 1	52	63	7	
30	59	2	53	64	*I- 72	
31	60	3	54	65	* 73	
32	61	4	55	66	74	
33	62	5	56	67	75	
51	63	6	57	68		
53	64	21	58	69		
54	65	22	59	70		
55	66	23	60	71		

\* - completed Jan.7,1937.

Survey Ship. (1)

Kowhu None None

Gunboats, first class (2)Yodo None None  
AtakaGunboats, second class (9)Kotaka Seta Hozu  
Toba Katata Atami None None  
Saga Hira PutamiSubmarine tenders (5)Karasaki Chogei  
Komabashi Taigei None None  
JingeiRepair ships (1)Asahi None \*\*Akashi  
\*\*laid down Jan.18,1937.Mine Layers (51)

Tokiwa	Ashizaki		
Katsuriki	Ento	None	None
Itsukushima	Washizaki		
Okinoshima	Yaeyama		
Kurosaki	Natsushima		
Kurokami	Sarushima		
Toshima	Nasami		
Kuroshima	Mishima		
Katashima	No. 1 to No. 7 incl.		
Sokuten	" 11 " " 15 "		
Katoku	" 21 " " 33 "		
Enoshima	" 41 " " 45 "		
Ninoshima			

Mine Sweepers (12)

No. 1	No. 5	No. 15		
2	6	16	None	None
3	13	17		
4	14	18		

Tankers (9).

Sunosaki	Tsurumi	Ondo	Tsurugisaki	
Erimo	Shiriya	Hayatomo	Takasaki	None
Sata	Iro	Naruto		

<u>Built</u>	<u>Building</u>	<u>Authorized</u>
Mamiya	<u>Provision Ship</u> (1) None	None
-----		
Muroto Nojima Shiretoko	<u>Store ships</u> (3) None	None
-----		
Otomari	<u>Ice breaker</u> (1) None	None
-----		
Shirataka Tsubame Kamome	<u>Net layers</u> (3) None	None
-----		
Hiyei Shikishima Fuji	<u>Training ships</u> (3) None	None
-----		
Settsu	<u>Target ship</u> (1) None	None
-----		
Kurihashi Yodohashi Saruhashi	<u>Salvage ships</u> (5) None	None
Itahashi Hokuyo		
-----		

Comment.

The above list of vessels by types is submitted as a check brought up to date 1 January 1937 to compare with data previously submitted.

The vessels appearing under "authorized" and "building" are those which remain to be completed under the 1st and 2nd Replenishment Programs. Details of the 3rd Replenishment Program are not known. Construction of vessels under this program can be expected to start after 1 April 1937.

Information of the following types is not required by treaty provisions:

Seaplane carriers,	Repair Ships,
Torpedo boats,	Tankers,
Submarine chasers,	

consequently their status is derived from unofficial sources such as press reports and personal observation. It is not believed, however, that errors have been introduced with the possible exception of the remaining eight torpedo boats and three remaining submarine chasers, one or more of which may have been laid down. It is also not believed that either seaplane carrier, Mizuho, could have been laid down without some mention being made of it in the press.

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F-11-d  
19684-A

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From NA/Tokyo Date Jan. 28, 1937 Serial No. 14 File No. 907-700  
(Commence new series each January first) (Select proper number from O. N. I. index)

Source of information .....

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

Reference .....

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Annual Report of Naval Activities - Operating Year 1936.



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E.O. 11652, Sec. 3(E) and 5(D) or (3)

OSD letter, May 3, 1972

By RT, NARS Date MAY 21 1973

Task Div.	C. N. C. U. S.	Com. Bat. For.	Com. Sea. For.	C. in C. Asia	Com. S. S. S.	Com. Air	Attached at	Operations	Com. Dir.	W. P.	Com. P. S. T.	State	Com. mence	Refer to Route No.
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Report No. 14.  
Japan.  
Jan. 28, 1937.

900 - Navy.  
907 - Operations.  
700 - Movements.

Annual Report of Naval Activities - Operating Year 1936.

References: (a) MA/Tokyo report No. 49-36.  
(b) " " " " 136-36.  
(c) " " " " 233-36.  
(d) " " " " 314-36.

The referenced reports gave quarterly detailed month by month summaries of Japanese Fleet operations. The purpose of this annual report is to provide a more general description of the operations, together with a resume of the organization of the Fleets and a recapitulation of the quarterly analysis of the activities of the Japanese Navy.

The main units of the Combined Fleet during this year averaged a substantial decrease from the preceding year in number of days underway and in mileage steamed. This decrease was due principally to the following reasons:

1. Long period during which units of the Combined Fleet remained inactive while standing by in Tokyo Bay to render assistance during the February 26th Army revolt.
2. The Grand Naval Maneuvers were held in comparatively close areas.

Submarines, gunboats, minelayers, and store ships, however, had a greater mileage steamed than ever before. The reason for the increase in the gunboat class was due to unusual activity in China in protection of Japanese nationals and property. The increase in submarines and minelayers is of interest as denoting the emphasis placed on training in these types of ships.

During the operating year the following features were given particular stress:

1. Landing Force Drills. These drills, highly emphasized, took a variety of forms; individual naval station and Fleet personnel drills, drills in which the landing force parties of the two would act in conjunction or in opposition to each other, and large scale landing force exercises as part of Fleet maneuvers to repel an "invading" fleet.
2. Anti-aircraft exercises. The practice was continued of placing increased emphasis on air defense exercises in conjunction with the Army and civilian organizations.
3. Fleet engagements involving defense of strategic areas. The Guard and Defense Squadrons of the various naval stations carried out extensive exercises in defense of the areas to which assigned. On some occasions these were held in opposition to certain units of the Combined Fleet. In all these defensive drills, held both in daylight and at night, aircraft was extensively employed, the customary practice being to divide the air units available into "enemy raiders" and the defensive units. In this connection considerable emphasis was also laid on mine laying of important approaches and sweeping exercises.
4. Night training exercises. Although very little on this feature was reported the traditional emphasis placed on night surprise attacks by destroyers and submarines continued to mark the Combined Fleet's operations.

Fleet Organization.

During the operating year the organized fleets (see report No. 287-35) were as follows:

First Fleet: 1 Batdiv., 1 light Crudiv., 1 Desron, 1 Subron., 1 Airron., totalling the following vessels: 4 BB's, 4 CL's, 14 DD's, 9 SS's, 2 CV's.

Second Fleet: 1 heavy Crudiv., 1 light Crudiv., 1 Desron., 1 Subron., 1 Airron., comprising altogether the following vessels: 3 CA's., 5 CL's., 14 DD's, 6 SS's, 1 CV. In addition two tankers and one supply ship were attached to the Combined Fleet.

Third Fleet (guard duty in China): 1 Crudiv., 1 Desron., and the "Yangtze patrol" consisting altogether of the following vessels: 1 old cruiser, 2 CL's, 9 gunboats, 9 DD's.

Fourth Fleet (organized only for Grand Naval Maneuvers): 1 Batdiv., 2 Crudivs (one heavy, the other light) 1 Desron., 1 Subron., 1 Airron., 1 mine sweeping force, totalling the following vessels: 2 BB's, 3 CA's, 5 CL's, 15 DD's, 9 SS's and 1 tender, 5 mine sweepers, 1 mine layer.

(On 1 June the following reorganization was made (see report No. 146-36)):

First Fleet: Increase of 1 Batdiv to give two divisions of two ships each.

Addition of a Third Aircraft Squadron consisting of one seaplane tender and a Desdiv. This unit appeared thereafter to operate independently, joining the Combined Fleet only for fleet maneuvers.

Inactive Vessels.

The following vessels did not move during the entire operating year:

- 2 battleships - Ise<sup>#</sup>, Kongo <sup>\*#</sup>.
- 1 aircraft carrier - Akagi<sup>#</sup>.
- 3 class A cruisers - Kake<sup>#</sup>, Maya, Takao.
- 6 class B cruisers - Hirato<sup>#</sup>, Mikuma<sup>#</sup>, Mogami<sup>#</sup>, Tsushima, Yahagi<sup>#</sup>, Yura.
- 2 armored cruisers - Adzuma<sup>#</sup>, Asama.
- 18 destroyers - Hishi, Sumire, Fuji, Susuki, Tsuta, Tade, Yomogi, Hinoki<sup>#</sup>, Kashi<sup>#</sup>, Momo<sup>#</sup>, Yanagi<sup>#</sup>, Kaya<sup>#</sup>, Nashi<sup>#</sup>, Take<sup>#</sup>, Okikaze, Minekaze, Yakaze<sup>#</sup>, Yuga<sup>#</sup>.
- 11 submarines - Ro-30<sup>#</sup>, 31<sup>#</sup>, 32<sup>#</sup>, 51<sup>#</sup>, 52<sup>#</sup>, 53<sup>#</sup>, 54<sup>#</sup>, 55<sup>#</sup>, 56<sup>#</sup>, 57, 58, 59.
- 2 submarine tenders - Kapsaki<sup>#</sup>, Taigei.
- 2 tankers - Ire<sup>#</sup>, Shiriya<sup>#</sup>.
- 3 miscellaneous - Fujii<sup>#</sup>, Settsu<sup>#</sup>, Shikishima.

- \* - indicates those vessels which have remained at least two years without operating.
- # - indicates those vessels on which modernization is known to have been carried out.
- % - indicates those vessels on which extensive alterations are known to have been carried out.

Vessels stricken from Navy List.

The following vessels were stricken from the Navy List during the year:

- 1 store ship - Seito.
- 1 gunboat - Uji.
- 4 minesweepers - Nos. 7, 8, 9, 10.
- 5 submarines - Ro-17, 18, 19, 25, 29.
- 1 destroyer - Urakaze.

On inquiry the Navy Department stated that the above submarines and destroyers were actually disposed of in accordance with treaty provisions.

Vessels completed

The following vessels were completed and commissioned during the year:

- 2 destroyers - Shiratsuyu, Shigure.
- 1 submarine - I-71.
- 1 mine layer - Okinoshima.
- 2 torpedo boats - Otori, Hayabusa.
- 1 minesweeper - No. 18.
- 1 subchaser - No. 3.

It is noted that shortly after the close of this operating year when treaty limitation restrictions lapsed a surprisingly large number of vessels were announced completed.

The following table is a recapitulation of the quarterly analysis of the activities of the Japanese Navy. The source of information is the official movement report of the Japanese Navy Department showing locations of vessels at 10 a.m. of each day. (Period December 1, 1935 to November 30, 1936).

Class of vessel	:No. of :vessels :of :class	:No. of :vessels :of class :in an :active :status :during :year	:Average :number :of days :each :vessel :in active :status :was :underway :during :year	:Average :mileage :per :vessel :during :year
Captial ships	9	7	130	15177
Aircraft carriers	4	3	162	19535
Aircraft tenders	2	2	113	14311
Class A cruisers	12	10	147	18639
Class B cruisers	21	16	139	19637
Destroyers	97	77	104	15856
Torpedo boats	5	4	50	6632
Submarines	55	43	88	17958
Armored cruisers	7	4	90	16677
Gunboats	10	10	62	7472
Submarine tenders	5	4	108	11863
Mine layers	6	6	95	9047
Mine sweepers	12	2	62	5396
Oilers	9	7	136	27682
Store ships	3	3	107	21884
Miscellaneous	8	5	56	5585

### Fleet Operations.

During December and January the Combined Fleet remained in home ports except for the 1st and 2nd Subrons which proceeded in January to Yuya Bay, Yamaguchi prefecture for training practices.

On 2-3 February the Combined Fleet assembled in Saeki Bay from where the two fleets started the year's routine individual ship gunnery practices, the First Fleet basing at Saeki, the Second at Sukumo. Fleet aircraft were sent ashore to Kanoya Naval Air Station to conduct prescribed exercises.

On 27 February routine gunnery practices were suddenly suspended when the Navy Minister ordered the First Fleet to Tokyo, the second to Osaka for protection and assistance to the government during the February 26 Army revolt in Tokyo. On 1 March, after it had become evident that the Osaka area would remain quiet, the Second Fleet was returned to Ariake Bay where it recommenced routine training exercises and drills. The First Fleet however was held in Tokyo Bay until 19 March before being ordered back to southern waters.

On 7 April the two fleets for the first time held joint exercises in Tsushima Channel off Sasebo for one week, following which a short cruise was made to Tsingtao during which joint maneuvers were continued. On 23 April they returned and once again resumed individual fleet training, the First Fleet at Ariake Bay, the Second at Yuya Bay. Subsequently both fleets changed their location several times, the only noteworthy feature being on 5 May when the Second Fleet tested the maximum speed at which it could pass through the Shimonoseki Straits. It was reported that this maximum speed was 18 knots which required 1 hour 30 minutes for the entire fleet to pass through.

On 29 May the Combined Fleet was temporarily disbanded, the first training period having been completed. All units returned to home ports and yards where overhaul, taking on stores, granting leave and recreation to personnel occupied one month.

On 28-29 June the Combined Fleet reassembled in southern waters for the second training period. The First Fleet operated chiefly in Yuya Bay, the Second in waters adjacent to Chinkai, Korea. On 18 July the Combined Fleet assembled in Terashima Channel for joint maneuvers and ten days later proceeded to Formosan waters.

On 1 August the Special Grand Naval Maneuvers for the year were formally started and the Fourth Fleet organized. It has been stated upon fairly good authority that the Grand Naval Maneuvers this year were in three phases as follows: (not necessarily consecutive).

First Phase. Mining operations to contain enemy submarines at their base, Vladivostok was the objective. An area off the eastern coast of Korea was selected to represent the Gulf of Peter the Great. Either Iruman (Gemaichi) or Humman (Eiko) Bay was used for this purpose. Upon completion of mining operations, sweeping exercises were conducted.

Second Phase. To prevent the advance of an enemy fleet from Singapore to Hongkong. For this exercise units of the Japanese Fleet were based initially in the Pescadores. Ship based aircraft were employed to locate the advancing enemy fleet in which effort they were unsuccessful.

Third Phase. To prevent the advance of an enemy fleet from Hongkong to the northward. For this exercise, units of the Japanese Fleet were based initially in the Pescadores and in the Liu Chu Islands (Amami-Oshima and Okinawa-shima), those based in the Pescadores were used to detect any northward movement through the Pescadores Channel, those in the LiuChu Islands to cover the area to the eastward of Taiwan.

It was also stated that Japanese naval maneuvers are anti-British in character one year, anti-American the next.

After operating off Keelung and Bako, Pescadores Islands for a few days the fleets went to Amoy, China and back again to Bako and Takao. On 9 August they returned north conducting exercises enroute. It was probably during this period that phases 2 and 3 were carried out. In the meanwhile the Fourth Fleet operated in Saeki Bay and in the neighborhood of Beppu.

The Combined Fleet, returning from Formosa, touched briefly at Ise Bay and then moved up into Tokyo Bay. On 15 September the Combined and Fourth Fleets for the first time operated jointly from Ise Bay and shortly after proceeded toward the Straits of Korea. Joint operations were held between the Straits of Korea and Genkai Nada in conjunction with the air defense maneuvers of North Kyushu and Yamaguchi prefectures.

Following these operations general refueling was carried out at Tokuyama and from about 7 October no reports of location of the fleets was received until their assembly in Kobe harbor on 26 October for the final review. It is not believed however, that any units went to any great distance from home waters because of scattered reports, such as that the Combined Fleet held a landing force maneuver at Mitajiri, Yamaguchi prefecture on 12 October. The most probably course followed was into the Inland Sea where plan 1 was probably carried out, then around northern Kyushu, and off its western coast where the final phases of the maneuvers are believed to have been held. From here a general northerly course was probably followed during which fleet engagements must have been held.

The Special Grand Review was held in Kobe harbor on 29 October marking the termination of the Grand Maneuvers. The following day the Fourth Fleet was disbanded and all units returned to home ports and yards. During November all ships remained inactive, general overhaul and repairs being carried out prior to reorganization on 1 December.

The activities of the Third Fleet, in carrying out its mission of protecting Japanese nationals and property in China, were considerably greater this year than heretofore, particularly during the last half of the year. This was necessitated by a long series of anti-Japanese demonstrations directed by Chinese against Japanese nationals. These incidents occurred at various points on the Chinese coast from Pakhoi north to Peiping. The fleet was reinforced by a division of light cruisers and two destroyer divisions, the Special Landing Party in Shanghai was increased in strength and an armed force was landed at Tsingtao. With the exception of these measures which may be regarded as justifiable, the great moderation displayed showed conclusively that the Japanese Navy is not now anxious to become embroiled in China.

#### Station Operations.

Available vessels attached to the main naval stations are organized into Guard and Defense Squadrons whose primary object is the defense of naval districts. In training for this mission very extensive schedules closely simulating war conditions are carried out. In general these schedules are along the following lines:

1. Individual ship drills, such as gunnery, torpedo, and depth charge practices.
2. Joint Guard and Defense Squadron practices, including the following:
  - (a) Defensive tactics.
  - (b) Mine laying and sweeping - net laying.
  - (c) Communications.
  - (d) Reconnaissance.
  - (e) Patrolling.
  - (f) Scouting.
  - (g) Torpedo and gunnery.

3. Air Defense drills. There are various elementary drills which culminate in a most elaborate and complete drill which leaves no doubt whatever of the tremendous importance attached to this vital feature. Air defense drills are at first carried out by individual stations. As the year progresses joint drills are conducted by two stations withing striking distance of each other. At naval stations having one or more air stations under their jurisdiction, all aircraft are used in these drills, being generally assigned to opposing forces. Raids, usually at night, are made. Elaborate alarms and systems for transmission of same are employed. The control of lights during the various phases of attack is progressive, varying from initial dimming to complete darkening of the area. Anti-aircraft batteries both from ashore and from vessels present are brought into action. The final stage is always the extinguishing of fire, first aid, and exercise of personnel in gas masks, etc.

4. Landing Force Drills. In landing force drills, as in all other station practices, aircraft are extensively employed. Landing force parties are organized from men attached to the stations as well as from station vessels. Drills are progressively intensified until major engagements are carried out.

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

## ATTACHÉ'S REPORT

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From NA/Tokyo Date Jan. 28, 1937. Serial No. 15 File No. 302-200  
(Commence new series each January first) (Select proper number from O. N. I. index)

Source of information .....

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

Reference .....

**NOTE.**—(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 Budget Estimates 1937-38.

DECLASSIFIED

EO 11652, Sec. 3(E) and 5(D) or (G)

OSD letter, May 2, 1972

By BT, NOES D, MAY 21 1972

Report No. 15.  
Japan.  
Jan. 28, 1937.

300 - Finance.  
302 - Budgets.  
200 - Navy.

Navy Budget Estimates 1937-38.

Reference: NA/Tokyo report No. 333-36.

An analysis of the Navy Budget figures in the light of information contained in a pamphlet issued by the Finance Ministry to the Diet members shows the following allocation of funds:

ORDINARY ACCOUNT.

A. Navy Department Proper	¥485,575
B. Military expenses	
1. Pay and allowances	56,945,498
2. Office expenses and repairs to buildings	790,000
3. Miscellaneous pay and expenses (travel and special allowances)	5,048,380
4. Expenses for food and clothing	27,151,195
5. General repairs to ships, construction of boats, expenses for manufacture of armaments (includes manufacture and repairs of airplanes, torpedoes, radio, equipment, periscopes etc)	104,777,452
6. Expenses for local maneuvers	560,000
7. Care of patients	1,196,000
8. Upkeep of naval ports	1,022,000
9. Maintenance and operation of ships	43,993,693
10. Hydrographic expenses	529,000
11. Educational expenses	1,795,510
12. Aid to families of enlisted men	965,000
13. Subsidies to employees mutual aid guild	3,111,230
14. Expenses in connection with naval prisoners	11,340
15. Confidential fund	63,000
16. Fluctuations in value of yen	4,182,332
17. Maintenance of air stations (this amount should be distributed among items 1,3,4,5,6,7,9 and 11 above)	9,634,061
18. Maintenance of newly completed ships (this amount should be distributed among items 1, 4 and 9 above)	9,483,000
Total.....	¥271,744,286
Official estimates are .....	273,953,380
Difference	2,209,114

EXTRAORDINARY ACCOUNT

1. Ship construction (¥181,420,000 is allocated for 1937-38 under the Second Replenishment program; ¥60,757,000 is the 1937-38 allocation under Third Replenishment program)	181,420,000 - 60,757,000 - 242,877,000
2. Increase of facilities and equipment to dockyards and other shore base establishments.	57,567,600
(a) Expansion of equipment at dockyards	¥33,986,000
(b) Expansion of facilities at Naval Store Depots	11,594,000
(c) Expansion of facilities for defense corps	5,168,000
(d) Expansion of facilities at Naval stations	2,547,000
(e) Expansion of training facilities	3,990,000
(f) Expansion of hospital facilities	282,600

Note: U.S. 64-37 reports that

¥24,510,000 for 6 T Boats was cancelled.

181,420  
24,510  
156,910,000



3. Expansion of Air Force		26,876,734
4. Refitting and modernization of ships		50,038,045
(a) Refitting and modernization of ships	36,874,000	
(b) Special repairs to ships	11,225,000	
(c) Replacement of submarine batteries	739,045	
(d) Construction of miscellaneous boats	1,200,000	
5. Replenishment of naval stores (includes powder, airplanes, etc.)		18,922,750
6. Repairs to buildings		30,113
7. Trial drilling of naval reserve oil fields		710,000
8. Work performed by Navy for other government departments		1,247,900
9. Research work, includes chemical, aviation and research in hulls, engines and ordnance		6,932,000
10. Death gratuities (aviation, submarine)		170,000
11. Despatching vessels to northern waters		500,000
12. Making charts for public sale		75,000
13. Japan's share international hydrographic expenses		5,575
14. Restoration of earthquake damages		1,386,000
15. Manchurian incident expenses		10,389,851
16. Grand Naval Maneuvers		6,000,000
17. Making meteorological charts of upper air currents		211,518
18. Expenses for ordnance for training purposes		800,000
19. Fluctuation in Yen		<u>1,159,433</u>
Total.....		¥425,899,519
Official budget estimates 1937-38		407,700,236
Difference		<u>18,199,283</u>

Since all of the ships which are being built under the Second Replenishment Program will not be completed during the fiscal year 1937-38, it is probable that all of the funds which were originally allocated for 1937-38 have not been requested for that year, and the remaining amount to complete the construction of these ships in fiscal year 1938-39 equals approximately the difference of ¥18,199,283 shown above.

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

ATTACHE'S REPORT O-1-m/12941-A

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From NA/Tokyo Date Feb. 15, 1937 Serial No. 89 File No. 409-600  
(Commence new series each January first) (Relate proper number from O. N. I. Index)

Source of information \_\_\_\_\_

Subject Japan. Industrial - Manufacture. Shipbuilding.  
(Station reported on) (Index title as per index sheet) (Subtitle)

Reference \_\_\_\_\_

NOTE.—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.

Shipbuilding Capacity - Japan.

6

DECLASSIFIED

E.O. 11652, Sec. 3(E) and 5(D)

OSD letter, May 3, 1972

By RT, NARS Date MAY 21 1973

Director	A-B-C-D-E				Manu- graph	Arch- ives	Budget	C. N. O.	Col's Board	W. P. College	N. I. S.	Nav.	Ord.	T. S. D.	C. A. R.	Eng.	S. S. A.	M. S. S.	Aer.	U. S. M. C.	H. O.
Tech. Dir.	C. M. C. U. S.	Com. Int. For.	Com. Asst. For.	C. in C. Asst.	Com. S. S. S.	Com. Asst.	Attended at	Overseas			Com. Dir.	W. P.	Com. J. T. C.	State	Com- mence	Return to Room No.					

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Report No. 29.  
Japan.  
Feb. 15, 1937.

400 - Industrial.  
409 - Manufactures.  
600 - Shipbuilding.

Shipbuilding Capacity - Japan.

Reference: NA/Tokyo report No. 214-27. *In this folder*

At this time when the merchant shipbuilding industry in Japan is at its peak and considerable interest is directed to the Japanese Navy's future construction plans it is considered of value to present an analysis of the shipbuilding capacity of the country.

The following table gives a brief outline of the building and docking facilities of the various navy yards and private shipbuilding plants which can construct vessels of over 1,000 tons.

NAVY YARDS.

Yards	Building ways (length in feet on land)	Drydocks (length in feet, top)	%Max.capacity (annual) of naval vessels in tons - peacetime conditions
Kure	No.1-large enough to build ship of any size.	No.1 - 380	50,000
	No.2-large enough to build submarines, destroyers.	" 2 - 436	
	No.3-concrete building dock (1,000).	" 3 - 700	
		" 4 - 1000*	
* - can dock 6 DD's or 3 CL's simultaneously.			
Yokosuka	No.1-1,000	No.1 - 357½	30,000
	" 2- 600 (?)	" 2 - 452	
	" 3 400 (?)	" 3 - 282	
		" 4 - 641	
		" 5 - 795	
Sasebo	Two - sufficiently large to build cruisers up to 7100 tons.	No. 1 - 520	8,000
	One - about 350' for submarines (?)	" 2 - 357	
		" 3 - 820	
		" 4 - 585	
Maizuru	Two - new, modern.	No. 1 - 260	3,000
	One - old for construction of destroyers.	" 2 - 505	
		" 3 - 731	
Ominato	Limited to construction under 100 tons.	No. 1 - 280 (floating)	
Bako	Repairs only	No. 1 - 300	
Chinkai	Repairs only	No. 1 - 250 (floating)	
Port Arthur	Repairs only	No. 1 - 500	
		" 2 - 250.	

Note: Dimensions of ways in Navy Yards are more difficult to obtain than those in civil yards. The above therefore represents the best approximations.

§ - Capacities in tons displacement derived from the following standard:

Type	Time required to build (years)
Battleships	3
Cruisers	2-1/2
Destroyers)	
Submarines)	1-1/2

PRIVATE SHIPBUILDING COMPANIES

Companies	Building ways (length in feet on land)	Drydocks (length in feet, top).	%Max.annual capacity in tons, (Peacetime conditions)
Mitsubishi, No. 1 - 808 Nagasaki.	2 - 605 3 - 602 4 - 540 5 - 510 6 - 418	No. 1 - 523 2 - 375 3 - 728.8 One patent dock (1000 feet).	100,000
Mitsubishi " Kobe	1 - 405 2 - 405 3 - 405 4 - 350	No. 1 - 412.6 (floating) 2 - 532 " 3 - 410 "	40,000
Mitsubishi " Yokohama	1 - 351 2 - 510 3 - 580 4 - 580 5 - 710	No. 1 - 640.9 2 - 400.1 3 - 495.1	75,000
Kawasaki "	1 - 340 2 - 383 3 - 1000 4 - 568 5 - 414 6 - 283 7 - 750 8 - 750 (not yet completed).	No. 1 - 428	120,000
Osaka Iron Works, Sakurajima.	1 - 305 2 - 600 3 - 558 4 - 505 5 - 507	No. 1 - 684 (wood)	130,000
Osaka Iron Works, Chikko.	1 - 350	No. 1 - 438 (concrete)	
Osaka Iron Works, Innoshima.	1 - 500 2 - 500 3 - 500 4 - 372.5 5 - 377 6 - 381.5	No. 1 - 346 (stone) 2 - 462 3 - 154	
Osaka Iron Works, Hikoshima.	1 - 384	No. 1 - 421 2 - 300 3 - 223 4 - 294	
Tsurumi Nos. 1-4 incl. - 450 " 5-6 " - 450		No. 1 - 672 2 - 514	80,000

% - Capacities in tons displacement based on previous reports and published data of the individual yards to which recent known increases have been added proportionately.

Companies	Building ways (length in feet on land)	Drydocks (length in feet, top)	Max.annual capacity in tons. (Peacetime conditions).
Uraga	No. 1 - 600 2 - 450 3 - 450 4 - 450)branch plant 5 - 450)reported damaged 6 - 450)in 1923 earthquake.	No. 1 - 485.15 2 - 455.2	70,000
Mitsui Tama	1 - 480 2 - 480 3 - 650 4 - 600 5 - 480	No. 1 - 570 2 - 400 3 - 490	50,000
Fujinagata	1 - 378.2 2 - 364.6 3 - 328 4 - 365 5 - 184 6 - 184	No. 1 - 483 2 - 281 3 - 246	40,000
Harima	1 - 500 (?) 2 - 400 (?)	No. 1 - 518	22,000
Ishikawajima	1 - 350 (?) 2 - 215 (?)	No. 1 - 300	11,000
Hakodate	1 - 215 2 - 150 3 - 150 4 - 150	No. 1 - 531 (concrete) 2 - 480 (stone) 3 - ? (floating)	9,000
Harada	1 - 250 2 - 180 3 - 350	No. 1 - 224 2 - 150 3 - 428	10,000
Aizawa	1 - 330 2 - 280 3 - 280		10,000
Hashimoto	1 - 240 2 - 300		5,000
Matsuo	1 - 200 2 - 165	No. 1 - 312 2 - 210	3,000
Nitta	1 - 454 2 - 400 3 - 250	No. 1 - 441	10,000
Ono	1 - 180 2 - 175 3 - 230 4 - 300 5 - 180	No 1 - 179 2 - 231 3 - 281	9,000
Toba	1 - 500 (?) 2 - 500 (?)	No. 1 - 240	10,000(?)
Tochigi	1 - ? 2 - ?		
Uchida	1 - 440 2 - 430 3 - 470	very small	12,000

In the above tables the information given for the Navy Yards was drawn principally from the Monograph, supplemented to a small extent from reliable information received. This information is very rarely given at inspections. The information for the private shipbuilding companies was derived from inspections, company circulars, and the press for the data on building ways. In the case of the drydocks the data was taken principally from "List of Merchant Steam Vessels of Japan - 1933", compiled by the Mercantile Bureau of the Department of Communications.

A resumé of the above figures gives the following condensed table:

BUILDING WAYS.

<u>Length</u>	<u>Civil yards</u>	<u>Navy yards</u>	<u>Total</u>
700 feet or more	5	3*	8
600-700 feet	6	3	9
500-600 "	15	-	15
400-500 "	22	1	23
300-400 "	19	5	24
Under 300 feet	22	-	22
	<u>Totals</u>	<u>12</u>	<u>101</u>

\* - Includes Kure building dock.

A review of the above figures indicates that there are available ways in the country for simultaneously laying down the following classes of naval vessels:

Capital ships )	8*	(ways of 700' or over in length).
Aircraft carriers )		
Heavy cruisers (7000-10000 tons) 9		(ways of 600' or over in length).
Light cruisers (5000-7000 tons) 15	" "	500'" " " "
Destroyers (up to 1700 tons) 41	" "	350'" " " "
I-type submarines )		
Ro type submarines 11	" "	250'" " " "
<u>Total</u>	<u>84</u>	

\* - One not yet completed, one is the building dock at Kure.

The figures above presume that the shop equipment, personnel, depth of water off ways, etc. of each plant in question is equal to the laying down, and completing within a reasonable time, of every ship which could be placed on the ways at their disposal.

A review of the plant equipment, however, coupled with the record of past performances of each yard, and some local knowledge of what may be expected of them, reduces the figures in the previous paragraph to the following:

Capital ships )	-	7
Aircraft carriers )		
Heavy cruisers (7000 - 10,000 tons) -		7
Light cruisers (5000 - 7000 tons) -		10
Destroyers (up to 1700 tons) )		
I-type submarines )		41
Ro-type submarines -		9
<u>Total</u>		<u>74</u>

It is estimated that the total maximum annual ship construction capacity of the country is:

Navy Yards -	90,000 tons
Private Yards -	816,000 "
<u>Total</u>	<u>906,000 "</u>

In order to show at a glance what yards can build the various types of naval vessels the following tables are submitted:

Capital ships, Aircraft carriers (4).

Yard	Maximum number which could be laid down at one time
Kure	2 (ways No. 1 and building dock)
Yokosuka	1 (ways No. 1)
Mitsubishi, Nagasaki	1 (way No. 1)
Kawasaki	3 (way No. 3, 7, 8)
Total	7

Heavy cruisers (7)

Yokosuka	1 (way No. 2)
Sasebo	2 (ways No. 1, 2)
Mitsubishi, Nagasaki	2 (ways 2, 3)
Mitsubishi, Yokohama	1 (way No. 5)
Mitsui Tama	1 (way No. 3)
Total	7

Light cruisers (10)

Mitsubishi, Nagasaki	2 (ways No. 4, 5)
Mitsubishi, Yokohama	3 (ways No. 2, 3, 4)
Kawasaki	1 (way No. 4)
Osaka Iron Works	3 (ways 3, 4, 5 Sakurajima)
Uraga	1 (way No. 1)
Total	10

Destroyers, submarines (50)

Kure	1 (way No. 2)
Yokosuka	1 (way No. 3)
Maizuru	3 (ways No. 1, 2, 3)
Mitsubishi, Nagasaki	1 (way No. 6)
Mitsubishi, Kobe	4 (ways 1, 2, 3, 4)
Mitsubishi, Yokohama	1 (way No. 1)
Kawasaki	3 (ways No. 1, 2, 5)
Osaka Iron Works	9 (way No. 1 Sakurajima) (way No. 1 Chikko) (way No. 1, 2, 3, 4, 5, 6 Innoshima) (way No. 1 Hikoshima)
Tsurumi	6 (ways No. 1-6 incl)
Uraga	2 (ways 2, 3)
Mitsui Tama	3 (ways 1, 2, 5)
Fujinagata	4 (ways 1-4 incl)
Harima	2 (ways No. 1, 2)
Ishikawajima	1 (way No. 1)
Harada	1 (way No. 3)
Aizawa	1 (way No. 1)
Nitta	2 (ways No. 1, 2)
Toba	2 (ways No. 1, 2)
Uchida	3 (ways 1, 2, 3)
Total	50

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ATTACHE'S REPORT 5472-A  
C-2-a

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From NA/Tokyo Date March 16, 1937 Serial No. 60 File No. 602-700  
(Communications news copies sent January first) (Select filing number from O. N. I. Index)

Source of information \_\_\_\_\_

Subject JAPAN Cities and towns Government Plants.  
(Station reported on) (Index title or per index sheet) (Subtitle)

Reference \_\_\_\_\_

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Yokosuka Naval Station.

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APR 6 1937

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E.O. 11652, Sec. 3(E) and 5(D) or (A)

OSD letter, May 3, 1972

By RT, NARS Date MAY 21 1973

Report No. 60.  
Japan.  
March 16, 1937.

600 - Cities and towns.  
602 - Coast cities and towns.  
700 - Government plants.

Yokosuka Naval Station.

(Inspected 11 March 1937 by the Naval Attaché, Captain H.M. Bemis, USN., and the Asst. Naval Attaché, Lieut. E. Watts, USN. Last inspected 1 August 1936 - NA/Tokyo report No. 195-36).

Enclosure: (A) Sketch of Yokosuka Naval Station.

STATION ACTIVITIES.

No change from last report except personnel.

Commander in Chief - Vice Admiral G. Hyakutake.  
Chief of Staff - Rear Admiral S. Iwamura.  
Aide - Commander H. Kojima.

MISSION

Naval Jurisdiction over and defense of the Yokosuka Naval District.

THE NAVY YARD.

No change from last report.

Personnel.

Superintendent - Vice Admiral T. Furuichi.  
Escorting officer - Commander Oshima.

Contrary to last report it was stated that there were but 7000 - 8000 civilian workers employed by the Yard. Probably the number, 17,000, given previously referred to the entire personnel attached to the station.

Yard Organization.

No change since last report.

Building ways.

The two ways described in last report were seen. No additional information on dimensions were given. It was stated that the small No. 3 way (previously reported) had been demolished by the 1923 earthquake and had never been rebuilt. It is believed safe to delete this way from the records. Furthermore it is not believed that sufficient land is available within the limits of the Yokosuka yard to permit an additional large building way to be constructed.

Drydocks.

No change in previously reported drydocks was seen. Dimensions given for Nos. 1, 2 and 3 appeared approximately correct judging from a passing view. The Inspecting Party was refused permission to see drydocks Nos. 4 and 5. It is currently reported that one of the two is being increased in size. Such may probably be the case, though no such information was given. Battleship Yamashiro could be seen from a distance in one of these two docks. Unconfirmed reports have been received that a new building dock was either under construction or completed near the Gunnery School, No. 12 on sketch. No opportunity was given to verify this and a flat denial of its existence was made in answer to a question.

SHIPS UNDER CONSTRUCTION.

Aircraft carrier Hiryu on way No. 1. Construction of the hull appeared about 40% completed. It was stated that the ship would be ready for launching early next year.

Tankers Takasaki and Tsurugisaki are still being fitted out. They were not sighted.

SHIPS UNDER EXTENSIVE ALTERATIONS.

<sup>W</sup>B class cruiser Suzuya (see report No. 205-36). This ship was not sighted, but reports have been received to the effect that her main gun turrets have by now been replaced, but that possibly No. 3 high mount has been discarded, No. 2 having been raised in its place.

SHIPS UNDER OVERHAUL.

A considerable number of destroyers and light cruiser NAKA were moored stern to dock in the wet dock. A canvas covered catapult was seen located on top of NAKASS after turret mount. The destroyers were said to be having their boiler tubes renewed.

TRAINING STATION.

Although this activity was included in the request for inspection which was approved, the inspecting party was not shown the station.

COMMENT.

The inspection was marked by extreme cordiality but a complete denial of information regarding ship building, docking and repair facilities. Pursuant to a policy recently inaugurated by the Navy Department Commander Yanagisawa, the junior aide to the Navy Minister, accompanied the Naval Attaché "to introduce" him to the Commander in Chief. He later stated that whenever possible Navy Department officers would accompany Naval Attachés to nearby inspections in order to assure satisfactory treatment and to avoid misunderstandings which, it was implied, had recently risen among some other attachés. He gave as a further reason the fact that officers attached to stations under inspection were frequently at a loss as to exactly what extent they were authorized to impart information.

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

ATTACHE'S REPORT

16276 A-1-2 C

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From NA/Tokyo... Date March 17, 1937 Serial No. 62 File No 1002-400  
(Commence new series each January first) (Select proper number from O. N. I. Index)

Source of information .....

Subject Japan Aviation Organization - Stations  
(Station reported on) (Index title as per Index sheet) (Subtitle)

Reference .....

**NOTE:**—(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, personnel, or political names, and the gist of the report.)

Yokosuka Naval Air Station

OFFICE OF  
NAVAL INTELLIGENCE  
RECEIVED



MAR 6 1937

**EXCLUSIVE**

E.O. 11652, Sec. 3(c)

OSD letter, May 3, 1973  
MAY 21 1973

By RT. NAME

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Report No. 62  
Japan  
March 17, 1937.

1000 - Aviation  
1002 - Organization  
400 - Stations

### Yokosuka Naval Air Station

(Visited 12 March 1937 by Naval Attaché, Captain H. M. Bemis, Assistant Attaché for Air, Lieut.-Comdr. R. A. Ofstie, and Lieutenant Finnegan, language officer: last inspection 6 December 1935, Report No. 320-35).

The Yokosuka Naval Air Station has the following functions:

- (1). Training of juvenile aviators
- (2). Training of aircraft observers
- (3). Provide facilities for Fleet aircraft
- (4). Flight testing.

Advanced flight training, formerly given at this station, has been discontinued.

#### PERSONNEL.

The station has about 75 officers and 1300 enlisted men attached to it at the present time, of whom about 20 officers and 100 enlisted men are pilots. Captain Mitsunami, in command, is not a pilot but has had command of two carriers and a seaplane tender.

#### AIRCRAFT.

The station complement is seven squadrons, comprising a total of about 100 aircraft. Of these it was stated that approximately 30% are maintained in overhaul. Machines seen were all of old types and of little interest, with no evident additions since last inspection. Flight test and Naval Aircraft Factory hangars were not visited, and no machines under test were seen.

#### JUVENILE AVIATORS.

A class of about 100 boys is received for training each year, the course lasting about two years and four months. On completion, and after a short period at sea, the boys are sent to Kasumigaura for flight training. The studies and training are decidedly elementary, since the candidates have no more than middle school education.

While it was stated that there were only two classes (200 total) present, actually there were three separate class designations - possibly the overlap between the senior and the entering classes. Approximately 10% of the juveniles were said to fail for various reasons to qualify for pilot training and are thereafter trained as observers.

#### FLIGHT TESTING.

The Test Section is concerned only with actual flying of new and experimental aircraft; criticism of design, structure, etc., being a responsibility of the Aircraft Factory. Tests of a dangerous nature, including spins and dives, are conducted at the Army field at Kagamigahara, near Gifu.

#### OPERATING FACILITIES.

The field is poor in wet weather, and approaches are bad in the prevailing wind direction for heavily loaded planes. Operating areas for seaplanes are frequently congested by men of war and their small boats when Fleet units are present at Yokosuka. For these reasons it is desired to reduce the operations at this

station as much as possible, in line with which the advanced flight training has been eliminated. It was stated that consideration is now being given to the transfer of the observers school as well.

There is no permanent installation of night lighting equipment.

MISCELLANEOUS.

A catapult of the powder impulse type, mounted on the sea wall, was stated to be in use both for training and for test of new aircraft. One escorting officer made the positive statement, however, that no training whatsoever was given future catapult officers.

A Link instrument flying trainer is available at the field but it was said to be seldom in use since advanced training had been omitted.

When ship based aircraft operate from the station they remain entirely under the jurisdiction of forces afloat. There are no quarters ashore for the Fleet personnel involved.

CONCLUSIONS.

The Yokosuka Naval Air Station is not well suited to extensive flight activities because of a limited field area with poor approaches and surface, and congestion of operation areas. Station operations involving flying will therefore tend to decrease rather than increase in the future. Since the station is immediately adjacent to a major Fleet base the probable tendency would seem to be to increase the facilities for Fleet aircraft with corresponding reduction of training operations.

This was a reasonably good inspection, except for some haste in getting over the station, and numerous hangars not visited.

~~CONFIDENTIAL~~

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From NA/Tokyo Date April 12 1937 Serial No. 98 File No. 302-200

Source of information \_\_\_\_\_  
(Indicate source number with January first) (Select proper number from O. N. I. Index)

Subject JAPAN Finance - Budgets Navy.  
(Nation reported on) (Index title as per index sheet) (Subtitle)

Reference \_\_\_\_\_

NOTE.—(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 Navy Budget - Fiscal Year 1937-38.

~~Confidential~~

9

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

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Report No. 98.  
Japan.  
April 12, 1937.

300 - Finance.  
302 - Budgets.  
200 - Navy.

Japanese Navy Budget - Fiscal Year 1937-38.

There is forwarded herewith a translation of the Japanese Navy Budget for the fiscal year 1937-38; a summary of the principal items in the budget, including an index to the translated budget; and comments on such items in the Budget as merits same.

For comparative purposes there is shown below the totals of the Budget for the current year and those of the previous fiscal year:

	<u>1937-38</u> <u>Budget</u>	<u>1936-37</u> <u>Budget</u>
Ordinary Account	273,953,380	236,872,931
Extraordinary Account	407,700,236	343,923,682
Supplementary Account	<u>1,455,948</u>	
TOTALS	683,109,564	580,796,613
NET INCREASE		102,312,951

The current naval Budget establishes an all high record, topping the former record (1936-37 Budget) by approximately \$102,000,000.

Sheets 25 and 26 are of particular interest; sheet 25 gives a recapitulation of the entire Ordinary Account arranged according to activity and nature of expense; sheet 26 is a recapitulation of item 10 of sheet 25, and gives a good picture of the ordinary running expenses of the various activities - Fleets, Corps, etc. - from which can be determined the extent of their activity and their degree of importance.

Comments on Items in Japanese Navy Budget - Fiscal Year 1937-38.

There follows below a list of items appearing in the current budget, particularly those showing a sharp increase, which merit special mention and comment.

Pay - Officers, men and civilian employees.

There is an increase in the item of pay from ¥54,361,906 to ¥59,405,823 - approximately ¥5,000,000. The greater portion of this pay increase provides for additional naval personnel in the budget. For comparative purposes budget personnel figures are given below, which indicate at a glance the increases in Naval personnel which have been provided for in the Budget over a short period of years:

	1937-38 : budget	1935-36 : budget	1933-34 : budget	1931-32 budget
Officers	8444:	7404:	6601:	6620
Special Service Officers	2122:	1735:	1342:	1242
Warrant Officers	2520:	2169:	1736:	1699
Petty officers and men	*115539:	99448:	86222:	83540

\* - Does not include 569 men for which pay is appropriated for for a period of four months.

Food and Clothing expenses.

Increased from ¥25,224,377 to ¥27,737,227 due to increase in personnel.

Boat Construction, Ship overhaul, manufacture of ordnance and repairs.

Increased from ¥99,452,607 to ¥116,547,619; the principal increases are given below:

Manufacture of  
Airplanes and aviation equipment from ¥45,290,692 to ¥52,479,518  
Torpedoes, powder from 4,109,324 to 5,858,275

Repairs of  
Airplanes and aviation equipment from 16,291,715 to 18,424,625  
Radio equipment 1,114,413 to 2,278,789

Experiments in  
Airplanes and aviation equipment from 4,105,862 to 5,171,685

Ship Operating Expenses.

Increased from ¥41,909,595 to ¥52,007,046 due to commission- of new ships and expenses for their upkeep. The principal increases are in the following items:

Consumable supplies and equipage from ¥6,061,344 to 7,258,772  
Fuel from 33,020,086 to 40,116,552

It is noted, that compared to the previous year's budget, that heavy oil consumption is increased from 605,000 tons to 677,000 tons; light oil from 37,908,152 liters to 44,780,911 liters, and a sharp drop in the use of briquettes from 70,000 tons to 30,000 tons.

~~Confidential~~

Extraordinary Account.  
Ship Construction.

Increased from ¥56,682,251 to ¥218,195,826. Up to the current fiscal year this item in the Budget has been identified as "construction of auxiliary vessels"; however, due to the fact that the current budget provides for construction of capital ships the title of the item has been changed. This year's budget includes the final allocation of the Second Program and the initial allocation of the Third Program. The 1937-38 allocation for construction of ships under the Second Program was originally ¥157,420,000, but this amount was reduced by ¥24,000,000 on account of cancellation of eight torpedo boats authorized under this program (see report No. 64-37), thus leaving a net balance of ¥133,420,000, which provides for the completion of the following ships, practically all of which have been laid down:

- 4 Class "B" Cruisers,
- 2 Aircraft Carriers,
- 3 Seaplane Carriers,
- 15 Destroyers,
- 4 Torpedo boats,
- 3 Submarine Chasers,
- 4 Submarines,
- 1 Repair ship,
- 2 Oilers.

The initial allocation for ship building under the Third Program (¥84,775,826) allows, it is assumed, the first year's allocation for the construction of two or more capital ships, and, perhaps the laying down of a few auxiliary craft, such as submarines. No details concerning the types of vessels to be constructed under the Third Program are given in the Budget.

Expansion of Facilities and Increase in Equipment at Shore Bases.

Increased from ¥39,094,006 to ¥59,567,000; principal increases are shown below:

Expansion of Naval Dockyards from ¥33,656,616 to ¥46,557,541.

No details concerning the nature of work to be performed are given; however, it is noted that the major portion of the work is to be effected at the three major Naval Stations, presumably for the expansion of drydocks, building ways and facilities of the naval workshops. The item of oil storage facilities and construction of warehouses totalling ¥11,026,304 indicates that the program for oil storage facilities has not been completed.

Equipment for Defense Corps from ¥1,789,000 to ¥5,027,552.

The principal items of increase are in:

- (1) Equipment for the defense corps and includes construction of buildings and "armament equipment", details not given.
- (2) Construction of Naval Barracks at the three major Naval Stations. This is apparently an expansion of facilities for training Naval recruits. This work was started in the previous fiscal year.
- (3) Expenses for the equipment of radio stations, increased from 297,550 to 930,000.

Miscellaneous Equipment for Naval Ports.

Increased from 1,575,309 to 2,501,900; total of the item is about equally divided between construction of miscellaneous boats and civil engineering expenses.

Expansion of Training Facilities for Personnel.

Increased from 1,143,940 to 3,841,186. Details not given, but this no doubt provides for expansion of facilities at the various training schools, and perhaps the Naval Academy.

Alteration, Repair and Equipment of Vessels.

There is a considerable decrease in this item, being ¥54,714,903 as compared to ¥66,232,800 in the previous budget; the principal saving is in the subitem "alteration to capital ships" which has decreased from ¥31,014,222 to ¥17,851,650; "Alterations to aircraft carriers and auxiliary vessels" reduced from ¥30,712,105 to ¥23,670,000. On the contrary the item "special repairs to ships" has risen from ¥2,590,000 to ¥ 11,225,000 (details not given).

The item "construction of miscellaneous boats" has been increased from 400,000 to 1,200,000. It is noted that this item appears several places in the budget, the total when added up is considerable. As usual, no details as to nature of boats to be constructed, are given.

Replenishment of Naval Stores.

The sub-items listed under this heading are not clearly understood, the Japanese characters used being unintelligible; for example the sub-item "purchase of books and publications" ¥6,597,000 - the amount appropriated for seems to be entirely out of proportion to the nature of the articles which are to be purchased.

Expenses for Research.

Increased from ¥5,741,000 to ¥6,963,331, of which the greater portion is for "expenses for research in hulls".

Report No. 96.  
 Japan.  
 April 12, 1937.

300 - Finance.  
 302 - Budgets.  
 200 - Navy.

SUMMARY OF MAIN ITEMS AND INDEX TO NAVY BUDGET FOR 1937-38.

	Amount	Page No.
<u>Ordinary Account</u>		
Navy Department proper		
Pay - Navy personnel and civilians	¥354,460	1
Office maintenance expenses	183,311	1
Military Expenses		
Pay - Flag Officers	666,300	2
Pay - Chokunin rank (civilians corresponding to Flag Officer rank)	34,400	2
Pay them- Captain to Ensign	15,046,853	2
Number of officers (by grade) provided for in the Budget, arranged according to activity		3
Pay - civilians	879,670	4
Pay - midshipmen	167,500	4
Pay - special service and warrant officers	6,025,733	4
Pay - petty officers	11,506,839	4
Pay - civilians of Hannin rank	1,596,910	4
Pay - nonrated men	13,057,014	5
Various allowances, (Post, Naval Attache, etc.)	617,459	5
Sea pay allowance	8,922,251	5
Aviation flight pay allowance	2,333,426	5
Various miscell. allowances (good conduct, waiting list, suspended list, etc.)	1,751,268	6
Office expenses and building repairs	1,437,658	6
Miscell. pay and expenses (travel and various allowances)	5,731,751	6
Expenses for food and clothing	27,737,227	7
General repairs to ships, construction of small boats	11,031,303	7-9
Manufacture, repairs and experiments - guns, torpedoes, powder, radio equipment, airplanes and aviation equipment	104,481,963	9
Miscellaneous expenses (employees pay, etc.)	1,034,353	10
Expenses for local maneuvers	625,633	10
Care of patients	1,416,215	10
Expenses for upkeep of naval ports	1,147,183	10
Operating expenses of ships (supplies, equipage and fuel)	52,007,046	10
Hydrographic expenses	643,034	11
Miscellaneous training expenses	1,846,131	11
Aid to families of enlisted men	1,019,969	12
Subsidy to employees mutual aid guild	2,551,733	12
Expenses in connection with naval prisoners	10,947	12
Confidential fund	63,300	12
Miscellaneous expenses (discharge allowance, death gratuity, health insurance, etc.)	1,224,340	12
<b>TOTAL - Ordinary Account.....</b>	<b>273,953,360</b>	

SUMMARY OF MAIN ITEMS AND INDEX TO NAVY BUDGET, continued:

	<u>Amount</u>	<u>Page No.</u>
<u>Extraordinary Account</u>		
Expenses for construction of ships	218,195,826	15
Expansion of facilities and increase of equipment of shore bases.		
Office expenses	1,567,721	15
Naval Dockyards	46,557,541	14-15
Defense Corps	5,027,552	15-16
Miscellaneous equipment for naval ports	2,501,900	16
Expansion of facilities for training personnel	3,841,186	16
Expansion of hospital facilities	871,700	16-17
Expansion of the Naval Air Force	26,876,724	17-18
Alteration, repair and equipment of vessels	54,714,905	18-19
Replenishment of Naval stores	18,922,750	19
Construction of and repairs to buildings	819,062	20
Work performed by Navy for other government departments	1,408,029	20
Making charts for public sale	92,766	20
Expenses for research in chemical warfare, aviation, hulls, engines and ordnance	6,963,551	20
Gratuities - aviation accident	212,077	20
International Hydrographic expenses	5,575	20
Restoration of earthquake damages	1,000,000	20-21
Despatching vessels to northern waters	500,000	21
Expenses for Manchurian incident	10,389,851	21-23
Grand Naval Maneuvers	6,000,000	23
Making meteorological charts of upper air currents	211,518	23
Increase in allowance due to appreciation of currency	638,508	23
Expenses for ordnance equipment for training purposes	800,000	23
Revision of books and publications	31,716	23
Amount transferred to the working capital of the Naval Fuel Depot	<u>350,000</u>	23
<b>TOTAL - Extraordinary Account</b>	<b>407,700,236</b>	
<u>Supplementary Account</u>		
Expenses in connection with despatching cruiser to British Naval Review	820,000	24
Expenses for Manchurian incident	455,948	24
Expenses for restoration of buildings damaged by storm	<u>200,000</u>	24
<b>TOTAL - Supplementary Account</b>	<b>1,455,948</b>	
Recapitulation of the Ordinary Account - arranged according to nature of expenses and activity		25
Recapitulation of the item of "Military Expenses" in the ordinary account (item 10 of sheet 25):		
Expenses for pay, operation, maintenance and upkeep of Fleets, Squadrons, miscellaneous vessels and the various corps.		26

Report No. 98.  
Japan.  
April 12, 1937.

500 - Finance  
502 - Budgets.  
500 - Navy.

JAPANESE NAVAL BUDGET - FISCAL YEAR 1937-38 (4/1/37-3/31/38).  
(70th Diet Session).

	<u>1937-38</u>	<u>1936-37</u>
	<u>Budget</u>	<u>Budget</u>
<b>I. <u>ORDINARY ACCOUNT.</u></b>		
<b>1. Navy Department Proper.</b>		
(a) Pay	¥354,460	317,935
(1) Pay - Chokunin rank	61,250	
1 Navy Minister.		
1 Parliamentary Vice Minister.		
1 Vice Minister.		
1 Councillor.		
7 Bureau Chiefs, as follows:		
2 Vice Admirals.		
1 Vice Admiral (Med.)		
1 Vice Admiral (Pay.)		
2 Rear Admirals.		
1 Civil engineer (civilian).		
(2) Pay - Sonin rank	218,330.	
3 Aides, as follows:		
1 Captain,		
1 Commander,		
1 Lieut-Comdr.		
15 Section Chiefs, as follows:		
6 Captains,		
2 Commanders,		
2 Captains (Eng.),		
1 Commander (Eng.),		
3 Captains (Pay.),		
1 Commander (Pay.).		
45 Bureau members, as follows:		
14 Commanders,		
10 Lieut-Comdrs.,		
4 Commanders (Eng.),		
2 Lieut-Comdrs (Eng.),		
1 Captain (Med.),		
1 Commander (Med.),		
1 Captain (Phar.),		
8 Commanders (Pay.),		
2 Lieut-Comdrs (Pay.),		
1 Legal officer,		
1 Civilian engineer.		
2 Section members, as follows:		
2 Commanders.		
1 Chief Secretary.		
2 Secretaries.		
(3) Pay - Hannin rank (civilians) 74,718		
63 Clerks.		
4 Apprentices.		
(4) Additional allowance (1 capt.)	450.	
(b) Office expenses (stationery, office furniture, postage, domestic travel, telegrams, translation fees, etc.)	183,311	167,640
<b>Total - Navy Department proper</b>	<u>537,771</u>	<u>485,575</u>

I. ORDINARY ACCOUNT, continued.

2. Military expenses	1937-38	1936-37
(a) Pay - total	budget	budget
	59,405,823	50,527,285
		57,361,905

(1) Pay - Flag Officers, details below:  
666,800

	<u>Admiral:</u>	<u>Vice Admiral:</u>	<u>Rear Admiral:</u>
94 Line	10:	34:	50
8 Medical		2:	6
1 Pharmacist		:	1
7 Paymaster		2:	5
3 Construction		1:	2
4 Construction Engineer		1:	3
7 Ordnance	—	1:	6
Totals	10:	41:	73

(2) Pay - civilians, Chokunin rank 34,400

1 Legal official,  
2 Instructors,  
5 Engineers.

(3) Pay - Captain to Ensign 15,046,853  
(With exception of Navy Department)

Details of (3) follow:

	<u>Capt:</u>	<u>Cdr:</u>	<u>LtCdr:</u>	<u>Lieut:</u>	<u>Lt(jg):</u>	<u>Ensign</u>
4714 Line	222:	507:	1023:	1413:	855:	694
1704 Engineer	48:	150:	304:	442:	455:	305
669 Medical	30:	70:	114:	205:	140:	110
29 Pharmacist	2:	4:	4:	10:	3:	6
589 Paymaster	29:	77:	136:	215:	81:	51
77 Construction	15:	17:	15:	18:	12:	
80 Constr.Eng.	14:	13:	15:	21:	17:	
217 Ordnance	35:	42:	45:	57:	38:	
6 Hydrographic	2:	2:	2:	:	:	
8085	397:	862:	1658:	2381:	1601:	1166

I. ORDINARY ACCOUNT, continued.

2. Military expenses, continued.

(a) Pay, cont'd

Officer complement provided for in 1937-38 Budget for seagoing forces and shore establishment (does not include Navy Department proper). (Officers, regular).

	Adm.	Vice-Adm.	Rear-Adm.	Supt.	Cdr.	LtCdr.	Lt	LtJg.	Ensign	Total
Aide to Superior	1			1				1		3
Aides to Royal Princes				5						5
Vice Admiral and Staff	1						2			3
Supreme War Council	5			5						10
General Staff	1	1	7	11	29	25	4			78
Hydrographic Office	1			8	7	5	6	3		30
Naval Technical Dept.		3	4	24	50	28	19			128
Aviation Department		2	1	17	12	9	10			51
Technical Research Lab.		1	1	9	9	11	6			37
Naval Stations	1	2	3	6	15	9	6			42
Personnel Offices			3	4	7	12	3			29
Asst'g & Supply Offices		1	2	6		6	6			24
Naval Store Depots			3	9	12	15	4			43
Ship Upkeep Offices			3		9	3				15
Harbor Offices				3	9	9	3			24
First Fleet	1	4	2	23	107	198	285	285	234	1141
Second Fleet	1	3	2	17	69	166	211	256	175	910
Fourth Fleet		1	1	6	16	34	48	35	9	150
Eleventh Division		1		1	9	8	78	10	18	125
Training Squadron		1		7	7	23	25	31	15	114
Training vessels				8	39	75	88	121	94	425
Guard vessels and squadrons	1			15	50	143	279	231	132	872
Surveying vessels					4	7	54	10	4	59
Reserve vessels				23	96	240	292	321	250	1227
Miscell. ships				7	7	23	34			136
Minor Naval Stations		5	1	33	23	55	33	6	3	159
Naval Barracks			3	3	13	29	50	3		108
Defense corps			3	3	6	15	17			44
Air Stations			4	23	69	162	452	208		918
Radio stations				1	5	15	12			34
Navy Yards		4	13	76	84	108	80	6	4	380
Naval Hospitals		1	5	12	36	25	25			105
Naval College (Higher)		1	2	6	9	8				26
Naval Academy		1	1	2	7	29	25	1		67
Engineering College		1		2	3	8	21	1		36
Medical College		1	1	4	8	5				19
Paymaster's School		1		1	4	9	3			18
Gunnery School		1	2	7	12	18		1		41
Torpedo School		1		1	8	9	12	1		32
Navigation School		1			3	1				5
Communication School			1	1	7	9	9			27
Submarine School			1	2	6	7	7			23
Engineering School			1	1	9	18	8			37
Apprentice School					2					2
Stationed abroad and students at other institutions				1	5	62	103	62	206	441
Assigned to Merchant Marine Schools							9			9
Assigned to Fishery School & (Suizan Koshu-jo)						1				1
<b>TOTALS</b>	<b>10</b>	<b>41</b>	<b>73</b>	<b>397</b>	<b>882</b>	<b>1656</b>	<b>2381</b>	<b>1601</b>	<b>1166</b>	<b>8209</b>

I. ORDINARY ACCOUNT, continued.

1. Military Expenses, continued. 1937-38 1936-37  
 (a) Pay, continued. Budget Budget

(4) Pay - civilians of Semin rank 879,670 707,393

- Details of (4) follow:  
 3 Secretaries for legal affairs,  
 28 Legal officials,  
 82 Instructors,  
 1 Chief Secretary,  
 2 Compilers,  
 223 Engineers,  
 3 Superintendents of naval prisons,  
 1 Interpreter,  
 4 Assistant legal officials.

(5) Pay - Midshipmen, details follow 167,500 167,500

- 170 Midshipmen, line,  
 60 " engineer,  
 20 " paymaster.

(6) Pay - Special Service and Warrant Officers, details follow: 6,025,733 5,437,394

Line	Special Service Officers			Warrant Officers
	Lt.:	Lt.(jg):	Ensign:	
Aviation	6:	19:	26:	65
Aviation mechanics	9:	22:	28:	80
Engineer	73:	299:	422:	1038
Bandmaster	1:	2:	5:	11
Wardmaster	3:	27:	21:	42
Paymaster	11:	56:	64:	184
Totals	180:	809:	1153:	2484

(7) Pay - Petty officers, details follow 11,506,839 10,467,266

Line	Class		
	First:	Second:	Third:
Aviation	5350:	4917:	4685
Aviation mechanics	425:	288:	292
Engineer	3651:	3315:	3149
Bandmen	83:	75:	75
Hospital Corpsmen	287:	236:	216
Pay yeoman	656:	585:	549
Totals	10693:	9616:	9147

(8) Pay - Civilian of Hennin rank, details follow: 1,396,910 1,169,062

- 342 Clerks,  
 20 Recording clerks,  
 955 Apprentices,  
 15 Compilers,  
 20 Assistant Instructors,  
 12 Chief prison guards,  
 47 Prison guards,  
 32 Guards,  
 3 Clerks attached to aide-de-camp.

I. ORDINARY ACCOUNT, Continued

2. Military Expenditures, continued. 1937-38 budget 1936-37 budget  
 (a) Pay, continued

(9) Pay - non-ratedmen, details follow 13,057,014 12,288,753

Line	Class			
	First	Second	Third	Fourth
Aviation	15410:	14746:	12179:	2798
Aviation mechanics	318:	209:	147:	79
Engineer	267:	190:	158:	148
Hospital Corpsmen	10243:	9892:	8216:	1853
Bandmen	500:	465:	385:	88
Pay yeoman	55:	52:	44:	11
Totals	1257:	1196:	1012:	213

Totals 28051: 26750: 22121: 5200  
 Grand total - non-rated men..... 82,122

(10) Post allowance, details follow 283,176 189,555

For personnel stationed in Chosen, Taiwan, Kwantung, Saghalien and South Sea Islands:

- 2 Vice Admirals,
- 12 Captains,
- 7 Commanders,
- 21 Lieut-Comdrs,
- 14 Lieutenants,
- 2 Lieut. (jg),
- 1 Ensign
- 5 Special Service Officers, Lieut. (jg)
- 14 Special Service Officers, Ensign.
- 28 Warrant Officers.
- 214 Petty Officers.
- 479 Seamen,
- 24 Civilians.

(11) Post allowance for Naval Attaches 169,087 158,170  
 (12) Post allowance for officers stationed abroad (other than Naval Attaches) 133,800 130,000  
 (13) Allowance for wife of Naval Attache 31,396 27,346  
 (14) Sea pay allowance 5,922,251 5,519,710  
 (15) Aviation flight pay, details follow: 2,333,426 2,001,155

Officers;	Midshipmen;	Petty	Non-rated men,
Special	Warrant	Officers;	employees.
Service	Officers;	Civilians;	
Officers;	Civilians	of Hannin;	
Civilians;	of Hannin	rank	:
of Koto	rank	:	:
Rank	:	:	:
amt: No.	amt: No	amt: No.	amt: No.

A. Monthly	¥50;	720;	¥40;	250;	¥30;	1215;	¥20;	1049
B. Monthly	30;	390;	20;	100;	15;	391;	10;	583
A. Daily	6;	19,644;	4;	5,272;	3;	32936;	2;	64,947
B. Daily	3;	34,193;	2;	10,254;	1.5;	67924;	1;	121,573

**I. ORDINARY ACCOUNT, continued.**

2. Military expenditures, continued	1937-38	1936-37
(a) Pay, continued	<u>Budget</u>	<u>Budget</u>
(16) Special allowance (good conduct, etc.)	1,444,862	
(17) Pay while on waiting list	243,360	
(18) Pay - unemployed or suspended	41,012	
(19) Additional allowance - details follow	20,550	
2 Commanders in Chief, Naval Stations at ¥400.		
44 Commands afloat at ¥450.		
(20) Diligence allowance for prison guards	864	
(21) Longevity allowance for legal official	600	
(b) Office expenses and repairs to buildings, including office equipment, books, printing expenses, stationery, fuel, hauling expenses, postage, domestic and foreign despatches	1,437,658	790,703
(c) Miscellaneous pay and expenses	5,731,751	5,042,507
(1) Travel - domestic	3,355,769	
(2) Travel - foreign	472,490	
(3) Travel - families of attachés	25,018	
(4) Travel - enlisted men and families	60,701	
(5) Compensation paid to temporarily employed civilians engaged in investigation work	23,931	
(6) Pay - employees, details follow:	155,861	
219 copyists,		
44 apprentices,		
70 guards.		
(7) Wages - hired men	131,447	
(8) Allowances of cadets and students in outside schools	158,991	
(9) Allowances of enlisted men (subsistence and quarters)	399,946	
(10) Allowance for equipment of officers, details follow:	250,378	
391 officers at ¥400. each.		
200 cadets at ¥100. each,		
230 warrant officers at ¥250.		
193 persons special equipment at ¥83.33		
(11) Clothing for survivors marine disaster	2,268	
(12) Post allowance - those stationed in Chichijima and Amami-Oshima,	6,150	
35 Officers and men in Chichijima		
1 Civilian in Amami-Oshima		
(13) Outfit allowance	13,344	
(14) Allowance - quarters (for those stationed in Chosen, Taiwan, Kwantung Peninsula, and South Sea Islands) 41 officers and civilians	6,843	
Allowance - quarters, crews of submarines, 87 officers and men	12,687	

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I. ORDINARY ACCOUNT, Continued

2. Military expenditures, continued	1937-38 budget	1936-37 budget
(c) Miscellaneous pay and expenses, continued		
(15) Aviation allowance	4,400	
20 Aviation students reserve at ¥220.		
(16) Prevention of infectious diseases	255	
(17) Uniforms for guards	2,360	
(18) Allowance for quarters for guards	4,560	
(19) Subsidy to naval towns	412,200	
(20) Subsidy for giving preparatory training to candidates for reserve aviators	100,000	
(21) Mining royalty	5,000	
(22) Entertainment expenses	24,004	
(23) Miscellaneous expenses (translation, advertising, rent of land and houses, copying, water, etc.)	96,814	
(d) Expenses for food and clothing	27,737,227	25,224,377
(1) Principal foods - rice, barley, bread, etc.	5,361,516	
(2) Other provisions - meat, fish, vegetables, etc.	10,405,174	
(3) Rations:		
Officers	2,504,042	
Cadets	33,162	
Enlisted men	1,237,914	
(4) Expenses for baking bread	80,708	
(5) Clothing material	7,129,132	
(6) Tailoring expenses	669,107	
(7) Miscellaneous expenses - employees pay, supplies, etc.	316,471	
(e) Ship construction, ordnance manufactures, repairs	116,547,619	99,452,607
(1) Ship construction	11,031,303	
General repairs	6,092,335	
This item includes repairs and alterations to hulls, including material, equipment, engines, and accessories. Repairs and alterations to reserve material; docking expenses, increase in number, replacement and repairs to ships' boats; alteration and repairs to hulls in connection with installation of armament.		
Itemized according to class of ship:		
Battleships 1,408,874	: Destroyers	1,690,525
Cruisers 1,475,694	Submarines	477,929
Gunboats 5,966	Sp.Ser.Ships	977,635
Construction of miscell- aneous boats	2,219,357	
Labor - 887,743; Material - 1,331,614		
Details of the above item follow:		
For Yokosuka:		
1 tug, 20 tons (Harbor Office),		
1 water barge, 100 tons (Harbor Office),		
1 freight barge, 200 tons (Harbor Office),		
2 launches, 12 meters (Defense Corps),		
1 launch, 15 meters (Defense Corps),		

I. ORDINARY ACCOUNT, continued

1937-38  
budget

1936-37  
budget

Military expenditures, continued

(e) Ship construction, ordnance manufacture,  
repairs, continued:

(1) Ship construction, continued:

Construction of miscellaneous boats:

For Yokosuka, continued:

- 1 oil barge, 300 tons (Naval Store Depot),
- 4 cutters, 9 meters (Naval Barracks),
- 1 bridge boat, 20 x 6 meters (Navy Yard),
- 1 experimental boat, 150 tons (Navy Yard),
- 1 launch, 12 meters (Engineering School),
- 1 launch, 15 meters (Torpedo School),
- 1 jolly boat, 8 meters (Torpedo School),
- 1 jolly boat, 10 meters (Torpedo School).

For Kure

- 1 jolly boat, 10 meters (Harbor Office),
- 1 tug, 20 tons (Harbor Office),
- 1 mud scow, 20 tons (Harbor Office),
- 1 freight barge, 30 tons (Harbor Office),
- 1 communication boat and tug, 150 tons (Navy Yard),
- 1 freight barge, 300 tons (Navy Yard),
- 1 freight barge, 30 tons (Navy Yard),
- 1 bridge boat, 12 x 3.8 meters (Navy Yard),
- 1 cutter, 9 meters (Defense Corps),
- 1 communication boat and tug, 20 tons (Defense Corps),
- 1 oil barge, 300 tons (Naval Store Depot),
- 1 communication boat and tug, 20 tons (Naval Barracks),
- 4 cutters, 9 meters (Naval Barracks),
- 2 cutters, 8 meters (Naval Barracks).

For Sasebo

- 1 floating crane, 30 tons capacity (Navy Yard),
- 1 communication boat and tug, 20 tons (Navy Yard),
- 1 freight barge, 50 tons (Harbor Office),
- 1 water barge, 150 tons (Harbor Office),
- 1 jolly boat, 10 meters (Harbor Office),
- 1 launch, 12 meters (Harbor Office),
- 1 cutter, 9 meters (Naval Barracks).

For Maizuru

- 1 communication boat and tug, 20 tons (Navy Yard),
- 1 bridge boat, 20 x 6 meters (Navy Yard),
- 1 freight barge, 100 tons (Naval Store Depot),
- 1 communication boat and tug, 20 tons (Defense Corps).

For Ominato

- 1 jolly boat with motor, 8 meters (Naval Station).

For Chinkai

- 1 communication boat and tug, 20 tons (Naval Station),
- 1 freight barge, 100 tons (Naval Station),
- 1 water barge, 150 tons (Naval Station).

For Bako

- 1 jolly boat, 10 meters (Naval Station),
- 1 communication boat and tug, 60 tons (Naval Station).

For Eyojun

- 1 communication boat and tug, 100 tons (Naval Station),
- 1 jolly boat with motor, 10 meters (Naval Station).

Hydrographic Office

- 2 surveying boats with motor, 10 meters.

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I. ORDINARY ACCOUNT, continued.

	<u>1937-38</u>	<u>1936-37</u>
	<u>budget</u>	<u>budget</u>
2. Military expenditures, continued:		
(a) Ship construction, ordnance manufacture, repairs, continued:		
(1) Ship construction, continued:		

Repairs to miscellaneous ships 915,304  
 Labor 366,122; material 549,182

Experiments (research and experiments in hulls and engines 792,166  
 Labor 316,866; material 475,300

Machinery (manufacture, purchase and installation 1,012,141  
 Labor 308,968; material 703,173

(2) Armament - expenses for manufacture 109,481,963

<u>MANUFACTURE</u>	70,909,572
Armament manufacture, purchase, experiment and inspection.	
Labor	33,635,359
material	37,274,213

Details of item of armament manufacture follow:

Guns, powder, range finders, gun sights	\$7,731,768
Torpedoes, periscopes, powder	5,858,275
Navigation instruments	451,944
Radio equipment	3,568,123
Airplanes and aviation equipment	52,479,518

<u>REPAIRS</u>	23,681,417
Alteration or repair to armament in use or in storage, experiment and inspection.	
Labor	16,842,417
Material	6,839,000

Details of item of repairs follow:

Guns, range finders, gun sights	1,192,570
Torpedoes, periscopes	1,619,334
Navigation instruments	166,099
Radio equipment	2,278,789
Airplanes and aviation equipment	18,424,625

<u>EXPERIMENTS</u>	8,985,242
Labor	4,694,545
Material	4,290,697

Details of item of Experiments follow:

Guns, powder, range finders, gun sights	1,064,759
Torpedoes, periscopes, powder	486,066
Navigation instruments	107,964
Radio equipment	571,937
Airplanes, aviation equipment	5,171,685



I. ORDINARY ACCOUNT, continued:

	1937-38	1936-37
2. Military expenditures, continued:	<u>budget</u>	<u>budget</u>
(1) Operating expenses of ships, continued:		

Details of items (1), (2) and (3) follow:

	Equipage: Consumable; Fuel	
	supplies	
Battle ships	105,780;	193,155; 1,950,908
Cruisers	100,192;	524,136; 15,730,822
Aircraft carriers	58,822;	183,938; 2,450,027
Submarine tenders	12,790;	37,159; 156,192
Mine layers	9,218;	25,255; 153,257
Coast defense ships	4,859;	5,515; 47,592
Gunboats	4,745;	8,192; 104,833
Training battleship	7,781;	15,589; 157,864
Destroyers	155,422;	481,238; 5,237,761
Submarines	123,618;	1,521,241; 5,993,820
Torpedo boats	2,355;	31,541; 297,396
Mine sweepers	3,423;	19,918; 222,973
Special service vessels	37,410;	59,032; 162,423
Special service boats	3,041;	17,659; 242,767
Naval barracks	152,419;	51,163; 80,934
Defense corps	93,601;	108,979; 113,470
Minor naval stations	61,410;	86,322; 141,539
Radio stations	22,788;	408,129; 41,042
Air stations	295,473;	1,724,372; 5,502,822
Deck planes	16,861;	389,516; 1,655,956
Court-martial	355;	299; 399

(4) Storage and transportation of supplies 3,694,002

(5) Entertainment expenses 57,870

(6) Miscellaneous pay and expenses 879,850  
(Instructor fees, pilotage, employees pay, hauling, house rent, telephone charges, etc.)

(j) Hydrographic expenses 643,034 529,528

(1) Surveying expenses 248,151

Domestic travel	62,356
Employees wages	119,922
Surveying instruments and their repair	14,007
Surveying material	35,066
Remuneration for officials of other government departments	450
House rental	1,090
Drayage	2,015
Transportation of instruments	7,368
Remuneration of persons temporarily employed	6,208
Employees uniforms	1,666

(2) Charts and publications 331,478

(3) Miscellaneous expenses 63,405  
(Pay of employees, drayage, expenses for compilation, etc.)

(k) Miscellaneous educational expenses 1,846,131 1,789,290

(1) Equipage	532,724
(2) Books and printing	140,736
(3) Stationery	82,582
(4) Fuel, electric light, etc.	436,662

I. ORDINARY ACCOUNT, continued:

	<u>1937-38</u> <u>budget</u>	<u>1936-37</u> <u>budget</u>
2. Military expenditures, continued:		
(k) Miscellaneous educational expenses, continued:		
(5) Communications	18,548	
(6) Research	96,090	
(7) Tournament prizes	24,250	
(8) Examinations, certificates, medals, etc.	79,227	
(9) Tuition expenses at outside schools	4,951	
(10) Expenses graduation exercises	3,213	
(11) Pay - civilian instructors	94,338	
(12) Employees wages	259,808	
(13) Entertainment expenses	250	
(14) Miscellaneous expenses (translation, rent, etc.)	29,753	
(15) Pay and travel - foreign instructors	48,958	
(l) Aid to families of enlisted men	1,019,969	965,493
(m) Subsidy to employees mutual aid guild	2,551,733	2,193,250
(n) Expenses in connection with naval prisoners	10,947	10,227
(o) Confidential fund	63,300	63,300

3. Miscellaneous expenses

(1) Discharge allowance - enlisted men	355,899
(2) Death grant gratuity	95,927
(3) Special death grant gratuity (to officers, enlisted men and others killed in airplane or submarine accidents)	90,100
(4) Medical treatment for civilian employees	20
(5) Allowance for keepers and guards	65
(6) Accident allowance to civilian employees	50,572
(7) Funeral expenses for those dying abroad	27,100
(8) Indemnities	33,659
(9) Indemnities to those unjustly imprisoned	180
(10) Litigation expenses	184
(11) Burial expenses	31,608
(12) Health insurance for temporary employees	<u>539,026</u>
Total - Miscell. expenses	1,224,340

II. EXTRAORDINARY ACCOUNT.

	1937-38 budget	1936-37 budget
Construction of ships	218,195,826	156,688,251
(a) Salaries of Chokunin rank (pay of 2 engineers)	8,600	
(b) Salaries of Sonin rank	611,490	
Details follow:		
2 Captains,		
11 Commanders,		
33 Lieut-Comdrs.,		
34 Lieutenants,		
2 Lieuts. (jg) Sp.Ser. Officers,		
3 civil officials,		
169 engineers (civilians).		
(c) Salaries of Hannin rank	504,815	
Details follow:		
1 Warrant officer,		
5 Petty officers,		
96 Clerks,		
413 Apprentices.		
(d) Miscell. expense for supervision	1,588,549	
Construction supervision expenses	899,789	
Ordnance supervision expenses	788,760	
(e) Storage and transportation expenses	737,688	
(f) Ship construction expense	114,379,211	
(g) Ordnance manufacture	100,265,475	

NOTE:

The above is a continuing expenditure; the 1937-38 budget figure includes the final allocation (1937-38) of the Second Replenishment program (¥133,420,000) and the initial allocation of the Third Replenishment Program (¥84,775,826). The allocation of expenditures for the remaining years of the Third Replenishment Program is as follows:

1938-39	¥224,092,000
1939-40	232,392,000
1940-41	229,057,000
1941-42	90,751,000

3. Expansion of facilities and increase of equipment of Shore Bases	59,567,600	39,094,006
(a) Office expenses	1,367,721	
(1) Salaries of Hannin rank	117,300	
1 Commander,		
46 Engineers (civilians).		
(2) Salaries of Hannin rank	174,345	
28 Clerks,		
149 Apprentices.		
(3) Shop expenses	1,076,076	



II. EXTRAORDINARY ACCOUNT.

	<u>1937-38</u>	<u>1936-37</u>
	budget	budget
2. Expansion of facilities and increase of equipment of shore bases, continued:		
(a) Naval Dockyards - expansion of facilities and increase of equipment, continued:		
(5) Naval Research Laboratory	387,500	
Civil engineering expenses	62,500	
Machinery for armament manufacture	321,783	
Armament manufacture supervisory expenses	3,217	
(6) Naval Powder Factory	129,060	
Civil engineering expenses	118,800	
Machinery for armament manufacture	10,159	
Armament manufacture supervisory expenses	101	
(7) Naval Fuel Depot, Tokuyama	2,578,000	
Civil engineering expenses	368,000	
Machinery	2,202,000	
Supervisory expenses	8,000	
(8) Construction of oil storage tanks and storehouses	11,026,304	
Civil engineering expenses	10,029,259	
Machinery	997,045	
(9) Ominato Naval Station (Construction of repair shop).	21,400	
Civil engineering expenses	4,000	
Machinery	17,228	
Supervisory expenses	172	
(10) Bako Minor Naval Station	21,400	
Civil engineering expenses	4,000	
Machinery for ordnance manufacturing	17,228	
Supervisory expenses	172	
(11) Naval Technical Department (Expansion of drafting shop facilities).	231,500	
Civil engineering expenses	209,000	
Machinery	22,278	
Supervisory expenses	222	
(b) Defense Corps	5,027,552	
(1) Equipment for various defense corps	1,769,152	
Civil engineering expenses	951,152	
armament expenses	792,575	
Supplies	17,500	
Supervisory expenses	7,925	
(2) Construction of Naval Barracks, Yokosuka	729,000	
Civil engineering expenses	624,006	
Miscell. equipment	104,994	

II. EXTRAORDINARY ACCOUNT

2. Expansion of facilities and increase of equipment of shore bases, continued

1937-38	1936-37
<u>budget</u>	<u>budget</u>

(b) Defense Corps, continued:

- |                                     |           |
|-------------------------------------|-----------|
| (3) Construction of Naval Barracks, |           |
| Kure                                | 1,115,400 |
| Civil engineering expenses          | 1,074,427 |
| Miscell. equipment                  | 40,973    |
| (4) Construction of Naval Barracks, |           |
| Sasebo                              | 480,000   |
| Civil engineering expenses          | 444,285   |
| Miscell. equipment                  | 35,715    |
| (5) Equipment for Radio Stations    | 930,000   |
| Civil engineering expenses          | 20,000    |
| Armament expenses                   | 904,950   |
| Supervisory expenses                | 9,050     |

(c) Miscell. equipment for Naval Ports 2,501,900

- |                                     |           |
|-------------------------------------|-----------|
| (1) Yokosuka Naval Station          | 1,050,000 |
| Civil engineering expenses          | 40,000    |
| Construction of miscellaneous boats | 1,000,000 |
| Supervisory expenses                | 10,000    |
| (2) Sasebo Naval Station            | 687,300   |
| Civil engineering expenses          | 566,300   |
| Construction of miscellaneous boats | 120,000   |
| Supervisory expenses                | 1,000     |
| (3) Kure Naval Station              | 687,300   |
| Civil engineering expenses          | 566,300   |
| Construction of miscellaneous boats | 120,000   |
| Supervisory expenses                | 1,000     |
| (4) Maizuru Naval Station           | 57,200    |
| Civil engineering expenses          | 57,200    |
| (5) Ominato Naval Station           | 13,400    |
| Civil engineering expenses          | 13,400    |
| (6) Bako Naval Station              | 33,700    |
| Civil engineering expenses          | 33,700    |

(d) Expansion of personnel training facilities 3,841,186

- |                             |           |
|-----------------------------|-----------|
| Civil engineering expenses  | 3,624,368 |
| Equipment - original outfit | 216,798   |

(e) Expansion of hospital facilities 271,700

- |                             |        |
|-----------------------------|--------|
| (1) Yokosuka Naval Hospital | 94,500 |
| Civil engineering expenses  | 88,977 |
| Equipment - original outfit | 5,523  |
| (2) Kure Naval Hospital     | 28,740 |
| Civil engineering expenses  | 26,800 |
| Equipment - original outfit | 1,940  |

II. EXTRAORDINARY ACCOUNT, continued:

	1937-38	1936-37
	<u>budget</u>	<u>budget</u>
. Expansion of facilities and increase of equipment of shore bases, continued:		
(e) Expansion of hospital facilities, continued:		
(3) Sasebo Naval Hospital	121,800	
Civil engineering expenses	121,360	
Equipment - original outfit	27,100	
. Expansion of the Naval Air Force	26,876,724	29,706,743
(1) Pay of Sonin rank, details follow:	182,412	
1 Commander,		
11 Lieut-Comdrs.,		
27 Lieutenants,		
7 Lieuts. (jg),		
7 Lieuts., Sp. Ser. Officers,		
11 Lts(jg) " " "		
8 Ensigns " " "		
23 Engineers (civilians).		
(2) Pay of Hannin rank, details follow:	248,903	
33 Warrant Officers,		
96 Petty officers, 1st class,		
53 " " 2nd "		
34 " " 3rd "		
16 Clerks (civilians),		
120 apprentices "		
(3) Pay of non-rated men, details follow:	150,601	
44 Seamen, 1st class - special pay		
226 " 1st " - ordinary pay		
531 Seamen, 2nd "		
103 " 3rd "		
(4) Aviation flight pay	120,720	
(5) Special allowances	13,044	
(6) Miscellaneous pay and expenses	455,501	
Miscell. pay and expenses	38,096	
Clothing expenses	387,024	
Maneuver expenses	16,800	
Operating expenses of boats	12,494	
Miscell. training expenses	1,087	
(7) Shop expenses	381,521	
(8) Civil engineering expenses	14,263,790	
(Preparation of building site, construction of buildings,, and laying out flying fields).		
(9) Planes and equipment	9,298,548	
(10) Miscellaneous boats	506,900	
(11) Consumable supplies	1,150,966	
(12) Harbor equipment	35,000	
(13) Medical supplies	68,818	

II. EXTRAORDINARY ACCOUNT, continued;

3. Expansion of the Naval Air Force, continued;

1937-38      1936-37  
budget      budget

NOTE:

The item "Expansion of the Naval Air Force" is a continuing expenditure. The total sum of \$144,713,741 was authorized under the First and Second Replenishment Programs, and \$75,267,724 was authorized under the Third Replenishment Program, making a total of \$219,981,465 for the three programs, of which \$144,713,741 was expended down to March 31, 1937. The following list shows the amounts which have been allocated under various headings for the years indicated:

	1938-39	1939-40	1940-41
Pay of Senior rank	32,240	22,320	4,960
Pay of Hannin rank	78,800	56,145	10,835
Shop expenses	268,870	222,103	45,957
Civil engineering expenses	8,442,563	6,011,369	1,195,051
Planes and equipment	6,977,615	9,068,951	12,415,086
Miscellaneous boats	506,900	506,900	506,900
Consumable supplies	578,273	578,272	578,271
Harbor equipment	35,000	35,000	35,000
Medical supplies	59,939	59,940	59,940
<b>Totals</b>	<b>16,980,000</b>	<b>16,561,000</b>	<b>14,850,000</b>

4. Alteration, repair and equipment of vessels

54,714,903      66,282,880

(a) Alteration to ships

41,550,858

(1) Pay of Senior rank, details follow:

148,447

- 1 Commander,
- 1 Lieut. Sp. Ser. Officer,
- 1 Lt(jg) " " "
- 2 Secretaries (civilians)
- 55 Engineers "

(2) Pay of Hannin rank, details follow:

135,147

- 2 Warrant officers,
- 35 Clerks (civilians),
- 100 Apprentices. "

(3) Inspection expenses

248,584

Ordnance inspection expenses

116,206

Ship constr. expenses

132,378

(4) Alterations to capital ships

17,851,650

Ship Constr. expenses

9,824,124

Ordnance expenses

8,027,526

(5) Alterations to aircraft carrier(s) and auxiliary vessels

23,167,030

Ship constr. expenses

9,482,763

Ordnance expenses

13,684,267

II. EXTRAORDINARY ACCOUNT, continued:

alterations, repair and equipment of vessels, continued;	<u>1937-38</u> budget	<u>1938-39</u> budget
(b) Special repairs to ships		11,225,000
(1) Ship construction expenses	9,360,397	
Material	3,744,159	
Labor	5,616,238	
(2) Armament manufacture	1,755,464	
Material	701,384	
Labor	1,054,078	
(3) Inspection expenses	111,139	
(c) Replacement storage batteries of submarines		739,045
(1) Manufacture	731,728	
Labor	292,681	
Material	439,037	
(2) Inspection expenses	7,317	
(d) Construction of miscellaneous boats		1,200,000
(1) Ship construction expenses	1,188,119	
(2) Inspection expenses	11,881	

NOTE:

The item "Alterations, repair and equipment of vessels" is a continuing expenditure which started April 1, 1923. The sum of \$251,878,257 was authorized down to March 31, 1937; this amount was further supplemented in the sum of \$111,943,248, and was approved by the last session of the Diet, making a total amount authorized of \$363,821,505. Of this amount \$247,672,167 was expended down to March 31, 1937. The allocations for the succeeding fiscal years under the various headings are given below.

	<u>1938-39:</u>	<u>1939-40:</u>	<u>1940-41</u>	:	<u>1941-42</u>
<u>alterations to ships</u>					
Pay of Sonin rank	62,674;	37,874;	18,034	:	4,760
Pay of Hannin rank	113,477;	68,167;	14,977	:	3,940
Supervisory expenses	335,248;	236,121;	50,944	:	9,231
<u>alterations to Capital Ships</u>	18,459,978;	3,744,420;	3,347,075		705,842
<u>alterations to aircraft carrier(s) and auxiliary vessels</u>	20,957,103;	22,628,418;	3,123,970	:	676,227
<u>Special repairs to ships</u>	7,530,000;	7,995,000;	0		0
<u>Replacement storage batteries of submarines</u>	739,044;	848,424;	1,240,204	:	0

• Replenishment of Naval Stores		18,928,750	19,891,225
(1) Replenishment of ordnance	6,056,000		
(2) Purchase of books and publications	6,597,000		
(3) Renewal of armament	2,833,000		
(4) Armament supplies	3,104,000		
(5) Replenishment of books and periodicals	32,750		
(6) Research expenses of men's equipment	300,000		

~~Confidential~~

II. EXTRAORDINARY ACCOUNT, continued:

	1937-38 budget	1936-37 budget
6. Construction and repairs to buildings		
(1) Building construction	34,062	
(2) Building repairs	75,000	
(3) Trial drilling of Navy reserve oil fields	710,000	
7. Work to be performed by Navy for other government departments	1,408,029	5,945,408
8. Making charts for public sale	92,766	75,975
9. Expenses for research	6,965,351	5,741,000
(a) Research expenses for chemical warfare	150,000	
(1) Miscellaneous pay and expenses, includes remuneration, miscell. pay, travel, printing of publications and additional compensation	56,100	
(2) Research expenses for poison gas	65,900	
(3) Research expenses for counter measures against poison gas	50,000	
(b) Aviation research	135,351	
(1) Miscellaneous pay and expenses	83,681	
Domestic travel	1,500	
Foreign travel	80,181	
Miscellaneous allowances	780	
Miscellaneous expenses	1,350	
(2) Engaging foreign experts	26,000	
(3) Conducting experiments with pigeons	2,200	
(4) Expenses for sanitary research	20,400	
(5) Entertainment expenses	1,050	
(c) Research in hulls, engines and ordnance	6,680,000	
(1) Miscellaneous pay and expenses (Remuneration, allowances and travel).	65,494	
(2) Expenses for research in hulls	2,136,614	
(3) Expenses for research in engines	118,812	
(4) Expenses for research in ordnance	4,357,080	
10. Gratuities	212,077	167,121
(a) Lump sum payment	212,077	
(1) Aviation accident gratuity, details follow:	212,077	
9 officers at 10,000		
10 warrant officers at 5,000		
23 enlisted men at 3,000		
11. Japan's share of International Hydrographic expenses	5,575	5,575
12. Restoration of earthquake damages	1,000,000	1,386,852
(a) Restoration of naval stores	1,000,000	
(1) Office expenses (Domestic travel, remuneration, drayage, house rent, etc.)	47,619	

II. EXTRAORDINARY ACCOUNT, continued

	1937-38 <u>budget</u>	1936-37 <u>budget</u>
12. Restoration of earthquake damages, continued:		
(a) Restoration of naval stores continued:		
(2) Military stores	946,946	
Ordnance expenses	759,991	
Ships' stores	22,336	
Fuel	71,274	
Food and clothing	87,344	
(3) Relief supplies	11,435	
13. Despatching vessels to northern waters	500,000	100,000
(1) Additional for sea pay	223,330	
(2) Foreign and domestic travel expenses	22,699	
(3) Food and clothing	49,390	
(4) Ship repair and ordnance expenses	30,596	
(5) Care of patients	15,047	
(6) Ship operating expenses	148,756	
Ship supplies	3,731	
Fuel	124,739	
Drayage and storage	17,281	
Miscell. pay and expenses	3,005	
(7) Hydrographic expenses	182	
14. Expenses for Manchurian incident	10,389,851	9,612,051
(a) Pay	1,812,985	
(1) Pay, Captain to Lieutenant, details follow:	26,583	
1 Captain,		
5 Commanders,		
2 Lieut-Comdrs.,		
1 Lieutenant.		
(2) Salaries civil officials	30,340	
details follow:		
1 Communication secretary,		
1 Engineer,		
6 Clerks,		
2 Communication clerks,		
11 Interpreters,		
5 Apprentices.		
(3) Pay, petty officers, details follow:	411,836	
658 petty officers, 1st class.		
(4) Pay - non-rated men	431,014	
details follow:		
2,211 seamen, first class		
(5) Additional allowance for officers stationed abroad	67,946	
In Manchuria:		
1 Rear Admiral,	at Nanking	
2 Captains,	1 Commander,	
5 Commanders,	at Hankow	
	1 Commander,	
	at Tsingtao	
	1 Lieut-Comdr.	

II. EXTRAORDINARY ACCOUNT, continued:

1937-38  
budget

1936-37  
budget

14. Expenses for Manchurian incident, continued

(a) Pay, continued:		
(6) Sea pay allowance		816,568
(7) Special pay allowance		28,698
(b) Office expenses		
(1) Communication expenses		157,210
(2) Equipment		110,679
(3) Books and printing		7,848
(4) Stationery		17,782
(5) Consumable supplies		10,840
(6) Drayage		9,536
		525
(c) Miscellaneous pay and expenses		1,015,663
(1) Domestic travel		76,918
(2a) Foreign travel		813,587
(3) allowance in kind (ration)		11,520
(4) Employees wages		27,640
(5) Employees allowances		9,731
(6) Warrant Officers outfit allowance		3,083
(7) Miscellaneous expenses		51,775
(8) Rental allowance		20,291
(9) Special allowance		1,118
(d) Food and clothing		655,606
(1) Food		383,910
(2) Rations personnel subsisted outside		12,472
(3) Clothing		259,224
(e) Construction and repair of ships and ordnance		1,801,339
(1) Ship construction expenses		47,500
(2) Ordnance manufacturing expenses		1,196,066
(3) Machinery expenses		557,773
(f) Care of patients		220,845
(g) Operating expenses of ships		1,816,948
(1) Ships' stores		86,682
(2) Fuel		516,703
(3) storage and drayage		82,662
(4) Miscellaneous pay and expenses		1,130,901
(Employees wages, house rental, hire of boats and carts, hire of buoys, and pilotage).		
(5) Hydrographic expenses		189,070
Foreign travel		54,207
surveying expenses		101,285
Charts and publications		29,258
Domestic travel		3,900
Miscellaneous expenses		420
(6) Training expenses		2,292
(7) Gratuities		26,514
Gratuity for 1473 enlisted men held over after their term of service has expired.		
(8) entertainment expenses		68,352

II. EXTRAORDINARY ACCOUNT, continued:

	1937-38 budget	1938-37 budget
14. Expenses for Manchurian incident, continued:		
(h) Confidential fund	1,680,000	
(i) Chartering of ships	51,100	
(j) Construction and repairs to buildings (Barracks and workshops).	891,927	
15. Grand Naval Maneuvers	6,000,000	6,000,000
(1) Pay	554,200	
(2) Office expenses	42,200	
(3) Miscell. pay and expenses	116,900	
(4) Food and clothing	18,800	
(5) Construction and repair of ships and ordnance	712,100	
(6) Operating expenses of ships, fuel and supplies	4,423,200	
(7) Charter of ships	16,800	
(8) Civil engineering expenses	75,200	
(9) Medical expenses	5,100	
(10) Harbor supplies	19,200	
(11) Miscellaneous expenses	16,300	
16. Making meteorological charts of upper air currents	211,518	177,254
(1) Pay of Sonin rank 1 Lieutenant	1,900	
(2) Pay of Hannin rank 1 clerk, 8 apprentices.	8,865	
(3) Books and publications	1,740	
(4) Office equipment	93,780	
(5) Domestic travel	35,837	
(6) Allowance in kind	10,000	
(7) Employees wages	24,083	
(8) Material for making charts, gas, electricity and water charges	30,043	
(9) Miscellaneous expenses (surveying instruments, drayage, remuneration, etc.)	5,270	
17. Increase in allowance due to appreciation of foreign currencies	638,508	952,495
(1) Naval Attaches	101,343	
(2) Officers stationed abroad	84,639	
(3) Wives of officers stationed abroad	20,571	
(4) Sea pay allowances	94,718	
(5) Travelling expenses of inspectors stationed abroad	337,237	
18. Expenses for ordnance equipment for training purposes	800,000	400,000
19. Revision of books and publications	31,716	50,482
20. Amount transferred to special account to replenish circulating capital of Naval Fuel Depot	350,000	0

III. SUPPLEMENTARY ACCOUNT

1937-38  
budget

1. Expenses in connection with despatching cruiser Ashigara to British Naval Review		820,000
(1) Sea pay allowances	64,973	
(2) Foreign travel	38,125	
(3) Outfit allowance	6,590	
(4) Food and clothing	44,573	
(5) Ship construction and ordnance manu- facture and repairs	75,507	
(6) Care of patients	2,778	
(7) Operating expenses of ship	563,454	
Ships' stores	24,569	
Fuel	412,900	
Storage and drayage	59,933	
Miscellaneous pay and expenses	66,052	
(8) Entertainment expenses	24,000	
2. Expenses for Manchurian incident		435,948
(1) Pay, details follow:	132,004	
75 petty officers for 4 months	15,242	
494 non-rated men for 4 months	32,213	
Sea pay allowances	82,660	
(2) Office expenses	14,120	
(Communications, equipment, books, publications, stationery, fuel).		
(3) Miscellaneous pay and expenses	86,680	
(Domestic travel, foreign travel, and employees wages).		
(4) Food and clothing	46,896	
(5) Ship construction, ordnance manu- facture and repairs	11,492	
(6) Care of patients	20,068	
(7) Operating expenses of ships	121,044	
Ships' stores	9,817	
Fuel	50,302	
Storage and drayage	8,232	
Miscell. pay and expenses	52,693	
(8) Training expenses	148	
(9) Gratuities to families of enlisted men held over after their term of service has expired	936	
(10) Entertainment expenses	2,560	
3. Expenses for restoration of buildings damaged by storm at Yokosuka, and at Chinkai		200,000
Total - Supplementary Account		1,455,948

NAVAL BUDGET 1937-38; RECAPITULATION OF ORDINARY ACCOUNT: Arranged according to nature of expense and activity.

	Under Pay	Office expenses & repairs	Office expenses & repairs	Miscell. expenses	Food and clothing	Ship and ordnance manufacture & repair	Local trans- ports	Care of patients	upkeep naval sports	Operation of vessels	Hydro- graphic expenses	Misc- tional expenses	Pensions aid grants	Subsidy to Con- struction Fund	Miscell- aneous	Total
Navy Department proper	354,460	185,311														539,771
General Staff	480,891		97,391	287,455												768,286
Hydrographic Office	210,125		21,170	24,456							411,598					647,299
Technical Department	559,233		50,088	137,065	547	2,429,073										3,116,903
Aviation Department	217,755		13,342	24,375	324	187,910										443,706
Technical Research Laboratory	241,626		21,179	43,142	324	2,743,037										3,009,208
Yokosuka Naval Station and offices under its jurisdiction	386,789		491,302	213,756	212,316	22,694,671		599	300,625	160,850	10,723	19				24,661,789
Kure Naval Station and offices under its jurisdiction	392,657		222,606	210,504	161,822	2,510,723		480	224,007	128,331	2,912	12				3,263,532
Sasebo Naval Station and offices under its jurisdiction	272,827		222,070	204,227	161,299	11,242,121		277	222,242	174,040	11,004	28				12,244,548
Fleets, vessels and various corps	50,672,126		25,364,144	475,475	25,234,552	2,474,520	222,627	371,382	293,490	51,422,301		152,377				122,640,222
Navy Yards	2,221,227		191,027	222,101	13,345	45,244,454		20,263								24,782,717
Hospitals	471,622		24,341	22,340	220,227			222,212			10,422					714,201
Ships	1,272,392			227,209	722,022		22,272	12,272		22,122	1,222,272					2,222,272
Naval Court-martial Boards and prisons	221,222		11,222	22,122	12,222			1,222		1,222						236,222
Aides to Imperial Family, Board of Fleet Admirals, Admiral's War Council	127,222			2,222												129,222
Miscellaneous	1,122,222		21,222	22,122									1,122,222	2,222,222	22,222	2,222,222
Total	59,422,222		1,422,222	2,722,222	27,222,222	122,222,222	122,222,222	122,222,222	122,222,222	122,222,222	122,222,222	122,222,222	122,222,222	122,222,222	122,222,222	272,222,222
Miscellaneous															122,222,222	122,222,222
Grand total	59,760,222	122,222	1,422,222	2,722,222	27,222,222	122,222,222	122,222,222	122,222,222	122,222,222	122,222,222	122,222,222	122,222,222	122,222,222	122,222,222	122,222,222	272,222,222

NAVAL BUDGET 1957-58 - GRANT ACCOUNT, MILITARY EXPENSES: Expenses for pay, operating, maintenance and upkeep of Fleets, Squadrons, miscellaneous vessels and the various corps.

	Office expenses & repairs	Miscellaneous expenses	Food and clothing	Ship & Ordnance manufacture & repair	Local purchases	Stores of general supplies	Stores of special supplies	Operating expenses of Fleet	Miscellaneous expenses	Total
First Fleet	8,564,700	1,207,566	4,207,900	12,008	110,207	40,910	11,770,543	25,012	26,012,420	
Second Fleet	5,719,905	176,324	2,692,650	2,000	24,240	25,259	9,472,377	20,207	12,569,428	
Fourth Fleet	1,841,108	40,547	501,095	2,000	1,490	2,120	294,703	2,008	2,160,229	
Eleventh Division	779,654	40,920	198,291	50,000	1,945	8,757	2,242,225	2,422	2,490,297	
Training Squadron	1,222,264	66,000	377,114		2,624	4,121	170,066	2,261	2,145,740	
Training Vessels	2,297,222	77,144	1,020,925		9,081	26,215	3,202,240	9,727	7,590,015	
Guard vessels	4,270,222	129,244	2,494,120		19,227	20,290	4,062,720	14,426	12,922,262	
Surveying vessels	202,124	2,271	1,022,244		1,244	2,296	479,776	420	1,900,271	
Reserve vessels	7,272,421	120,242	4,242,012	2,000	20,220	20,227	2,272,120	24,110	12,620,222	
Miscellaneous vessels	922,424	20,420	224,710		2,412	4,722	4,222,127	1,222	5,222,222	
Mitsuru Minor Naval Station	277,772	22,224	22,272	172,222	742,212	2,244	2,122	66,222	142,242	1,222,222
Osaka Minor Naval Station	172,121	14,244	71,772	222,224	2,122	2,422	41,221	22,222	222,222	
Chinkai Minor Naval Station	222,421	12,277	22,127	222,222	2,422	2,422	27,272	22,222	222,222	
Saki Minor Naval Station	222,224	12,242	22,222	222,222	2,422	2,222	42,222	22,222	222,222	
Sy-Jun Minor Naval Station	222,222	22,212	22,222	222,222	1,272	1,212	124,222	112,222	222,222	
Yokosuka Naval Barracks	1,122,222	22,422	1,422,222		12,274	14,222		112,271	222,222	
Kure Naval Barracks	1,222,222	22,222	1,222,222		14,222	12,222		122,222	222,222	
Sasebo Naval Barracks	272,147	22,272	1,222,221		12,222	12,214		112,222	222,222	
Yokosuka Defense Corps	122,222	2,122	22,222		2,472	1,222		22,212	222,222	
Kure Defense Corps	142,122	2,272	22,224		2,722	1,222		22,222	222,222	
Sasebo Defense Corps	122,242	2,222	22,222		2,222	1,222		22,222	222,222	
Kanmiguire Naval Air Station	1,477,222	112,222	277,222	22,222	41,224	7,422		1,212,222	2,222	2,272,212
Yokosuka Naval Air Station	1,422,222	112,242	222,222	22,222	42,222	6,222		1,222,222	1,222	2,222,222
Yatsuyama Naval Air Station	222,222	22,222	222,222	22,222	27,222	4,222		222,222	1,222	2,222,222
Yokosuka Naval Air Station	222,222	24,212	244,017	2,222	11,242	1,222		222,222	222	222,222
Kure Naval Air Station	222,222	17,221	221,272	7,222	9,222	1,222		222,222	222	222,222
Osaka Naval Air Station	412,221	22,222	222,222	7,222	12,222	1,422		222,222	1,222	2,222,222
Kure Naval Air Station	272,244	22,422	272,222	2,222	11,244	1,422		272,222	222	272,222
Mitsuru Naval Air Station	27,272	2,224	41,222	2,222	2,722	222		24,224	222	222,222
Saki Naval Air Station	742,424	22,222	212,222	12,222	22,222	2,424		272,222	1,222	2,222,222
Sasebo Naval Air Station	427,222	41,422	212,222	11,222	12,412	1,222		222,222	1,222	2,222,222
Osaka Naval Air Station	722,422	24,122	222,222	12,222	21,242	2,122		222,222	222	2,222,222
Kure Naval Air Station	222,222	12,222	122,272	7,222	7,222	1,222		222,222	222	222,222
Chinkai Naval Air Station	27,272	2,212	42,221	2,222	2,722	222		22,222	222	222,222
Saki stations	272,214	12,272	142,222			2,722		222,222	222	2,222,222
TOTAL	50,272,122	22,222,224,472	22,222,222	2,474,222	222,222	272,222	222,422	21,222,222	222,222	122,222,222

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 otherwise, according to subject matter.

From NA/Tokyo Date April 21, 1937 Serial No. 109 File No. \_\_\_\_\_  
(Continues new series each January first) (Select proper number from O. N. I. Index)

Source of information Personal observation

Subject \_\_\_\_\_  
(Nation reported on) (Index title as per index sheet) (Subtitle)

Reference \_\_\_\_\_

**NOTE.**—(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.)

Report on Taiwan

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E.O. 11652, Sec. 5(E) and 5(D) or (E)

OSD letter, May 3, 1972

By RT, NARS Date MAY 21 1973

Report No. 109  
Japan  
April 21, 1937

Report on Taiwan

The following is a report submitted to the Naval Attache by Lieutenant H. E. Karrer, U.S. Navy, Language Officer, who spent the month of March 1937 in Taiwan for the purpose of acquiring additional knowledge of the Japanese language:

"I left Kobe, Japan, on 3 March 1937, aboard the steamship Yamato Maru for an unofficial inspection of Taiwan. Upon arriving at Keelung, Taiwan, on 6 March, I was carefully questioned by the water police as to my object in coming to Taiwan, and to my surprise, after having informed my questioner that I expected to spend some time in Takao, I was asked if I had my surveying equipment along. Would I not attempt a survey of Takao harbor? My previous Naval service includes two tours of hydrographic surveying, one in Alaska and one in the Canal Zone. I was warned not to go to Takao as I would find the gendarmes there too much of a nuisance for comfort. The above interview was in Japanese and I should say a rather joking atmosphere pervaded the questions and answers.

"I proceeded to Takao on 7 March and was met by the head of the foreign section of the metropolitan police and a gendarme. I explained where I wished to reside during my stay, the price I expected to pay, etc. They most kindly found for me exactly what I wanted, a Japanese Inn on the coast about a quarter of a mile from the entrance to the harbor. I was then left to my own devices with no directions as to where I could or could not go and no warnings as to cameras.

"Takao is the third city of Taiwan in size and from my observations and talks with residents, both Japanese and Chinese, there is every reason to believe that this area will in the near future be proclaimed a strategic area. During my stay of twelve days, work on the dredging of both the mouth and harbor proper continued apace. The two breakwaters outside the mouth of the harbor are also being extended and improved. Although nothing larger than perhaps an 8,000 ton merchantman was observed in the harbor during the period of observation, it is believed it can easily take 10,000 ton cruisers. The harbor comprises a huge water space, being probably 15 miles by one mile to one and a half miles wide; however, only a very small portion of this can be used. But, as stated above, this area is being extended as rapidly as possible. It is completely protected from the sea in every respect.

"Takao is only fifteen miles from Heity, the site of a huge army airplane field equipped with six large hangars and commodious permanent quarters for personnel; and about five miles from Hozan, the site of one of the largest wireless stations in the Empire. Photographs and sketches are strictly forbidden in both of these places, particular emphasis being laid on the sketching of airplane flights.

"An aluminum factory of considerable size has recently been constructed on the Eastern side of the harbor next to Takao proper. From certain things heard, it seems that a Naval seaplane base is contemplated on the Eastern side of the harbor. No definite information was ascertained, but it is known the site possesses all the qualifications for an ideal base. In addition, in the near future a large drydock is to be

constructed out of the long slip just inside the mouth of the harbor.

"I asked permission to go to Makō in the Hokoto (Pescadores) Islands, citing an official guide to Japan 1935 which states it can be seen by visitors on regular steamship routes. I was promptly refused this permission, and upon asking if accompanied by the military police would it be possible, was again turned down.

"In my ramblings one day about the countryside I discovered that I could not climb Mount Kotobuki, about one thousand feet high, which is a little over one mile west of the railroad station. It has a large road constructed up its side and, other than its utilization for fortifications of some nature, it has no possible use. It is known definitely that no fortifications were on this mountain one and a half years ago, but there is adequate reason to believe the existence at present or contemplated placement of fortifications in the future.

"Later I found out additionally I could not climb the eminence on which is a large lighthouse that guards the mouth of the harbor on the righthand side, making the harbor. Photographs or sketching of the coast line or mountain contours in the vicinity of Takao is strictly forbidden. I was informed that the coast line is constantly being swept by telescopes to discover any possible offender.

"During my stay in Takao an anti-air raid practice was held which was an all-Taiwan maneuver. On this occasion I was confined to my hotel by a representative from the metropolitan police and one from the military police.

"The Japanese Fleet visits Takao twice yearly. At these times many of the smaller ships anchor or tie up at the dock inside, with the rest of the force anchoring outside the breakwaters. The British and French during the past years have been sending warships to Takao and the Takao authorities questioned me as to why the American Navy sends no ships there.

"Takao is a city of some 100,000 inhabitants, having wide well paved streets, much more modern in appearance than the average town of that size on the main islands. There are large modern theaters showing foreign films, large parks and other amusements.

"From Takao I traveled to Garambi, the southernmost tip of the Empire. Enroute off Kōshun a cruiser and four destroyers were observed anchored. An official accompanied me at all times on this trip, as was the case everywhere on the western side of the island. However, on the eastern side, where a good part of the coast ends in lofty cliffs and where there are not many harbors available, certainly not for Naval use, I went where I wished, never accompanied nor even accosted by the police, metropolitan or military. It is here that most of the aborigenes dwell. On my sojourns in the interior it was observed that the aborigenes all, with the exception of the very old, speak Japanese, that they have been taught to rise, no matter what they may be doing, take off their hats and say goodbay. They talked to me freely and were exceedingly friendly.

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"Upon my return to Taihoku, the capitol, it was made known to me through the American Consulate that the Government would like to have me call upon it. Accompanied by the American Consul, Mr. Rowe, I proceeded to the Governor General's office where I was introduced to the Governor General, Admiral Kobyashi, and his various Aides. I was then invited to a sumptuous dinner in my honor where every courtesy and kindness was extended to me.

"During my entire stay on the island, I felt that a special attempt was being made to make my trip as comfortable as possible, and as free from annoyance as possible. This undoubtedly had some connection with the Keelung incident which it is quite clear the Japanese in Taiwan greatly regret and of which they certainly do not wish to have a repetition.

"The day before I sailed for Japan proper, the following article was noted in the Japanese newspaper in Taihoku. The first part of the article deals with a German professor who had come to Taiwan to "spend some time with his German friend in Takao (the only foreigner living in Takao at present) to recuperate his health". The article then proceeds as follows:

"In passing, it is rumored that one of the outstanding phenomena recently observed is the increase of foreigners and observers coming from Japan proper going to the Takao area. Mr. Torrach (the German in question) is living in Kyoto but insists, strangely enough, that Taiwan is quieter than Kyoto for recuperation. From the standpoint of national defense, the authorities in that area are convinced a suitable study of the situation is demanded to cope with these sightseeing foreigners who apparently wish to visit only places that have military or naval significance."

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## ATTACHÉ'S REPORT O-1-K/12073-J

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From NA/Tokyo Date April 30 1937 Serial No. 121 File No. 407-500

Source of information \_\_\_\_\_  
(Commence new series each January first) (Select proper number from O. N. I. Index)

Subject Japan Industrial - Minerals - Iron and Steel  
(Nation reported on) (Index title as per index sheet) (Subtitle)

Reference \_\_\_\_\_

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Iron and Steel Shortage in Japan

DECLASSIFIED

E.O. 11652, Sec. 5(E) and 5(D) or 6

OSD letter, May 3, 1972

By RT, NAME Date MAY 21 1973

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Report No. 121  
Japan  
April 30, 1937

400 - Industrial  
407 - Minerals  
500 - Iron and Steel

Iron and Steel Shortage in Japan

At the end of March due to the prevailing munitions boom, quotations on iron and steel materials reported new highs since the World War because of the shortage of supply and high prices of raw materials. The authorities of the Commerce Ministry estimate that Japan's iron ore demand will continue to rise reaching 9,270,000 tons or 5,670,000 tons in excess of domestic production in 1941.

Unit-- 1,000 tons.

	<u>1936</u>	<u>1941</u>
Production	1,447	3,600
Japan proper	577	1,400
Korea	560	1,500
Sulphate of Iron	220	700
Import	3,828	5,670
Export	0	0

To facilitate increase in imports of iron and steel materials the Government on 15 April promulgated an emergency material ordinance for the removal of import duties for one year on these materials. Moreover, there is to be a relaxing of the Imports-Exchange Control Law application to iron and steel imports. It is believed that this ordinance will not alleviate the shortage even in the near future. The sharp rise in price of export iron and steel material at the principal supplying sources under the impetus of world wide dearth is developing into an actual export ban and is likely to nullify the efforts of the Government's decree. Should the price of iron and steel continue soaring the Government is reputedly ready to enforce a check on speculative action through the issuance of an anti-profiteering decree.

Difficulty of obtaining Soviet pig imports and scarcity of export pig for Japan in India are the motivating factors behind the Japanese Iron Manufacturing Company's contract for about 400,000 tons in the American market. Contracts have also been made for imports of foreign scrap corresponding to the 1936 volume of 1,500,000 tons. The 1937 scrap imports will undoubtedly considerably exceed that amount. Of the 350,000 metric tons of semi-finished materials (including 200,000 metric tons from Manchukuo) required this year, contracts for only 30,000 tons have so far been concluded in the United States.

The rising price of steel has seriously crippled the public works plans of the Government and the building industry. Of the 12,000,000 yen for Public Works in the 1937-38 Budget, 4,000,000 yen was ear-marked for iron and steel, but since these prices have advanced 150%, many of the projects have had to be abandoned (Communications Ministry building, home for the Cabinet, Cabinet Printing building, post offices, etc.). The Cabinet Ministers have agreed to consider as sacred only the National Defense projects and the public is asked to start no enterprises that require iron and steel unless absolutely necessary.

It is not surprising then that the Osaka Chamber of Commerce and Industry was recently forced to decline orders for railroad construction material from Brazil involving 10,000,000 yen.

Due to falling local supply of iron and steel, the Manchukuo Government is expected to promulgate in the near future a decree restricting iron export from Manchuria to Japan. This ordinance will exclude the 200,000 metric tons of pig iron and steel materials being supplied Japan proper by the Japan-Manchukuo Trade Company.

News from America is far from reassuring to the metal buyers in Japan, scrap-iron skyrocketing on the market and leaders in the United States Steel circles campaigning for a restriction of scrap exports. Were such a restriction placed in effect it would seriously affect the Japanese market and lead to a violent price rise in steel ingots and steel materials indispensable to the completion of the Armament program.

The Asahi reported that upon the promulgation of the emergency Imperial Ordinance for exemption of iron and steel tariff, the Ministry of Commerce and Industry would invoke Article 1 of the Resources Investigation Law and issue a ministerial decree strengthening supervisory regulations over iron and steel industrialists, merchants and agents, ordering them, as a speculative deterrent, to submit monthly reports of their iron production, exports, imports, purchases, sales, amounts, values, etc. Toward this end the Iron and Steel Conference Board formed the Japan Iron and Steel Joint Sales Association to take charge of productions, imports, exports, price-fixing and liason with other non-members' bodies. This association will be divided into joint sales unions for the distribution and sale of different iron and steel categories, these sales unions in turn to specify certain wholesalers who will accordingly be organized to maintain price control and distribution areas. Thus, the Government will seek to control the iron and steel industry through ministerial decree and "proper" application of the Import-Exchange Control Law as a club at the head of recalcitrant operators.



Report No. 124  
 Japan  
 April 30, 1937

400 - Industrial  
 401 - General

Industrial Expansion

Industrial production activities in Japan have made a remarkable expansion in recent years because of the increase in the national budget centered upon a giant national defense expenditure and the industrial production expansion scheme involved in the national defense policy.

The industrial production capacity of Japan as at the end of 1936 made more than a 60 per cent increase as compared with that in 1930, directly preceding the Manchurian Incident. This rate of expansion in Japan far exceeds that in leading Powers such as the United States, Great Britain, France, Germany.

The industrial production situation since 1930 is shown below on the basis of figures compiled by the Mitsubishi Economic Research Bureau:

Index of Industrial Production of 26 Principal Industrial Manufactures.

1930	100.0
1931	102.4
1932	107.9
1933	124.1
1934	135.0
1935	150.4
1936	161.3

Production Index by Industries

<u>Year</u>	<u>Industrial Production</u>	<u>Mining Production</u>	<u>Production Goods</u>	<u>Consumption Goods</u>
1930	100.0	100.0	100.0	100.0
1931	104.5	91.4	102.6	102.1
1932	111.1	90.9	107.6	109.3
1933	128.5	101.0	125.2	123.0
1934	139.9	109.8	141.7	127.5
1935	156.5	118.3	159.4	139.8
1936	167.0	132.4	206.3	147.9

The increase of the industrial production capacity of Japan is compared with that of the principal countries on the basis of the figures by the League of Nations as shown below:

Expansion of Industrial Production Capacity (1929 as 100)

Index of Expansion of Industrial Production Capacity (1929 as 100)

<u>Countries</u>	<u>1932</u>	<u>1934</u>	<u>1935</u>	<u>1936</u>
* Japan	97.8	128.7	141.8	148.2
**England	83.8	98.8	105.7	141.1
America	53.8	66.4	75.6	88.1
France	68.8	71.0	67.4	70.6
Germany	53.3	79.8	94.0	106.1

\* Average of index of 1936 for first ten months, January to October.

\*\* Average of index of 1936 for first nine months, January to September.

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From NA/Tokyo Date May 28, 1937 Serial No. 149 File No. 902-100

Source of information \_\_\_\_\_  
(Indicate source as per instructions) (Select proper number from O. M. I. Index)

Subject Japan Navy Policy - Basic Naval Policy  
(Indicate source as per instructions) (Indicate title as per instructions)

Reference \_\_\_\_\_

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Third Replenishment Program

NAVAL INTELLIGENCE  
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DECLASSIFIED  
E.O. 11652, Sec. 3(E) and 5(D) or (2)  
OED letter, May 3, 1972  
By RT, NAMS Date MAY 21 1973

13

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Report No. 149  
Japan  
May 22, 1937

900 - Navy  
902 - Policy  
100 - Basic Naval Policy

Third Replenishment Program

Mr. Hugh Byas, correspondent for the London and New York Times, informed me on May 20th that he had submitted a list of questions to Admiral Yonai, Navy Minister, which had been answered that morning. The following was the account of the interview Mr. Byas cabled to his two papers:

"Assurances that 'the Japanese Navy contemplates no armament programs whatever that might menace other countries', and an authoritative denial of reports that Japan proposes to construct huge ships with guns of larger calibre than 16 inches were given to this correspondent today by Admiral Yonai, Minister of the Navy.

"Admiral Yonai's statements were given in writing ( in Japanese) in answer to a questionnaire, and the translation has been checked by Captain Kondo, A. D. C.

Q. Does the new English building program affect Japan's security?

A. The Japanese Navy does not as yet know the full details of the new British construction program and we have not so far considered concretely what effect the British program may have upon Japan's security.

Q. Is Japan willing to enter into agreements for the exchange of building information as a means of preventing a naval race?

A. The matter is under consideration and it is at present impossible to answer this question.

Q. According to press reports, the Washington Government will adhere to the Washington and London treaty limits irrespective of the British program. If the U.S. sticks to the Washington limits, will Japan do the same? If the answer is 'Yes' does it mean that the new Japanese capital ships will be 35,000 tons mounting 16-inch guns, and that Japan will as a voluntary measure observe the "holiday" in building "A" class cruisers?

A. The Japanese Navy declares without reserve that it contemplates no armament programs whatever that might menace other countries. The Navy adheres to the fundamental principle of non-menace and non-aggression. At present nothing can be said regarding the plans for new capital ships or about the "holiday" in the building of "A" class cruisers.

Q. It is reported in the foreign press that Japan refused the British proposal for limitation of capital ship gun calibres because she contemplates building larger ships than the "treaty" type with larger guns than 16 inches. Can you authorize me to deny this report, or to give reasons why it should not be credited?

A. It is known already that during the Disarmament Conference, Japan, laying down the principle of non-menace and non-aggression, proposed a large-scale curtailment of offensive arms (including limitation of gun calibres). Japan did not join, however, in the limitation of gun calibres because she believes that the aims of disarmament cannot be attained by the qualitative limitation that is not accompanied by quantitative limitation. Those press reports are sheer speculation with no foundation whatever and the Japanese Navy is prepared to deny them.

Q. Press statements here about the "southward policy" and references in the Diet have caused some alarm abroad. Could you explain the "Southward" policy and why the Navy is specially interested in it? Does it include, for example, proposals for leasing territories for exploitation or colonization by Japanese nationals?

A. Although the answer to this question does not come within the sphere of the Navy, it must be pointed out that geographically and economically the South Seas region is very closely related to Japan. It is a natural consequence that Japan should be considerably interested in economic developments in that region. It is much to be regretted that some people should propagate the false impression that the Japanese Navy has any aggressive ambitions in the South Seas.

Q. Japan's naval expenditure in 1931 was 227 million yen and is now 681 million. The reasons for this increase are not well understood abroad, and it would be useful if you could briefly explain them.

A. The increase in naval expenditures is a world-wide tendency in recent years, and the question does not concern Japan alone."

COMMENT

The above is the first definite announcement by the Navy Department of the size and gun calibers of the two capital ships Japan is believed to be laying down. While it is of a negative nature, the Navy Department goes on record as denying current press reports of huge ships carrying guns larger than sixteen inches. The opinion is gaining ground in Tokyo that Japan does not contemplate construction of capital ships of a size greatly in excess of present types nor mounting guns larger than those now installed. (Restriction imposed on Naval Attache's visits to Kure and Yokosuka leads him to believe that important Naval construction is either under way or contemplated at those places.)

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**ATTACHE'S REPORT**

15594-A  
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From NA/Tokyo Date July 21, 1937 Serial No. 201 File No. 1000

Source of information \_\_\_\_\_  
(Complete new entries each January first) (Indicate primary number from O. N. I. Index)

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

Reference \_\_\_\_\_

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Expansion of Aircraft Manufacturing Industry



DECLASSIFIED

E.O. 11652, Sec. 3(E) and 5(D) or (E)

OSD letter, May 3, 1972

**MAY 21 1973**

By RT, MARS Date \_\_\_\_\_

14

Expansion of Aircraft Manufacturing Industry

The gradually increasing demands for aircraft equipment in Japan have been met in the past by the normal expansion of established manufacturing companies. Aside from this expansion, there has been a reasonable development of building technique and ability to produce an increasing percentage of aircraft and engine components. Relying largely on foreign licenses, however, the art has always remained several years behind that of foreign powers. This normal and logical expansion was gradually reducing the marked gap between the quality and quantity of aircraft production in Japan and abroad.

This desirable condition was upset by the great increase in the aviation budgets of the Army and Navy last year and the prospect of continuing increases when it became apparent that Japan had fallen in line with other major powers in greatly augmenting her air forces. This not only necessitated a marked acceleration of production by established firms but suggested to varied financial and industrial interests a continuing and increasing source of Government expenditure which they might profitably tap. The result has been a relatively sound program of expansion on the part of the older aircraft companies, paralleled by a veritable deluge of proposals for new concerns. Enclosure (A) shows the current status of the active plane and engine manufacturers; enclosure (B) lists the newly proposed firms.

It is apparent from a review of enclosure (B) that if it were possible for all these plants to produce as anticipated by their founders, the manufacturing capacity of the country would very greatly exceed reasonable market demands for years to come. Beyond this, however, is the manifest impossibility of accomplishing such a program in any such specialized activity as that of aircraft manufacture except by the wholesale acquisition of foreign personnel, material and ideas, in all of which Japan is lacking at present. Without such foreign assistance the net result would only be that the new entries in the manufacturing field would be capable only of the production of obsolescent and poor grade material.

Interested Government agencies, the Army, Navy and Department of Communications, have recognized this possible unhealthy development of the industry and proposed prompt remedial measures. They have pointed out the dangers of a reckless expansion with an unsound technical background, the difficulty of obtaining skilled labor except by weaning them away from existing companies, the lack of machine tools and other manufacturing equipment and the inability to acquire foreign patent rights together with a dearth of local inventive ability. Further, as a warning to promiscuous expansion, the observation has been made that practically all business will emanate from the Government and that orders will only be given to companies which meet the basic requirements for efficient aircraft and engine production. As a definite means of gaining proper supervision over the industry, the Government intends to introduce an Aircraft Industry Control Law at the forthcoming Diet session, incorporating provisions which should greatly restrict unwarranted aviation firms.

An obvious weakness on the technical side of aviation has been the lack of research organs comparable to those abroad and this has become of critical importance to the entire industry with the current expansion and increasing complexity of modern aviation problems. A movement is now on foot, sponsored by the Navy, for the

establishment of a centralized aeronautical institute to replace the numerous small and ineffective organizations of this type now existing.

COMMENT

Major increases in the military aviation budgets have naturally resulted in measures for expansion, generally sound in the case of existing firms and undoubtedly warranting some new entries into the manufacturing field. However, proposals for the latter have far exceeded the legitimate demand and are beyond the actual capacity of the country. The Government has accordingly been forced to initiate a restrictive control to prevent such an unfavorable development.

It is true that Japan has reached a point in building technique where it is not so completely dependent upon foreign aid as in the past, but with the current expansion and greatly accelerated development, the aviation industry must continue to rely on foreign help to a large extent through acquired licenses and copied practices and in the employment of foreign advisers. The latter may be expected in largely increasing numbers to meet the current growing demands.

Japan does not intend to be left behind in the present-day race for aerial armaments. The Government and the mass of the people have been thoroughly educated up to this as a primary essential of military force. A natural inaptitude in this field will always keep them somewhat behind the more progressive occidental countries, but the difference will steadily decrease as the limits of material and of performance are more closely approached.

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Report No. 216.  
Japan.  
August 5, 1937.

900 - Navy.  
905 - Personnel.  
~~100 - Miscellaneous~~

Japanese Navy Personnel Figures.

References: (a) This office report No. 220-35.  
(b) " " " " 234-36.  
(c) " " " " 229-36.  
(d) " " " " 234-36.  
(e) " " " " 210-37.

The Japanese Navy personnel figures for 1937 is submitted in reference (e). The data furnished by the Japanese Navy Department under (F) "Number of Officers and Men assigned to various classes of ships" is in less detail than that furnished in previous years, this years figures give the total number of personnel on duty on ships of each class, whereas in previous years this information was divided into first and second line ships and further subdivided into active and reserve.

References (b) and (d) itemized those figures which were identical in the personnel data which were submitted by this office for 1935 and 1936 (references (a) and (c)). This years data (reference (e)) was compared with last years figures (reference (c)) with the following observations:

(K) Number of Officers and Men attached to Naval Aviation.

The figures given for the following are identical in both reports:

	<u>Ashore</u>	<u>Afloat</u>
Naval Aircraft Factory	46	
Naval Air stations - operating force	6970	
Four (4) aircraft carriers		4090
Two (2) seaplane carriers		539
Total		4629

Since submitting personnel data for 1936 one naval air station (Chinkai) has been placed in commission and the number of personnel has been increased at some of the other air stations. In view of this it would seem logical to expect an increase in the item "Naval Air Stations - operating force" over that of 1936.

(F) Number of Officers and Men assigned to various classes of ships.

1 Battleship, training	435
4 Aircraft carriers	4090
2 seaplane carriers	539
6 Mine layers	2349
1 Ice breaker	101
3 special training ships	596
staff personnel afloat	810

(G) Number of Officers and Men assigned to shore stations.

Naval Stations	67
Minor Naval stations	685
Naval Barracks - operating force	2347
Naval Defense Corps	2560
Harbor Offices	319
Navy Yards	408
Ship Upkeep Offices	54
Civil Engineering Offices	3
Naval Supply Depots	144
Accounting Offices	21
Naval schools & colleges-operating force	2138
Naval Hospitals - under instruction	80

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As has been pointed out in previous years personnel data reports the large number of identical items in the above tables indicates that a constant allowance has been submitted instead of actual complements.

A translation of the personnel data as supplied by the Japanese Navy Department is attached (original report only) in order to show the lack of detail in their data. The budget figures supplied by them was taken from the 1936-37 budget and therefore quite useless for our purpose. Data necessary to complete reference (e) under budget figures was obtained from this office translation of the Japanese Navy Budget for 1937-38.

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ATTACHE'S REPORT

17242-E  
A-1-u

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From NA/TOKYO Date AUGUST 6, 1937 Serial No. 819 File No. 1002-400

Source of information \_\_\_\_\_ (Complete new series each January first) (Select proper number from O. N. I. Index)

Subject Japan Aviation - Organization - Stations  
(Station reported on) (Index title as per Index sheet) (Subsidiary)

Reference

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[REDACTED]

Naval Aviation Shore Establishment - Expansion Program

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AUG 24 1937

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E.O. 11652, Sec. 9(E) and 5(D) or (B)

OSD letter, May 3, 1972

By RT, NANS Dat MAY 21 1973

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Yench. Div.	C. N. C. U. S. A.	Com. Int. Fin.	Com. Sea. For.	C. in C. Asia	Com. S. S. S.	Com. Ab.	Attached at	Operations			State	Com. - mence	Refers to Bureau No.						
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Report No. 219  
Japan  
August 6, 1937

1000 - Aviation  
1002 - Organization  
400 - Stations

Naval Aviation Shore Establishment - Expansion Program

The greatly increased budget for Naval Aviation in the past few years and the prospective further increases in years to come draws particular attention to the shore establishment of Naval Aviation since it is here that these increases will principally occur. Ship-based and carrier-based aircraft are necessarily limited by the numbers of naval vessels and these have already been supplied with aircraft to their approximate capacity. Tenders for patrol types are similarly lacking and no important program of big boat construction has been suggested as being under consideration. On the contrary, both by reason of recent production contracts and the opening of new air stations it is apparent that the Japanese Navy has settled on a plan of expansion which will result in her principal air strength operating from fixed shore bases for some years to come.

History:

Naval Aviation had its start in Japan in 1911 when officer personnel was sent abroad for pilot training; foreign airplanes were purchased; and a flying station was established at Oppama. Development was very slow until approximately the end of the war (1918) when provisions were first made for the opening of additional air stations and the inauguration of a definite expansion program.

A reorganization of the Naval Aviation Corps took place in 1921 at which time also a large British mission was brought to this country to conduct training in piloting and maintenance. By 1923, the Navy had a total of ten shore-based squadrons, primarily engaged in training activity. In 1926, a program was adopted to extend over a period of five years which provided a total of seventeen squadrons. A Bureau of Aeronautics was set up in 1927.

In 1931, and 1932, the First and Second Naval Replenishment Plans were adopted and these programs are just now coming to fulfillment.

The following summarizes the various elements of the several expansion programs which have resulted in a total of 39 shore-based squadrons by the end of the year 1937:

First Program, completed 1923	10 squadrons
1926 Program, completed 1931	7 squadrons
First Replenishment Plan, 1931, completed 1936	14 squadrons
Second Replenishment Plan, 1932, completed 1937	8 squadrons
TOTAL	39 squadrons

Present Shore Establishment:

There are now in operation two training stations and ten coast defense air stations, brief details of which follow. There are approximately one thousand airplanes both operating and reserve and including training types required to meet this complement.

Yokosuka Naval Air Station: (formerly known as Oppama Naval Air Station). Established in 1911. Primary purpose - advanced pilot training; secondary - flight testing.

Present complement five squadrons, training and service types, land and seaplanes, to be increased to seven squadrons by end of 1937.

Kasumigaura Naval Air Station: (Includes adjacent auxiliary fields at Tomobe and Yatabe). Established about 1920, but present station not fully operating until 1925. This is the only primary training school for both pilots and observers.

Complement seven and a half squadrons, training and composite, land and seaplanes.

Kure Naval Air Station: (Formerly Hiro Naval Air Station). Present station was only commissioned in 1935, but the original Hiro Aviation Corps was probably established about 1920 or 1921. This is primarily a coast defense unit.

Complement is two squadrons; one of scouting seaplanes and one of torpedo bombing landplanes.

Sasebo Naval Air Station: Completed about 1921. A coast defense station, operating seaplanes only.

Complement two seaplane squadrons, one each of reconnaissance (VS) and patrol types.

Omura Naval Air Station: Founded in 1923 and completed in 1925. Primary mission is coast defense, operating landplanes. Has limited seaplane facilities.

Complement one squadron of landplane fighters and one and a half squadrons of landplane dive bombers.

Tateyama Naval Air Station: Commissioned in 1930, as a coast defense unit.

Present complement is one squadron of landplane fighters, one and a half squadrons of landplane torpedo-bombers, one half squadron of scouting seaplanes and one squadron of patrol planes. Increases, to be completed by the end of 1937, will bring the total to five and one half squadrons.

Saeki Naval Air Station: (Includes auxiliary field at Tomitaka). A coast defense station commissioned in 1934. Important as a shore operating base for carrier aircraft.

Operating complement is three squadrons, one each of landplane fighters and dive bombers, and one squadron of patrol seaplanes, total to be increased by one half squadron during the current year.

Ominato Naval Air Station: Placed in commission in 1934; a coast defense unit.

Complement is one half squadron of landplane fighters and one half squadron of scouting seaplanes, to be increased to a total of one and one half squadrons.

Maizuru Naval Air Station: (Formerly Kunda Naval Air Station). Commissioned in 1935, the only defense squadron on the Japan Sea coast.

Complement is one half squadron of reconnaissance (VS) seaplanes.

Ohinkai Naval Air Station: Commissioned in 1936. Mission is coast defense. Only seaplanes can be operated.

Complement is one half squadron of reconnaissance (VS) seaplanes.

Kanoya Naval Air Station: Commissioned in 1936 as a coast defense force, but also providing important base facilities for carrier aircraft. Only landplanes can be operated.

Present complement is one squadron of single seat fighters and one and one half squadron of heavy landplane torpedo-bombers.

Kisarazu Naval Air Station: Commissioned in 1936, providing landplane facilities only for defense units.

Complement is now one squadron of heavy landplane torpedo-bombers, shortly to be increased to one and one half squadrons.

Yokohama Naval Air Station: Commissioned in 1936, operating seaplanes only.

Initial complement was one squadron of patrol planes, to be increased to two squadrons by the end of the year.

Supporting the above, and completing the major shore activities of naval aviation, are the following establishments, the functions of which will be apparent:

Yokosuka Naval Aircraft Factory and Experimental Laboratory.

Hiro Naval Aircraft Factory.

Sasebo Aircraft Repair Depot.

Kanoya Branch of Sasebo Repair Depot.

#### Third Replenishment Plan - 1937:

Beginning with the current year a further expansion program has been adopted which calls for an increase to about fifty squadrons (increase of eleven) over a period of five or six years with a resulting total of about 1,300 planes. This is to be effective not only for operating units but is to include additional training facilities, possibly including new bases for this purpose. In the immediate future it is expected that work will be commenced on at least three coast defense stations, these to be located probably at (1) Bako (Pescadores Islands); (2) Ryojun (Port Arthur); and (3) an additional station on the Japan Sea coast. Mention has been made that additional stations or bases are being considered at Wakayama, on the Kii Channel at the entrance to Osaka Bay, and at some location in Karafuto (Sakhalin).

#### COMMENT:

The accompanying sketch giving the locations of the stations referred to above will suggest at once that Japan's Naval Aviation is rapidly diverging from its naturally assumed status as an auxiliary of

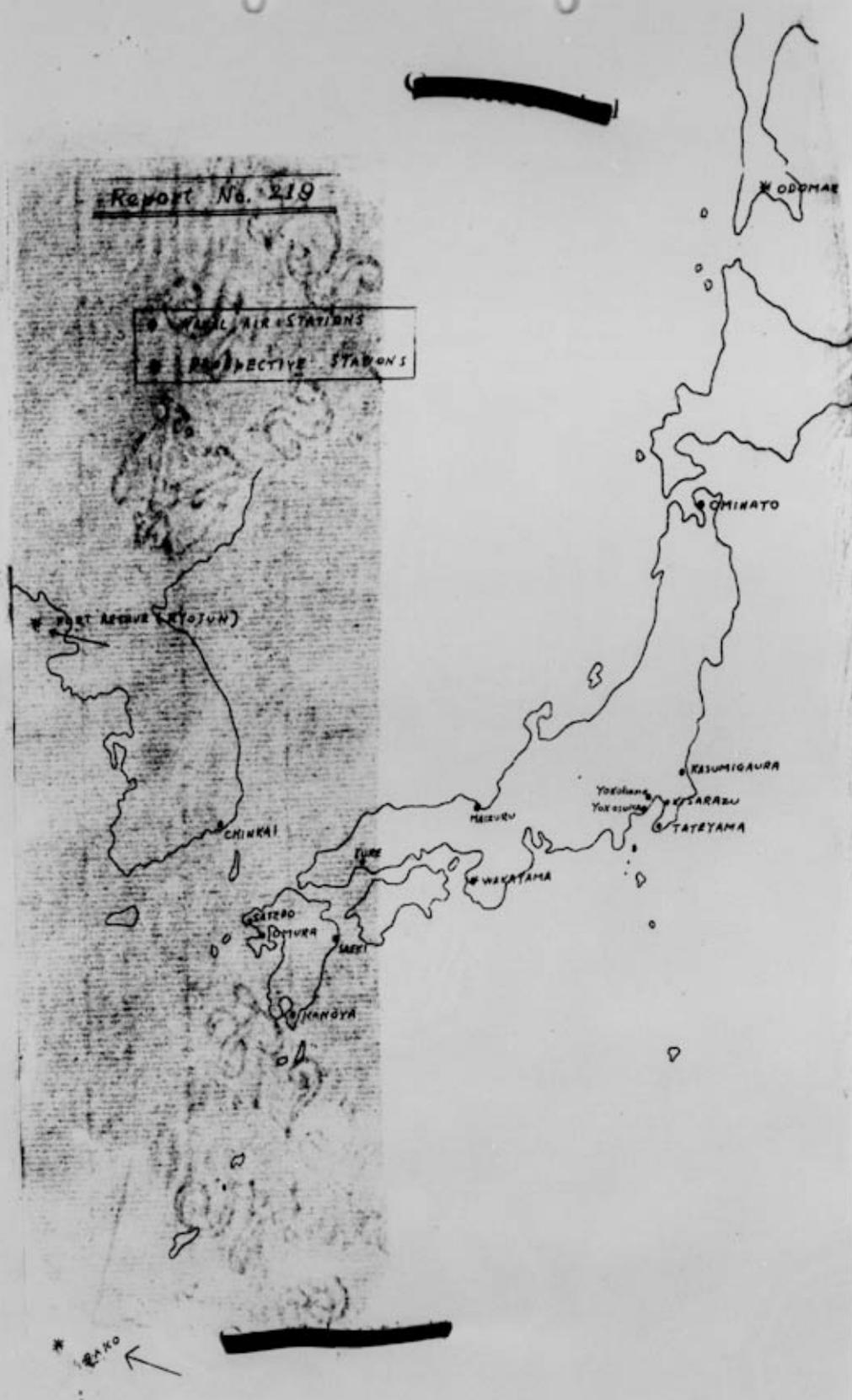
the Fleet. It has in fact become an independent striking and defense force paralleling the development of Army Aviation. This is particularly illustrated by the recent concentration on landplane heavy bombers. The situation might perhaps well be compared to that existing in our own service when the responsibility for coast defense was definitely transferred to the Army with the result that the Navy was forced to the adoption of a patrol plane program in which the squadrons were not permitted to be attached to fixed shore bases. In Japan, on the other hand, it is probable that the Navy, responsible for coast defense, will presumably employ its landplane squadrons purely in a defensive capacity against sea forces whereas the Army units will retain the responsibility for offensive action on the Asiatic mainland.

The line of expansion now being followed by the Navy's air force tends certainly toward a unification of the air power of Japan. It may well be expected that the current and prospective increases in shore establishments will be put forward as an important basis for such a reorganization when the subject of a unified air force is again brought up for discussion.

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Report No. 219

WALL AIR STATIONS  
RESPECTIVE STATIONS



152

\* SAHO ←

*Japan*

1002-200

AMERICAN EMBASSY  
OFFICE OF THE NAVAL ATTACHE  
TOKYO, JAPAN

[Redacted]  
No. 235-37

August 30, 1937

*B-1*

From: Naval Attache.  
To: Director of Naval Intelligence.  
Subject: Aviation Statistical Summary, 1 July 1937.  
References: (a.) NA/Tokyo Report No. 147-37  
(b.) NA/Tokyo Report No. 305-36  
Enclosure: (A.) MID-ONI joint form in triplicate.

*AN/EF*

1. Subject report is forwarded herewith. Contrary to instructions accompanying the form, it has been impracticable to prepare it in conjunction with the office of the Military Attache.

2. Various explanatory comment is necessary for the understanding of such a report as this when covering Japan. The new form is very extensive and includes a great variety of information which is unobtainable in this country. While the Office of Naval Intelligence is fully aware of the secrecy applied to all aviation matters, this statement is merely made in order that others to whom the report may be submitted will appreciate this situation, which accounts for the paucity of data in many instances. Specific reference in this regard is made to the following:

Form A, Number of Planes.

This office, in reference (a), reported on the Japanese Naval practice of storing large numbers of aircraft of service and obsolescent types. It has been impossible to establish either the quantity or the types involved. As a rough estimate, however, it is believed that in numbers the planes so stored at least equal the operating complement. Thus, the figures given in this form will be widely at variance with the actual total of planes that the Japanese Navy could put into the air in time of emergency. Finally, as to future production (contracts placed or in prospect), one is unable to obtain the slightest information.

Register No. 21554-A  
OFFICE OF NAVAL INTELLIGENCE

DECLASSIFIED

E.O. 11652, Sec. 3(E) and 5(D) or (F)

OSD letter, May 8, 1972

By RT, NASS Date MAY 21 1973

DECLASSIFIED  
E.O. 11652, Sec. 3(E) and 5(D) or (F)  
OSD letter, May 8, 1972

13

Subject: Aviation Statistical Summary, 1 July 1937.

Form B, Number of Squadrons.

The organization of ship-based planes (carriers, battleships and cruisers, and tenders) is unknown. An arbitrary squadron strength has been adopted corresponding approximately to that of shore-based units in the compilation of this form. Normal organization of shore-based units for tactical purposes is a squadron of twelve planes each, except in patrol squadrons where the operating strength is about six machines. In all squadrons, however, an excess of pilot personnel is maintained sufficient to put all available machines in the air.

Form C, Characteristics.

In reference (b), the known characteristics of all service types of aircraft were submitted. Subject form is therefore based largely on that same information, which is very limited in extent.

Form F, Ship-based Airplanes.

Fairly reliable information has been available on this subject except with reference to squadron organization and the method of employing reserve or spare planes.

3. The Annual Digest called for by basic instructions will be forwarded at a later date.

Register No. 2154-A  
 OFFICE OF NAVAL INTELLIGENCE

M.I.D. - O.N.I. JOINT FORM  
 TO BE SUBMITTED  
 ANNUALLY ON 1 SEPT.  
 DATA AS OF 1 JULY 1937

**AVIATION STATISTICS - FORM G**  
**SYMBOLS FOR USE ON FORMS A, B, C & F**  
 TO ACCOMPANY FORM <sup>A</sup><sub>a</sub> SECTION SHEET <sup>B</sup><sub>c</sub>

~~CONFIDENTIAL~~

NATION JAPAN  
 OFFICE RA/TOKYO  
 DATE August 30, 1937

CONSTRUCTION TYPE OF	HIGH-LIFT DEVICES (CONT.)	POWER PLANT (CONT.)	TAKE-OFF & LANDING CHARACTERISTICS	
AIL -AILERONS	SPLR.- SPOILERS	ENGINE LOCATION CONT.	E - EXCELLENT	
AL -ALLOY	LANDING GEAR	F - FUSELAGE	G - GOOD	1a FITR
CON.SUR - CONTROL SURFACES	F - FIXED	IW - IN WINGS	P - POOR	
FAB - FABRIC COVERED	R.F. - RETRACTABLE IN FUSELAGE	IGNITION	TYPES:	2a Type 90
FUS - FUSELAGE	RN. - RETRACTABLE IN ENGINE NACELLE	D. - DIESEL OR OTHER COMPRESS- ION IGNITION	ATCK - ATTACK	
GEO. - GEODETIC	RW - RETRACTABLE IN WING	PROPPELLERS:	FITR - FIGHTER	3a " 95
HOR.S - HORIZONTAL STABILIZER	LAUNCHING AND PICK-UP	A. - PITCH ADJUSTABLE ON GROUND	HEBM.L.R. - LONG RANGE, HEAVY BOMBING	4a " 96
RUD. - RUDDER	AG. - ARRESTING GEAR	AUT. - AUTOMATIC OR CONSTANT SPEED	HEBM.M.R. - MEDIUM RANGE, HEAVY BOMBING	5a
S.S. - STRESSED SKIN (MONOCOQUE)	C.LAND - CATAPULT LAUNCHED LAND- PLANE	C. - CONTROLLABLE PITCH	LIBM - LIGHT BOMBING	
ST - STEEL	C.SEA. - CATAPULT LAUNCHED SEA- PLANE	D.D. - DIRECT DRIVE	MISC. - MISCELLANEOUS	6a ObsN
TUB - TUBULAR	PF. - PICKUP FITTINGS	F. - FIXED BLADE	OBSN - OBSERVATION	
VERT.S - VERTICAL STABILIZER	PH. - PICKUP HOOKS	4 - 4-BLADED	PTRL - PATROL	7a Type 90-2
WING - WINGS	MISCELLANEOUS EQUIPMENT	HM - HOLLOW METAL	TORR - TORPEDO	
WO. - WOOD	APP - AUXILIARY POWER PLANT	M - SOLID METAL	TRNG - TRAINING	8a " 94
GENERAL DESIGN - AIRPLANE	B - BUNKS	MAN - MANUAL CONTROL		9a " 95
AMPH - AMPHIBIAN	CR - CHART ROOM	3 - 3-BLADED		10a
B - BIPLANE	FG - FLOTATION GEAR	2 - 2-BLADED		
BOAT - FLYING BOAT	G - GALLEY	W - WOOD		
CONVT. - CONVT. LAND OR SEAPLANE	NAVIGATION EQUIPMENT	STARTER		11a LIBM
LAND - LANDPLANE	AP - AUTOMATIC PILOT	A - COMPRESSED AIR		12a Type 94
M. - MONOPLANE	GC. - GYRO COMPASS	C - CARTRIDGE		13a " 96
P - PUSHER	GH. - GYRO-HORIZON	I - INERTIA		14a
SEA. - SEAPLANE	HD. - HOMING DEVICE	IE - INERTIA ELECTRIC		15a HEBM (MR)
T. - TRACTOR	ILE. - INSTRUMENT LANDING EQUIP	N - NONE		16a Type 89
GUNS	RC. - RADIO COMPASS	SUPERCHARGER:		17a " 92
TYPE: A - AUTOMATIC	POWER PLANT	G - GEARED		18a " 94
SA. - SEMI-AUTOMATIC	COOLING MEDIUM	N - NONE		19a " 96
S.S. - SINGLE SHOT	A - AIR	T. - TURBO		20a Exp.
LOCATION: F - FUSELAGE	C - CHEMICAL	RADIO		
L - LEFT IN DOUBLE FUSELAGE	S - STEAM	C. - CONTINUOUS WAVE		
N - NOSE	W - WATER	H. - HIGH POWER (OVER 100 W.)		
NAC. - ENGINE NACELLE	CYLINDER ARRANGEMENT	I.C. - INTERRUPTED CONTINUOUS WAVE		
R - RIGHT IN DOUBLE FUSELAGE	L - IN LINE	INT. - INTERPHONE EQUIPMENT		
RR - REAR	O - HORIZONTALLY OPOSED	L - LOW POWER (10W)		
TAIL - TAIL	R - RADIAL	M. - MEDIUM POWER (10-100W.)		
TUN. - TUNNEL	RR. - 2 ROW RADIAL	V. - VOICE		
MOUNT: FIX - FIXED	V - "V" TYPE ENGINE	STATUS:		
FLEX - FLEXIBLE	W - "W" SHAPED ENGINE	EXP - EXPERIMENTAL		
RA. - SEMI-FLEXIBLE GUNS WITH VERY RESTRICTED ARC OF FIRE.	X - "X" SHAPED ENGINE	OB. - OBSOLESCENT		
HIGH-LIFT DEVICES	ENGINE LOCATION	STD. - STANDARD		
MF. - MULTIPLE FLAPS	ABW - BETWEEN WINGS			21
S - SLOTS	AW. - ABOVE WINGS			22
SF. - SPLIT FLAPS	BW. - BELOW WINGS			

M.I.D. - O.N.I. JOINT FORM  
 TO BE SUBMITTED  
 ANNUALLY ON 1 SEPT.  
 DATA AS OF 1 JULY 1937

AVIATION STATISTICS - FORM G  
 SYMBOLS FOR USE ON FORMS A,B,C & F  
 TO ACCOMPANY FORM a SECTION 1 SHEET b

~~CONFIDENTIAL~~

NATION JAPAN  
 OFFICE NA/Tokyo  
 DATE August 30, 1937

CONSTRUCTION, TYPE OF		HIGH-LIFT DEVICES (CONT.)	POWER PLANT (CONT.)	TAKE-OFF & LANDING CHARACTERISTICS	b
AIL -AILERONS	SPLR - SPOILERS	ENGINE LOCATION CONT.	E - EXCELLENT		
AL - ALLOY	LANDING GEAR	F - FUSELAGE	G - GOOD		1b
CON SUR - CONTROL SURFACES	F - FIXED	IW - IN WINGS	P - POOR		HEBM (LR)
FAB - FABRIC COVERED	R.F - RETRACTABLE IN FUSELAGE	IGNITION:			2b
FVS - FUSELAGE	RN - RETRACTABLE IN ENGINE NACELLE	D - DIESEL OR OTHER COMPRESS- ION IGNITION			Type 95
GEO - GEODETIC	RW - RETRACTABLE IN WING	PROPELLERS:			3b
HOR.S - HORIZONTAL STABILIZER	LAUNCHING AND PICK-UP	A - PITCH ADJUSTABLE ON GROUND			" 95
RUD - RUDDER	AG - ARRESTING GEAR	AUT - AUTOMATIC OR CONSTANT SPEED			4b
S.S - STRESSED SKIN (MONOCOQUE)	C.LAND - CATAPULT LAUNCHED LAND- PLANE	C - CONTROLLABLE PITCH			
ST - STEEL	C.SEA - CATAPULT LAUNCHED SEA- PLANE	D.D - DIRECT DRIVE			5b
TUB - TUBULAR	PF - PICKUP FITTINGS	F - FIXED BLADE			PTL
VERT.S - VERTICAL STABILIZER	PH - PICKUP HOOKS	4 - 4-BLADED			6b
WING - WINGS	MISCELLANEOUS EQUIPMENT	HM - HOLLOW METAL			Type 15
WO - WOOD	APP - AUXILIARY POWER PLANT	M - SOLID METAL			
GENERAL DESIGN - AIRPLANE	B - BUNKS	MAN - MANUAL CONTROL			7b
AMPH - AMPHIBIAN	CR - CHART ROOM	3 - 3-BLADED			" 89
B - BIPLANE	FG - FLOTATION GEAR	2 - 2-BLADED			9b
BOAT - FLYING BOAT	G - GALLEY	W - WOOD			
CONYT - CONYNT LAND OR SEAPLANE	NAVIGATION EQUIPMENT	STARTER			10b
LAND - LANDPLANE	AP - AUTOMATIC PILOT	A - COMPRESSED AIR			TRNG
M - MONOPLANE	GC - GYRO-COMPASS	C - CARTRIDGE			11b
P - PUSHER	GH - GYRO-HORIZON	L - INERTIA			Type 3
SEA - SEAPLANE	HD - HOMING DEVICE	IE - INERTIA ELECTRIC			" 90
T - TRACTOR	ILE - INSTRUMENT LANDING EQUIP.	N - NONE			" 93
GUNS	RC - RADIO COMPASS	SUPERCHARGER:			14b
TYPE: A - AUTOMATIC	POWER PLANT	G - GEARED			15b
SA - SEMI - AUTOMATIC	COOLING MEDIUM	N - NONE			MISC
S.S - SINGLE - SHOT	A - AIR	T - TURBO			16b
LOCATION: F - FUSELAGE	C - CHEMICAL	RADIO			Fokker SuperUnit
L - LEFT IN DOUBLE FUSELAGE	S - STEAM	C - CONTINUOUS WAVE			
N - NOSE	W - WATER	H - HIGH POWER (OVER 100 W)			17
NAC - ENGINE NACELLE	CYLINDER ARRANGEMENT	I.C - INTERRUPTED CONTINUOUS WAVE			
R - RIGHT IN DOUBLE FUSELAGE	L - IN LINE	INT - INTERPHONE EQUIPMENT			18
RR - REAR	O - HORIZONTALLY OPPOSED	L - LOW POWER (10W)			
TAIL - TAIL	R - RADIAL	M - MEDIUM POWER (10-100W)			19
TUN - TUNNEL	RR - 2 ROW RADIAL	V - VOICE			
MOUNT: FIX - FIXED	V - "V" TYPE ENGINE	STATUS:			20
FLEX - FLEXIBLE	W - "W" SHAPED ENGINE	EXP - EXPERIMENTAL			
RA - SEMI-FLEXIBLE GUNS WITH VERY RESTRICTED ARC OF FIRE.	X - "X" SHAPED ENGINE	OB - OBSOLESCENT			21
HIGH-LIFT DEVICES	ENGINE LOCATION	STD - STANDARD			22
MF - MULTIPLE FLAPS	ABW - BETWEEN WINGS				
S - SLOTS	AW - ABOVE WINGS				
EF - EDGET FLAPS	BW - BELOW WINGS				



M.I.D.-O.N.I. JOINT FORM  
 TO BE SUBMITTED  
 ANNUALLY ON 1 SEPT.  
 DATA AS OF 1 JULY 1937

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

NATION JAPAN  
 OFFICE HA/Tokyo  
 DATE August 30, 1937

	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
		2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
1b	HEBM (LR)																				
2b	Type 95		3											3							
3b	" 96		50 <sub>2</sub>											50 <sub>2</sub>					150 <sub>2</sub>		
4b																					
5b	PTRL													3 <sub>2</sub>					3 <sub>2</sub>		10 <sub>2</sub>
6b	" 15						21												21		
7b	" 89						8												8		
8b	" 91		11																11		
9b																					
10b	TRNG																				100 <sub>2</sub>
11b	" 3						130								130						
12b	" 90		25												25						
13b	" 95		90												90						
14b																					
15b	MISC																				
16b	Fokker SuperUniv.						8								8						
17b																					
18b																					
19b																					
20b																					
21b																					
22b	TOTAL		655				372							32	1059						450







M.I.D.-O.N.I. JOINT FORM  
 TO BE SUBMITTED  
 ANNUALLY ON 1 SEPT.  
 DATA AS OF 1 JULY 1937

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

NATION JAPAN  
 OFFICE NA/Tokyo  
 DATE August 30, 1937

	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 54 to 57 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																								
2b							3																	
3b		25					47							3										
4b																								
5b		3					3																	
6b							19							2										
7b							7							1										
8b							10							1										
9b																								
10b																								
11b							130																	
12b							25																	
13b							90																	
14b																								
15b																								
16b							8																	
17b																								
18b																								
19b																								
20b																								
21b																								
22b		45					1006							63										

TOTAL

M.I.D. - O.N.I. JOINT FORM  
TO BE SUBMITTED  
ANNUALLY ON 1 SEPT.  
DATA AS OF 1 JULY 1937

AVIATION STATISTICS - FORM A  
NUMBER OF PLANES  
FORM A, SECTION 4, SHEET  6

~~CONFIDENTIAL~~  
NATION JAPAN  
OFFICE HA/Tokyo  
DATE August 30, 1937

	70
	REMARKS
1 <sub>a</sub>	
2 <sub>a</sub>	
3 <sub>a</sub>	
4 <sub>a</sub>	Being modified to correct unsatisfactory characteristics
5 <sub>a</sub>	
6 <sub>a</sub>	
7 <sub>a</sub>	
8 <sub>a</sub>	
9 <sub>a</sub>	
10 <sub>a</sub>	
11 <sub>a</sub>	
12 <sub>a</sub>	
13 <sub>a</sub>	
14 <sub>a</sub>	
15 <sub>a</sub>	
16 <sub>a</sub>	
17 <sub>a</sub>	
18 <sub>a</sub>	
19 <sub>a</sub>	
20 <sub>a</sub>	Col. 11 and 47. Assumed under accelerated test at exp. station.
21 <sub>a</sub>	
22 <sub>a</sub>	

M.I.D. - O.N.I. JOINT FORM  
TO BE SUBMITTED  
ANNUALLY ON 1 SEPT.  
DATA AS OF 1 JULY 1937

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

~~CONFIDENTIAL~~  
NATION JAPAN  
OFFICE HA/Tokyo  
DATE August 30, 1937

	70
	REMARKS
1b	
2b	
3b	Col. 47. Estimated number completed machines not yet assigned operating units.
4b	
5b	
6b	
7b	
8 b	
9b	
10b	
1b	
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 1937

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

NATION JAPAN  
 OFFICE NA/Tokyo  
 DATE August 30, 1937

	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 SQNS.											
	ACT. COMBAT SQNS.				REG. COMBAT SQNS.				TOTAL COMBAT SQNS.				MON-COMBAT SQNS.				TOTAL SQNS. 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 b																								
3 b																								
4 b																							2 1/2	
5 b																								
6 b																								
7 b																							1 1/2	
8 b																							1 1/2	
9 b																							1	
10 b																								
11 b																								
12 b																								
13 b																								
14 b																								
15 b																								
16 b																								
17 b																								
18 b																								
19																								
20																								
21																								
22																								
TOTAL																								

16

TOTAL

1/2

1/2

1/2

41

M.I.D. - O.N.I. JOINT FORM  
 TO BE SUBMITTED  
 ANNUALLY ON 1 SEPT.  
 DATA AS OF 1 JULY 1937

AVIATION STATISTICS - FORM B  
 NUMBER OF SQUADRONS  
 FORM B, SECTION 3, SHEET   

~~CONFIDENTIAL~~

NATION JAPAN  
 OFFICE NA/Tokyo  
 DATE August 30, 1937

	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	ACT-IVE	RES-ERVE	TOTAL	
1a									12	6	18	REMARKS
2a		2				5						
3a						5						
4a		1/2				1/2						
5a												
6a									12	6	18	
7a		2				4 1/2						
8a						6 1/2						
9a						4 1/2						
10a												
11a									12	6	18	
12a		1/2				4 1/2						
13a						2 1/2						
14a												
15a									12	6	18	
16a		1/2				1 1/2						
17a		1/2				2						
18a						3						
19a						2						

M.I.D. - O.N.I. JOINT FORM  
 TO BE SUBMITTED  
 ANNUALLY ON 1 SEPT.  
 DATA AS OF 1 JULY 1937

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

~~CONFIDENTIAL~~

NATION JAPAN  
 OFFICE NA/Tokyo  
 DATE August 30, 1937

	46	47	48	49	50	51	52	53	54	55	56	57	
	GRAND TOTAL				AGGREGATE				PLANES				REMARKS
	NON-COMBAT SQD'S				ALL SQUADRONS				PER SQUADRON				
ARMY	NAVY	AIR FORCE	TOTAL	ARMY	NAVY	AIR FORCE	TOTAL	ACT-IVE	RES-ERVE	TOTAL			
1b													
2b									12	6	18		
3b													
4b						2 1/2							
5b									6	3	9		
6b		1/2				2							
7b		1/2				1							
8b						1							
9b													
10b													
11b		2 1/2				2 1/2					45		
12b		1/2				1/2							
13b		2				2							
14b													
15b													
16													
17													
18													
19													
20													
21													
TOTAL		12				53							













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 TO BE SUBMITTED  
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 DATA AS OF 1 JULY 1937

AVIATION STATISTICS — FORM C  
 AIRCRAFT CHARACTERISTICS AND PERFORMANCE

FORM C SECTION 4 SHEET a

~~CONFIDENTIAL~~

NATION JAPAN  
 OFFICE NA/Tokyo  
 DATE August 30, 1937

GENERAL DATA

40

TYPE OF CONSTRUCTION

1a	
2a	Wing - Wo - Fab; Fus - St - Fab; Con Sur - Al - Fab.
3a	Wing - - Fab; Fus - - Fab; Con Sur - - Fab.
4a	
5a	
6a	
7a	Wing - Wo - Fab; Fus - - Fab; Con Sur - - Fab.
8a	Wing - - Fab; Fus - - Fab; Con Sur - - Fab.
9a	Wing - - Fab; Fus - St - Fab; Con Sur - - Fab.
10a	
11a	
12a	Wing - - Fab; Fus - St - Fab; Con Sur - - Fab.
13a	
14a	
15a	
16a	Wing - Wo - Fab; Fus - St - Fab; Con Sur - - Fab.
17a	Wing - - Fab; Fus - St - Fab; Con Sur - - Fab.
18a	
19a	
20a	Wing - - ; Fus - Al - SS; Con Sur
21	
22	

M.I.D. - O.N.I. JOINT FORM  
TO BE SUBMITTED  
ANNUALLY ON 1 SEPT.  
DATA AS OF 1 JULY 1937

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

~~CONFIDENTIAL~~  
NATION JAPAN  
OFFICE <sup>NA</sup>/Tokyo  
DATE August 30, 1937

GENERAL DATA	
40	
TYPE OF CONSTRUCTION	
1b	
2b	Wing - Al - Se; Fus - Al - SS; Con Sur - Al - Se.
3b	" " " " " " " " " "
4b	
5b	
6b	Wing - Wo - Fab; Fus - Wo - ; Con Sur - - Fab.
7b	" " " - Al - " " "
8b	
9b	
10b	
11b	Wing - Wo - Fab; Fus - Wo - Fab; Con Sur - Wo - Fab;
12b	
13b	Wing - - Fab; Fus - St - Fab; Con Sur - - Fab.
14b	
15b	
16	
17	
18	
19	
20	
21	
22	

M.I.D.—U.N.I. JOINT FORM  
 TO BE SUBMITTED  
 ANNUALLY ON 1 SEPT.  
 DATA AS OF 1 JULY 1937

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

~~CONFIDENTIAL~~  
 NATION JAPAN  
 OFFICE NA/Tokyo  
 DATE August 30, 1937

	GENERAL DATA													
	41 SPEED	42 MAXIMUM ALTITUDE	43 SPEED	44 SEA CRIT. LEVEL ALT.	45 SPEED M.P.H.	46 LAND- CRUIS- ING	47 TIME/ALTITUDE	48 CLIMB	49 TIME/ALTITUDE	50 SERVICE CEILING (FEET)	51 ENDURANCE MAXIMUM SPEED	52 CRUISING SPEED	53 CHARACTERISTICS TAKE-OFF	54 LANDING
1a														
2a	178						5 / 9000							
3a														
4a														
5a														
6a														
7a	150													
8a												6-00		
9a														
10a														
11a														
12a														
13a														
14a														
15a														
16a	132													
17a	136											3-00		
18												4-30		
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 6 SHEET b

~~CONFIDENTIAL~~  
 NATION JAPAN  
 OFFICE ~~NA~~/Tokyo  
 DATE August 30, 1937

	ARMAMENT													
	55	56	57		58	59	60	61	62	63	64	65	66	67
	MANUFACTURER	GUNS TYPE	NUMBER AND CALIBER		TYPE AND LOCATION OF GUN INSTALL	AMM. RUS. PER GUN	LARGEST BOMBS WHICH CAN BE CARRIED	PERMISSIBLE BOMB LOADING	BOMB LOADING	VAR IN RANGE	MAX BOMB RANGE	MAX BOMB RANGE	MAX BOMB LOAD	MAX BOMB WT.
1														
2														
3														
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.

AVIATION STATISTICS — FORM C  
AIRCRAFT CHARACTERISTICS AND PERFORMANCE

FORM C SECTION 7 SHEET \*

~~CONFIDENTIAL~~

NATION JAPAN  
OFFICE NA/Tokyo  
DATE August 30, 1937

	EQUIPMENT				
	68 RADIO	69 NAVIGATION	70 LAUNCHING AND PICKUP	71 MISCELLANEOUS	72 REMARKS
1 a					
2 a			AG	FG	
3 a			AG	FG	Development of type 90
4 a					Similar to Northrop FF - 1
5 a					
6 a					
7 a	CM	GH - GC	C-Sea PF	FG	Vought "Corsair"
8 a	CM	GH - GC	" "		
9 a	CM	GH - GC	" "	FG	Development of type 90-2
10 a					
11 a					
12 a			AG		Dive bomber
13 a			AG		Development of 94. Also built Yokosuka NAS
14 a					
15 a					
16 a	CM	GH - GC	AG		Fold wings
17 a	CM	GH - GC	AG		" "
18 a					
19 a					
20 a					Fold wings. Copy of Douglas TBD
21 a					
22 a					

M.I.D.-G.N.I. JOINT FORM  
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 August 30, 1937

	EQUIPMENT				72 REMARKS
	68 RADIO	69 NAVIGATION	70 LAUNCHING AND PICKUP	71 MISCELLANEOUS	
1b					
2b	C-M(?)	GEI - GC			
3b					NA/Tokyo Report No. 173-37
4b					
5b					
6b	C-M (?)	GEI - GC			
7b	"	"			
8b	"	"			
9b					
10b					
11b					
12b					
13b					
14b					
15b					
16b	C-M (?)				
17					
18					
19					
20					
21					
22					





CONFIDENTIAL  
 M.I.D. - O.N.I. JOINT FORM  
 TO BE SUBMITTED  
 ANNUALLY ON 1 SEPT.  
 DATA AS OF 1 JULY 1937

AVIATION STATISTICS - FORM E  
 PERSONNEL  
 FORM E, SECTION 2, SHEET

CONFIDENTIAL  
 NATION JAPAN  
 OFFICE IIA/Tokyo  
 DATE August 30, 1937

	16																17																18																19																20																21																22																23																24																25																26															
	REGULAR								FLYING								PERSONNEL																																																																																																																																																															
	REG. PILOTS (PERM. & TEMP.)				REG. FLYERS OTHER THAN PILOTS				GRAND TOTAL REG.																REMARKS																																																																																																																																																							
	ARMY	NAVY	AIR FORCE	TOTAL	ARMY	NAVY	AIR FORCE	TOTAL																																																																																																																																																																								
1	OFFICER PILOTS								410																																																																																																																																																																							
2	WARRANT OFFICER PILOTS																																																																																																																																																																															
3	ENLISTED PILOTS								307																																																																																																																																																																							
4	TOTAL PILOTS								1277																																																																																																																																																																							
5	OFFICER FLYERS (NON-PILOTS)								90																																																																																																																																																																							
6	WARRANT OFF. FLYERS (NON-PILOTS)																																																																																																																																																																															
7	ENLISTED FLYERS (NON-PILOTS)								1261																																																																																																																																																																							
8	TOTAL FLYERS (NON-PILOTS)								1351																																																																																																																																																																							
9	GRAND TOTAL (PILOTS & NON-PILOTS)								2628																																																																																																																																																																							
10	MIN. FLYING HOURS PER YEAR TO DRAW FLYING PAY								no requirement																																																																																																																																																																							
11																																																																																																																																																																																
12																																																																																																																																																																																
13	AV. HRS. PER YR. PER PILOT (FLYER)								125																																																																																																																																																																							
14	TOTAL FLYING HRS. FOR YR. AERO ESTABLISHMENT								170,000								( ) ( ) ( ) ( )																																																																																																																																																															
15	DEATHS (ACCIDENTAL)								36								27																																																																																																																																																															
16	FATAL ACCIDENTS								30								( ) ( ) ( ) ( )																																																																																																																																																															
17																																																																																																																																																																																
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M.I.D. - O.M.I. JOINT FORM  
TO BE SUBMITTED  
ANNUALLY ON 1 SEPT.  
DATA AS OF 1 JULY 1937

AVIATION STATISTICS - FORM E  
PERSONNEL  
FORM E, SECTION 3, SHEET \_\_\_

NATION JAPAN  
OFFICE NA/Tokyo  
DATE August 30, 1937

	27	28	29	30	31	32	33	34	35	36	37	38
		R E S E R V E				GR. TOTAL PILOTS REG. & RES.	F L Y I N G				GRAND TOTAL RES.	AGGRE- GATE REG. & RES.
		P I L O T S					R E S E R V E F L Y E R S O T H E R T H A N P I L O T S					
		ARMY	NAVY	AIR FORCE	TOTAL	ARMY	NAVY	AIR FORCE	TOTAL			
1	OFFICER PILOTS											
2	WARRANT OFFICER PILOTS											
3	ENLISTED PILOTS											
4	TOTAL PILOTS											
5	OFFICER FLYERS (NON-PILOTS)											
6	WARRANT OFF. FLYERS (NON-PILOTS)											
7	ENLISTED FLYERS (NON-PILOTS)											
8	TOTAL FLYERS (NON-PILOTS)											
9	GRAND TOTAL (PILOTS & NON-PILOTS)											
10	MIN. FLYING HOURS PER YEAR TO DRAW FLYING PAY											
11												
12												
13	AV. HRS. PER YR. PER PILOT (FLYER)											
14	TOTAL FLYING HRS. FOR YR. AERO ESTABLISHMENT											
15	DEATHS (ACCIDENTAL)					36						63
16	FATAL ACCIDENTS					30						30
17												
18												
19												
20												
21												
22												

26



M.I.D. - O.N.I. JOINT FORM  
 TO BE SUBMITTED  
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 DATA AS OF 1 JULY 1937

AVIATION STATISTICS - FORM E  
 PERSONNEL

FORM E, SECTION 5, SHEET

STUDENT FLYING PERSONNEL OTHER THAN PILOTS

NATION JAPAN  
 OFFICE NA/Tokyo  
 DATE August 30, 1937

		51	52	53	54	55	56 FLYING HOURS, DEATHS, FATAL ACCIDENTS, GOVT. OPER- ATED ACTIV- ITIES.	57	58	59	60	61	62	63
		GOVT. OPERATED SCHOOLS				CIVIL SCHOOLS UNDER CONTRACT				61 ALL NON-PILOT SCHOOLS	62 AGGRE- GATE FLYERS TRAINED	63 AGGRE- GATE FLYING HOURS, DEATHS, FATAL ACCIDENTS, GOVT. ACTIVITIES, & CIVIL SCHOOLS		
		ARMY	NAVY	AIR FORCE	TOTAL	ARMY		NAVY	AIR FORCE				TOTAL	
1	REG. OFFS. BEGINNING TRAINING		75											
2	TEMP. & RES. OFFS. BEGINNING TRAINING													
3	CADETS BEGINNING TRAINING													
4	REG. ENL. MEN BEGINNING TRAINING		325											
5	RES. ENL. MEN BEGINNING TRAINING													
6	TOTAL BEGINNING TRAINING													
7	REG. OFFS. NOT QUALIFYING		15											
8	TEMP. & RES. OFFS. NOT QUALIFYING													
9	CADETS NOT QUALIFYING													
10	REG. ENL. MEN NOT QUALIFYING		85											
11	RES. ENL. MEN NOT QUALIFYING													
12	TOTAL NOT QUALIFYING		100											
13	AV. HRS. PER YR. PER STUDENT													
14	TOTAL FLYING HRS. FOR YR. FOR AERO ESTABLISHMENT	( )	( )	( )	( )	( )	( )	( )	( )	( )	( )	( )	( )	( )
15	DEATHS (ACCIDENTAL)		8											
16	FATAL ACCIDENTS	( )	( )	( )	( )	( )	71	( )	( )	( )	( )	( )	( )	( )
17	REG. OFFS. TRAINED		60											
18	TEMP. & RES. OFFS. TRAINED													
19	CADETS TRAINED													
20	REG. ENL. MEN TRAINED		260											
21	RES. ENL. MEN TRAINED													
22	TOTAL PILOTS TRAINED		300											



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 DATA AS OF 1 JULY 1937

AVIATION STATISTICS - FORM E  
 CIVILIAN AVIATION PERSONNEL  
 FORM E, SECTION 7, SHEET —

NATION JAPAN  
 OFFICE TIA/TOKYO  
 DATE AUGUST 30, 1937

	75	76	77	78	79	80	81
	PERSONNEL	SCHEDULED AIR LINE OPERATION	MISC. COMMERCIAL EMPLOYMENT OTHER THAN COL. 76	INSTRUCTORS & OTHER EMPLOYM'T NOT IN COLS 76 & 77	PRIVATE FLYING	STUDENTS UNDER INSTRUCTION	TOTALS
1	PILOTS (AIRPLANE)	185	30	120	15	250	600
2	COMMERCIAL						
3	AIR LINE	185					
4	TRANSPORT (NOT AIR LINE)						
5	LIMITED COMMERCIAL		30				
6	NON-COMMERCIAL						
7	PRIVATE			110	15		
8	AMATEUR			10			
9	STUDENT					250	
10	TOTAL PILOTS	185	30	120	15		
11	PILOTS (GLIDER)				150		150
12	MECHANICS (LISCENCED)						
13	AIRPLANE						
14	ENGINE						
15	AIRPLANE & ENGINE						
16	RADIO						
17	MECHANICS (UN-LISCENCED)	400	60	200	40		700
18	AIRPLANE						
19	ENGINE						
20	AIRPLANE & ENGINE						
21	RADIO						
22	TOTAL MECHANICS	400	60	200	40		700

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 TO BE SUBMITTED  
 ANNUALLY ON 1 SEPT.  
 DATA AS OF 1 JULY 1937

AVIATION STATISTICS - FORM F  
 SHIP BASED AIRPLANES  
 FORM F SECTION I SHEET

~~CONFIDENTIAL~~

NATION JAPAN .....  
 OFFICE NA/Tokyo  
 DATE August 30, 1937

	1	2	3	4	5	6	7	8	9	10
	SHIP	NUMBER OF FIGHTERS	NUMBER OF SQUADS	NUMBER OF BOMBERS	NUMBER OF SQUADS	NUMBER OF SCOUTS	NUMBER OF SQUADS	TOTAL SQUADS	TOTAL PLANES	REMARKS
1	Aircraft Carriers									
2	AKAGI	18	1	54	3			4	72	"Number of planes" includes 50% reserve
3	KAGA	18	1	54	3			4	72	" " " "
4	KYUJO	9	1/2	30	2			2 1/2	39	" " " "
5	HOSHU	15	1	15	1			2	30	" " " "
6										
7	Battleships (9)					21	2	2	21	No reserve planes
8										
9	Cruisers									" " "
10	Heavy, Class A (12)					36	2	2	36	" " "
11	" " B (2)					8	1/2	1/2	8	
12	Light (14)					14	1	1	14	
13										
14	Seaplane Tenders									" " "
15	KAMOY					8	1	1	8	
16	NOTORO					8	1	1	8	
17										
18	Misc									" " "
19	Sub.Tenders (3)					6	1/2	1/2	6	
20										
21										
22	TOTAL	60	2 1/2	153	9	101	8	20 1/2	314	

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

ATTACHE'S REPORT

13177-H  
E-10-2

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 attaché. These copies will be distributed by O. N. I. as per footnote or elsewhere, according to subject matter.

From NA/Tokyo Date SEP. 2, 1937 Serial No. 237 File No. 602-1000  
(Common use series each January issue) (Select proper number from O. N. I. Index)

Source of information Reliable.

Subject Japan Coast cities and towns Logistics.  
(Nation reported on) (Index title as per index sheet) (Subtitle)

Reference \_\_\_\_\_

**NOTE.**—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 1936.



DECLASSIFIED

E.O. 11652, Sec. 2(E) and 5(D) or (F)

OSD letter, May 3, 1972

By RT, NARS Date MAY 21 1973

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Report No. 237.  
Japan.  
September 2, 1937.

600 - Cities and towns.  
602 - Coast cities and towns.  
1000 - Logistics.

Japanese Oil Situation - Calendar Year 1936.

Reference: NA/Tokyo report No. 193-36.

Enclosure: Tables giving detailed figures to substantiate data used in this report.

The following is an outline of the oil situation in Japan for the calendar year 1936, as well as figures for the calendar year 1935, for comparative purposes. These figures are based on reliable information from the same source used on which referenced report and comparative figures were based. The remarks made in the part regarding the fragmentary, misleading and conflicting statistics available, and the belief that having the data for the annual report come from a single reliable source, should tend to show a clearer picture, is concurred in.

All figures are in long tons, the following equivalents being 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.

1. DOMESTIC PRODUCTION

<u>(a) Crude</u>	<u>1936</u>	<u>1935</u>
Japan proper	336,964.6	308,000
Formosa	5,193.8	7,000
Saghalien	166,548.8	226,132
Manchuria	170,812.3	
Totals	<u>679,519.5</u>	<u>541,132</u>
<u>(b) Fuel oil and diesel oil</u>		
Japan	325,431.1	205,500
Korea	11,209.4	
Formosa	708.	
Manchuria	82,272.3	53,793
Totals	<u>419,620.8</u>	<u>259,293</u>
(c) Gasoline	605,905.5	450,000
(d) Kerosine and light power oil	176,593.5	82,000
(e) Light or gas oil (neutral below 28° API)	101,375.3	182,000
(f) Lubricating oils	276,051.6	235,000

2. IMPORTS (other than Government).

(a) Crude	1,465,767.1	1,692,250
(b) Fuel oil	622,536.6	495,950
(c) Diesel oil	977,523.1	804,000
(d) Gasoline	569,422.4	506,000
(e) Kerosine and light power oil	99,393.9	78,500
(f) Lubricating oils	50,221.5	41,670
Totals	<u>3,784,864.6</u>	<u>3,618,370</u>

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	<u>1936</u>	<u>1935</u>
<b>3. GOVERNMENT IMPORTS (Navy)</b>		
(a) Crude		
United States	156,466.5	78,416
(b) Fuel oil		
United States	331,672.4	561,621
Dutch East Indies	100,141.2	94,861
	Totals	856,482
(c) Diesel oil	no data	9,217
<b>4. TOTAL SUPPLY*</b>		
(a) Crude	2,301,753.1	2,311,798
(b) Fuel and diesel	2,446,372.2	2,224,942
(c) Gasoline	1,191,994.6	956,000
(d) Kerosine and light oils	275,987.2	342,500
(e) Light oils	101,375.5	no data
(f) Lubricating oils	325,867.4	276,670
	Totals	6,643,350.

\* - Based on production and imports (including Navy) of calendar year 1936. Stock carried over not considered.

<b>5. CONSUMPTION (other than Government)**</b>		
(a) Crude	1,978,737.9	2,233,382
(b) Fuel and diesel	1,689,139.	1,437,500
(c) Gasoline	1,042,705.3	885,500
(d) Kerosine and light power oils	226,862.5	278,000
(e) Light oils	111,404.7	no data
(f) Lubricating oils	299,148.1	251,000
	Totals	5,347,997.5

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

<b>6. CONSUMPTION (Government)***</b>		
(a) Crude (imports for Navy)	323,015.3	304,548
(b) Fuel and diesel oil (Navy)	470,416.6	705,100
	Totals	793,431.9

\*\*\* - The 1936-37 Navy Budget provided for 680,000 tons of "heavy oil" and 38,000,000 liters of "light oil" for operation of forces afloat. It is not known what grades the "heavy oil" and "light oil" are.

<b>7. SUPPLY OVER CONSUMPTION (includes Government).</b>		
(a) Crude	None	None
(b) Fuel and diesel oils	286,816.5	82,342
(c) Gasoline	132,622.7	70,500
(d) Kerosine and light power oils	49,124.7	64,500
(e) Light oil	(-) 10,029.4	no data
(f) Lubricating oil	27,114.5	25,670

<b>8. NAVY OIL IN STORAGE****</b>		
(a) Crude and fuel	2,700,000	2,600,000
(b) Gasoline	290,000	270,000

\*\*\*\* - Estimated from past years figures to which 100,000 tons crude and fuel oils and 20,000 tons of gasoline was added.

~~XXXXXXXXXXXXXXXXXXXX~~ 36

1935

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

a	Crude	1,000,000	1,000,000
b	Fuel	400,000	350,000
c	Diesel	400,000	400,000
d	Gasoline	500,000	475,000
e	Kerosine and light power oils	125,000	170,000
f	Light oils	50,000	
g	Lubricating oils	150,000	140,000

\*\*\*\*\* - Estimated from last report plus additions (estimated) as required by Fuel Industry Law, less non-compliance with the law by foreign oil companies.

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

## ATTACHÉ'S REPORT

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From NA, Tokyo Date Nov. 30, 1927 Serial No. 510 File No. 1000  
(Commence new series each January first) (Select proper number from O. N. I. index)

Source of information .....

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

Reference .....

NOTE.—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-German and Japanese-Italian Interchange of Military Aeronautical Information

EXAMINED

NO. 11632, Sec. 6(2) and 6(7) or (7)

OSD letter, May 8, 1972

By IKT, NAME Date MAY 21 1973

7.8.

Routing notes below are for use in O. N. I. Check distribution of the various copies on all copies. Draw check around the distribution of the copy intended for the particular distribution as indicated.

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Yench. Div.	C. in C. U. S.	Com. Int. Sec.	Com. Int. Sec.	C. in C. Asst.	Com. S. S. R.	Com. Asst.	Attached to		Operations			State	Com- mence	Returns to Exam. Rm.				
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Report No. 310  
Japan  
November 30, 1937

1000 - Aviation

Japanese-German and Japanese-Italian Interchange of Military  
Aeronautical Information

References: (a) NA/Germany Report No. 299 of 11 March 1936  
(b) NA/Tokyo Report No. 173-37

Since the Anti-Comintern Pact between Italy and Germany followed by Japan, press reports concerning projected organization of joint aircraft and engine manufacturing companies have been current. One concerning a joint Japan-Germany-Manchukuo concern, the other, more recent, a joint Japanese-Italian concern headed by the president of the Kanagafuchi Spinning Company with a capitalization of ¥ 50,000,000 have been reported. Additional press reports note that the large number of recently projected aircraft companies in Japan are to be controlled by the Government as to which companies will be allowed to organize, the amount of capital allowed, and general supervision of the financial setup.

In addition, press reports concerning inspection by various Japanese engineering groups of Italian and German factories are noted.

8 From a reliable source it is understood that there exists an agreement by which complete Italian and German military aircraft engineering and design data are made available to Japan and that the services of such technical advisers as are desired are also available. The referenced report notes the accomplishment "between the Japanese and German aviation industry for unreserved technical co-operation", whereas the cooperation noted herein is specifically on military aircraft.

The writer concurs with the opinion of a foreign air representative that the weakest part of the present Japanese Naval air arm is that of material. The difficulty in producing modern aircraft in Japan is not one of fabrication; however, it does appear that first, it is difficult for the Japanese to determine facts in their wind tunnels and laboratories and further, the application of properly determined data to the engineering of airplanes prior to construction is also difficult. The nose heaviness of the Type 96 fighter, the failure of the recent four year old ¥500,000 long range monoplane of the Aeronautical Research Institute and the success of the Type 96 Navy landplane twin-engined heavy bomber, believed originally to be a commercial product of Junkers as noted in Reference (b) are examples of the difficulties encountered by the Japanese in complete aircraft development of their own and the success attained when good foreign engineering and design data are available.

If the technical information on German and Italian military aircraft is available to the Japanese, the strength of the Japanese Naval air arm can be considered to be on the increase to the point where a weakness in material cannot be considered except insofar as that of the military aircraft of these countries is concerned.

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

## ATTACHE'S REPORT F-10-e/7525-I

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From NA/Tokyo Date Jan. 28, 1938 Serial No. 21 File No. 901-200

Source of information ..... (Continuation new series each January first) (Select proper number from O. N. I. Index)

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

Reference .....

NOTE.—(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.)

Organization of the COMBINED FLEET 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

20

Report No. 21  
Japan  
January 28, 1938

900 - Navy  
901 - Organization  
200 - Fleets

Organization of the COMBINED FLEET

On 26 January 1938 the Senior Aide to the Navy Minister told the Naval Attache that the organization of the Combined Fleet cannot be divulged during the present hostilities. He stated that its organization was little changed from last year and that since the first period training had commenced the middle of January the Combined Fleet is now engaged in exercises "off Kyushu".

The following information was received from a foreign Naval Attache. (It is believed that this information was obtained either officially or unofficially from the Japanese Navy Department).

FIRST FLEET (Vice Admiral Yoshida, Commander-in-Chief, Combined Fleet, and Commander-in-Chief, First Fleet).

Batdiv One - Mutsu (Flag), Hyuga, Ise  
Batdiv Three - Kirishima, Kongo  
Crudiv Eight - Kinu, Yura, Naka  
Desron One - Sendai (Flag)  
Desdiv 2 - Yudachi, Murasame, Sanidare, Harusame  
Desdiv 9 - Ariyake, Yugure, Shiratsuyu, Shigure  
Desdiv 24 - Umikaze, Kawakaze, Yamakaze, Suzukaze  
Subron One - Jingei (Flag)  
Subdiv 7 - I-1, I-2, I-3  
Subdiv 8 - I-4, I-5, I-6  
Airron One - Kaga (Flag)  
Desdiv 29 - Hayate, Oite

SECOND FLEET

Crudiv Four - Chokai (Flag), Maya  
Crudiv Seven - Mikuma, Suzuya, Kumano  
Desron Two - Jintsu (Flag)  
Desdiv 7 - Ushio, Akebono, Oboro  
Desdiv 8 - Aragiri, Asagiri, Yugiri  
Desdiv 12 - Shirakumo, Murakumo, Shinonome, Usugumo  
Subron Two - Isuzu (Flag)  
Subdiv 12 - I-68, I-69, I-70  
Subdiv 28 - I-59, I-60, I-63  
Subdiv 29 - I-61, I-62, I-64  
Airron Two - Ryujo (Flag)  
Desdiv 30 - Uzuki, Mutsuzuki, Kisaragi, Yayoi

Crudiv Five and Six are operating under direct orders of the "Admiralty". (True composition unknown).

Comment:

The following are the changes from the 1937 organization:

<u>Removed</u>	<u>To</u>	<u>Replacement</u>	<u>From</u>
Nagato	?	Ise	Kure (Guard)
Haruna	?	Kongo	Sasebo (Reserve)
Desdiv 21	?	Desdiv 24	New division
Isuzu	Subron 2	Jingei	Subron 2

~~CONFIDENTIAL~~

Report No. 21  
Japan  
January 28, 1938

900 - Navy  
901 - Organization  
900 - Fleets

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    Desdiv 2 - Yudachi, Murasame, Samidare, Harusame  
    Desdiv 9 - Ariyake, Yugure, Shiratsuyu, Shigure  
    Desdiv 24 - Umikaze, Kawakaze, Yamakaze, Suzukaze  
Subron One - Jingei (Flag)  
    Subdiv 7 - I-1, I-2, I-3  
    Subdiv 8 - I-4, I-5, I-6  
Airron One - Kaga (Flag)  
    Desdiv 29 - Hayate, Cite

SECOND FLEET

Crudiv Four - Chokai (Flag), Maya  
Crudiv Seven - Mikuma, Suzuya, Kumano  
Desron Two - Jintsu (Flag)  
    Desdiv 7 - Ushio, Akebono, Oboro  
    Desdiv 8 - Asagiri, Asagiri, Yugiri  
    Desdiv 12 - Shirakumo, Murakumo, Shinonome, Usugumo  
Subron Two - Isuzu (Flag)  
    Subdiv 12 - I-58, I-59, I-70  
    Subdiv 28 - I-59, I-60, I-63  
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Haruna	?	Kongo	Sasebo (Reserve)
Desdiv 21	?	Desdiv 24	New division
Isuzu	Subron 2	Jingei	Subron 2

~~CONFIDENTIAL~~

<u>Removed</u>	<u>To</u>	<u>Replacement</u>	<u>From</u>
Ryujo	Airron 2	Kaga	Airron 2
Hosho	?	--	--
Desdiv	Airron 2	Desdiv 29	Sasebo (Guard)
Takao	?	Chokai	Yokosuka (Guard)
Crudiv 5	Orders of "Admiralty"	Crudiv 7	<u>New division</u>
Desdiv 19	?	Desdiv 12	Kure (Guard)
Desdiv 22	?	Desdiv 30	Airron 1
Subdiv 30	?	Subdiv 28	Sasebo (Defense)

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From NA/Tokyo Date Feb. 11, 1938 Serial No. 36 File No. 302-200  
(Commence new series each January first) (Select proper number from O. N. I. Index)

Source of information .....

Subject Japan Finance - Budgets Navy  
(Nation reported on) (Index title as per Index sheet) (Subtitle)

Reference .....

NOTE.—(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 Naval Budget - Fiscal Year 1938-39 (4/1/38-3/31/39)

## DECLASSIFIED

E.O. 11652, Sec. 5(E) and 5(1) or (2)

OUD letter, May 3, 1972

By RT, NARS Date MAY 21 1973

Tech. Div.	C. in C. U. S.	Com. Int. Pac.	Com. Sec. Pac.	C. in C. Asia	Com. S. S. S.	Com. Afr.	Attached to	Operations			Status	Com- mence	Returns to Issue No.
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Report No. 36.  
Japan.  
February 11, 1938.

300 - Finance. [REDACTED]  
302 - Budgets.  
200 - Navy.

JAPANESE NAVAL BUDGET - FISCAL YEAR 1938-39 (4/1/38 - 3/31/39).

There is forwarded herewith translation of pamphlet "Navy Department General Account Reference Book". This publication contains the Navy estimates for fiscal year 1938-39 (Regular Account), and is intended for distribution to members of the Diet for reference at the Diet Budget meetings.

A more detailed analysis of the Budget, such as has been submitted by this office in previous years, will be requested of the Navy Department after it has been promulgated in the Official Gazette.

For comparative purposes there is given below budget figures for the fiscal years 1937-38 and 1938-39:

	<u>1938-39</u> <u>Budget</u>	<u>1937-38</u> <u>Budget</u>
Ordinary Account	293,382,149	273,953,380
Extraordinary Account	383,976,291	407,700,236
Supplementary Accounts		2,304,676
North China Incident	104,100,000	
China Incident	349,958,381	
<b>TOTALS</b>	<b>¥677,358,440</b>	<b>1,138,016,673</b>

The figure given above for 1937-38 should not be accepted as the Navy's total for the fiscal year in question; in addition to this amount the Diet in August and September of 1937 approved a budget of ¥350,000,000 for Reserve military expenses, of which no doubt a portion was allocated to the Navy. The figure given above for 1938-39 represents the amount under the Regular Budget. It is reported that the Government will introduce a bill during the present session of the Diet to carry on military operations in China, details of which are reported as follows:

Extraordinary Military Expenses

Army	¥3,250,000,000
Navy	1,050,000,000
Reserve Funds	550,000,000
<b>TOTAL</b>	<b>4,800,000,000</b>

A comparison of the Regular Budget for the two fiscal years shows that the total amount is approximately the same.

Comment on Specific Items in Budget.

Ship Construction Expenses.

The sum of ¥218,420,578 is provided in the fiscal year 1938-39 for ship construction of the Third Replenishment Program. Details as to class of ship and number of ships are not given. It is noted that the original figure of the total amount to be expended under this program (¥861,067,826) is to be supplemented in the sum of ¥18,228,578 (probably due to increase in cost of materials) and that ¥10,000,000 of the amount allocated for fiscal year 1938-39 is postponed until the following year (probably due to delay in construction).

Comment on Specific Items in Budget, continued:

Additions and Improvements to Shore Stations:

*Fugate*

Naval Dockyards:

Kure Navy Yard:

The amount for the coming fiscal year (\$15,623,000) shows a decided decrease as compared to 1937-38 (\$10,384,000), which may be indicative that the docks and other facilities of this yard are about nearing completion.

Sasebo Navy Yard:

The 1938-39 budget figure (\$9,902,000) indicates a big increase over the previous fiscal year (\$5,386,000). This indicates that some extensive additions are contemplated, which, it is believed, provides for enlargement of ship building facilities.

Construction of Oil Storage Tanks and Storehouses:

The sum of \$12,303,000 for 1938-39 continues to be a large sum for this purpose - the amount for 1937-38 was \$11,026,000.

Facilities and Equipment for Various Defense Corps:

Equipment for Radio Stations:

\$2,078,700 is budgeted for 1938-39 as compared to \$934,000 for the previous year. Construction of new radio stations are probably planned.

Miscellaneous Equipment for Naval Ports:

Bako Minor Naval Station:

\$4,296,000 is provided for 1938-39 as compared to \$33,700 for 1937-38. Details are not available. It is apparent that the Navy plans to improve the facilities of this heretofore comparatively unimportant station, which is considered a most logical step in the light of present trends.

Expansion of Training Facilities:

Expansion of Training Facilities at Various Training Schools:

\$3,568,000 is budgeted for under this item; the amount for 1937-38 was \$3,841,000. It is apparent that the facilities for training purposes at the various training schools are being greatly enlarged. Construction of these facilities on a large scale started fiscal year 1936-37, probably in anticipation of training of personnel for the rapidly expanding Naval Force.

Expansion of the Naval Air Force:

The original amount approved under this heading for the Third Replenishment Program was \$75,267,724. In the 1938-39 budget this amount has been supplemented in the sum of \$4,140,000 (probably due to increase in cost of materials), and the yearly allocation of funds has been revised as follows:

1939-40	-	\$19,531,000
1940-41		14,850,000

Alteration, Repair and Equipment of Vessels:

Alteration of Ships:

Modernization of Capital Ships:

Down to 1937-38 there had been approved a total of \$212,291,489; in 1938-39 this amount has been supplemented by \$3,237,233, making a total of \$215,528,711, of which \$186,034,174 will have been expended down to fiscal year 1937-38, leaving the remaining \$29,494,548 to be expended in the following years:

1938-39	\$19,583,039
1939-40	4,832,168
1940-41	4,393,499
1941-42	705,842

Modernization of the Nine (9) capital ships was supposed to have been completed last year.

Comment on Specific Items in Budget, continued:

Alteration, Repair and Equipment of Vessels; continued:

Alteration of Ships, continued

Alterations to Aircraft Carrier(s) and Auxiliary Vessels:

Down to 1937-38 a total of \$146,998,349 had been approved; in 1938-39 this total is supplemented in the amount of \$14,614,650, bringing the total amount to \$161,612,999, of which \$99,612,631 will be expended down to 1937-38, leaving the remainder of \$62,000,368 for the following years:

1938-39	\$27,246,008
1939-40	28,416,364
1940-41	5,659,769
1941-42	676,227

Special Repairs to Ships:

A total of \$41,355,000 has been approved down to 1937-38; in 1938-39 this amount is being supplemented by \$23,900,000, making a total of \$65,155,000. Down to 1937-38 there will be expended \$25,730,000, and the remainder, \$39,425,000, has been allocated as follows:

1938-39	12,630,000
1939-40	12,995,000
1940-41	13,800,000

Report No. 36.  
Japan.  
February 11, 1938.

300 - Finance.  
302 - Budgets.  
200 - Navy.

JAPANESE NAVAL BUDGET - FISCAL YEAR 1938-39 (4/1/38 - 3/31/39).

	<u>1938-39</u> <u>budget</u>	<u>1937-38</u> <u>budget</u>
<b>I. <u>ORDINARY ACCOUNT.</u></b>		
<b>1. Navy Department proper</b>		
(a) Pay	419,275	354,460
(1) Pay - Chokunin rank	61,250	
(2) Pay - Sonin rank	264,000	
(3) Pay - Hannin rank	93,575	
(4) Additional allowance (1 Captain)	450	
(b) Office expenses (stationery, office furniture, postage, domestic travel, telegrams, translation fees, etc.)	<u>201,340</u>	<u>185,311</u>
<b>TOTAL - Navy Department proper</b>	<b>620,615</b>	<b>537,771</b>
<hr/>		
<b>2. Military expenses</b>		
(a) Pay - total	62,253,539	59,405,823
(1) Pay - Flag Officers	675,500	
(2) Pay - civilians, Chokunin rank	34,400	
(3) Pay - Captain to Ensign	15,798,944	
(4) Pay - civilians, Sonin rank	1,042,560	
(5) Pay - midshipmen	194,300	
(6) Pay - Special Service and Warrant Officers	6,478,765	
(7) Pay - Petty officers	12,132,117	
(8) Pay - Civilians, Hannin rank	1,659,885	
(9) Pay - non-rated men	13,182,456	
(10) Post allowance (for personnel stationed in Chosen, Taiwan, Kwantung, Saghalien and South Sea Islands)	392,486	
(11) Additional allowance for those stationed in Manchukuo)	100,963	
(12) Post allowance for Naval Attaches	185,587	
(13) Allowance for wife of Naval Attache	133,800	
(14) Post allowance for officers stationed abroad	24,964	
(15) Sea pay	5,919,559	
(16) Aviation flight pay	2,527,874	
(17) Special allowance (good conduct etc.)	1,462,973	
(18) Pay while on waiting list	243,380	
(19) Pay unemployed or suspended	41,012	
(20) Additional allowance (2 Commanders in Chief Naval Stations, 44 commands afloat)	20,550	
(21) Diligence allowance for prison guards	864	
(22) Longevity allowance for legal official	600	
(b) Office expenses (furniture, postage, stationery, hauling expenses, telegrams and cables)	<u>1,620,684</u> <del>172,700</del>	<u>1,444,242</u>
(c) Miscellaneous pay and expenses (foreign and domestic travel, employees pay, subsistence and quarters allowance, entertainment expenses, etc.)	6,734,576	5,725,167

I. ORDINARY ACCOUNT, continued

	<u>1938-39</u>	<u>1937-38</u>
	<u>budget</u>	<u>budget</u>
<b>2. Military expenses, continued:</b>		
(d) Expenses for food and clothing	29,388,966	27,737,227
(e) Ship construction, ordnance manufacture, repairs	126,385,201	116,547,619
(1) Ship construction and repairs	10,893,481	
(2) Armament - expenses for manufacture, repair and experiments (airplanes, aviation equipment, guns, powder, range finders, gun sights, torpedoes, navigation instruments, radio equipment)	114,354,757	
(3) Miscellaneous expenses	1,136,963	
(f) Expenses for maneuvers	714,727	625,633
(g) Care of patients	1,454,562	1,416,215
(h) Upkeep of Naval Ports	1,252,840	1,147,183
(i) Operating expenses of ships and stations	54,005,168	52,007,046
(1) Supplies	7,511,556	
(2) Fuel	39,328,601	
(3) Storage and transportation of supplies	6,214,365	
(4) Entertainment expenses	44,002	
(5) Miscell. pay and expenses	906,644	
(j) Hydrographic expenses	712,547	643,034
(k) Miscellaneous training expenses (Equipment, books and stationery, fuel electric light, research, employees wages, etc.)	2,537,249	1,846,131
(l) Aid to families of enlisted men	1,082,404	1,019,969
(m) Subsidy to employees amutual aid guild	3,607,907	2,551,733
(n) Expenses in connection naval prisoners	11,041	10,947
(o) Confidential fund	<u>99,300</u>	<u>63,300</u>
<b>TOTAL - Military expenses</b>	<b>291,860,711</b>	<b>272,191,269</b>
<hr/>		
<b>3. Miscellaneous expenses</b> (discharge allowance, special death gratuity, accident allowance, etc.)	<b>900,823</b>	<b>1,224,340</b>
<b>TOTAL - ORDINARY ACCOUNT</b>	<b>293,382,149</b>	<b>273,953,380</b>

II. EXTRAORDINARY ACCOUNT.

	1938-39 budget	1937-38 budget
1. Ship construction expenses		218,195,828
(a) Pay of Chokunin rank	8,600	
(b) Pay of Sonin rank	707,410	
(c) Pay of Hannin rank	541,258	
(d) Miscell. expenses for supervision	1,596,527	
(e) Storage and transportation expenses	774,732	
(f) Ship construction expenses	113,936,300	
(g) Ordnance manufacture expenses	100,755,751	
		218,420,578

NOTE: The above item is known as the "Third Replenishment Program". This is a five year ship building program which started fiscal year 1937-38 and terminates fiscal year 1941-42. The sum of ¥861,067,826 was initially approved to carry out this program; however, the current budget supplements this total by ¥18,228,578, bringing the total cost of the program to ¥879,296,404, and revises the annual allocation of funds. Originally ¥224,092,000 was allocated for fiscal year 1938-39, but this has now been revised to ¥218,420,578 by supplementing the original total by ¥4,328,578, and postponing ¥10,000,000 to the following fiscal year (1939-40). The revised annual allocation of funds now is as follows:

1939-40 - ¥247,692,000  
1940-41 - 233,357,000  
1941-42 - 95,051,000

2. Additions and improvements to Shore Stations

(a) Office expenses	1,351,614	1,357,721
(1) Pay - Sonin rank	129,700	
(2) Pay - Hannin rank	200,940	
(3) Shop expenses	1,020,974	

(b) Naval Dockyards - additions and improvements to.

(1) Yokosuka Navy Yard	9,102,352	10,931,882
(2) Kure Navy Yard	10,384,130	15,623,818
(3) Sasebo Navy Yard	8,902,711	5,386,557
(4) Maizuru Navy Yard	701,075	220,120
(5) Naval Research Laboratory	212,600	387,500
(6) Naval Powder Factory	118,700	129,060
(7) Naval Fuel Depot	1,917,000	2,568,000
(8) Construction of oil storage tanks and storehouses	12,303,755	11,026,304
(9) Ominato Repair Shop	41,700	21,400
(10) Chinkai Repair Shop	225,375	0
(11) Port Arthur Repair Shop	20,675	0

(c) Facilities and equipment for various Defense Corps.

(1) Construction Naval Barracks, Yokosuka	325,000	729,000
(2) Construction Naval Barracks, Kure	862,500	1,115,400
(3) Construction Naval Barracks, Sasebo	312,500	480,000
(4) Equipment for Radio Stations	2,078,700	934,000
(5) Equipment for various defense Corps	969,500	1,769,152

(d) Miscellaneous equipment for Naval Ports

(1) Yokosuka Naval Station	1,110,500	1,050,000
(2) Kure Naval Station	501,500	660,300
(3) Sasebo Naval Station	666,400	687,300
(4) Maizuru Naval Station	352,400	57,200
(5) Bako Minor Naval Station	4,496,000	33,700

**II. EXTRAORDINARY ACCOUNT, continued**

	1938-39 <u>budget</u>	1937-38 <u>budget</u>
<b>2. Additions and Improvements to Shore Stations, continued:</b>		
<b>(e) Expansion of training facilities:</b>		
(1) Expansion of training facilities at various schools	3,568,563	3,841,186
<b>(f) Expansion of hospital facilities</b>		
(1) Yokosuka Naval Hospital	182,200	94,500
(2) Kure Naval Hospital	243,700	8,100
(3) Sasebo Naval Hospital	<u>162,000</u>	<u>169,100</u>
Total (f)	587,900	271,700
<b>3. Expansion of the Naval Air Force</b>		
(1) Pay of Sonin rank	37,200	182,412
(2) Pay of Hannin rank	87,665	248,903
(3) Shop expenses	36,788	361,521
(4) Civil engineering expenses	9,440,650	14,263,790
(5) Planes and equipment	6,977,615	9,298,548
(6) Miscellaneous boats	516,800	506,900
(7) Consumable supplies	679,473	1,150,966
(8) Harbor equipment	350,000	350,000
(9) Medical supplies	<u>69,939</u>	<u>68,818</u>
Total item 3	18,150,000	26,876,724
<b>4. Alteration, repair and equipment of vessels</b>		
<b>(a) Alteration to ships</b>		
(1) Pay of Sonin rank	77,557	148,447
(2) Pay of Hannin rank	138,102	135,147
(3) Miscellaneous supervision expenses	391,789	248,584
(4) Transportation and storage expenses	10,988	0
(5) Modernization of capital ships	19,563,039	17,851,650
Total - item a	20,121,475	19,383,828
(6) Alteration to aircraft carrier(s) and auxiliary vessels	<u>27,346,008</u>	<u>23,167,030</u>
Total - item a	47,427,480	41,550,858
<b>(b) Special repairs to ships</b>		
(1) Pay of Sonin rank	4,960	0
(2) Pay of Hannin rank	10,835	0
(3) Miscellaneous supervision expenses	124,079	111,139
(4) Ship construction expenses	10,276,058	9,360,397
(5) Ordnance expenses	<u>2,214,068</u>	<u>1,753,464</u>
Total - item (b)	12,630,000	11,225,000
<b>(c) Replacement of submarine storage batteries</b>		
(1) Miscellaneous supervision expenses	12,763	7,317
(2) Manufacturing expenses	<u>1,276,281</u>	<u>731,728</u>
Total - item (c)	1,289,044	739,045
<b>(d) Construction of miscellaneous boats</b>		
(1) Miscellaneous supervision expenses	6,535	11,881
(2) Ship construction expenses	<u>653,465</u>	<u>1,188,119</u>
Total - item (d)	660,000	1,200,000
Total item 4	62,006,524	54,714,903

II. EXTRAORDINARY ACCOUNT, continued

	1938-39 budget	1937-38 budget
5. Replenishment and renewal of Military stores		
(1) Replenishment of ordnance	5,080,000	6,056,000
(2) Replenishment of books, publications, etc.	1,300,000	6,597,000
(3) Renewal of ordnance	2,200,000	2,833,000
(4) Ordnance supplies	2,940,000	3,104,000
(5) Purchase of books, periodicals, etc.	180,000	32,750
(6) Research expenses in men's equipment	0	300,000
Total - item 5	11,700,000	18,922,750
6. Construction and repairs to buildings	676,062	819,062
7. Work to be performed by Navy for other Government departments	160,129	1,408,029
8. Making charts for public sale	110,584	92,766
9. Research expenses		
(a) Research expenses for chemical warfare		
(1) Miscellaneous pay and expenses	<del>150,000</del> <sup>36,100</sup>	<del>160,000</del> <sup>36,100</sup>
(2) Research expenses for poison gas	63,900	63,900
(3) Research expenses for counter measures against poison gas	50,000	50,000
Total - item 9 (a)	150,000	150,000
(b) Aviation research		
(1) Miscellaneous pay and expenses	92,020	83,681
(2) Engaging foreign experts	26,000	26,000
(3) Conducting experiments with pigeons	2,200	2,200
(4) Expenses for sanitary research	20,400	20,400
(5) Entertainment expenses	1,050	1,050
Total - item 9 (b)	141,670	133,331
(c) Research in engines and ordnance		
(1) Miscellaneous pay and expenses	41,781	65,494
(2) Expenses for research in hulls	293,222	2,138,614
(3) Expenses for research in engines	287,433	118,812
(4) Expenses for research in ordnance	4,177,564	4,367,080
Total - item 9 (c)	4,800,000	6,680,000
Total - item 9	5,091,670	6,963,331
10. Gratuities		
(a) Lump sum payment		
(1) Aviation accident gratuity	271,814	212,077
(2) Submarine accident gratuity	3,000	3,000
(3) Special gratuity	47	77
Total - item 10	271,814	212,077
11. Japan's share of International Hydrographic expenses	5,575	5,575
12. Restoration of earthquake damages		
(1) Office expenses	9,524	47,614
(2) Restoration of Naval Stores	188,179	940,946
(3) Relief supplies	2,297	11,435
Total - item 12	200,000	1,000,000

II. EXTRAORDINARY ACCOUNT, continued

	<u>1938-39</u> <u>budget</u>	<u>1937-38</u> <u>budget</u>
13. Despatching vessels to northern waters	500,000	500,000
14. Making meteorological charts of upper air currents	148,012	211,518
15. Increase in allowance due to appreciation of foreign currencies	525,560	638,508
16. Expenses for ordnance equipment for training purposes	1,700,000	1,800,000
17. Revision of books and publications	134,946	31,716
18. Amount transferred to special account to replenish circulating capital of Navy Yards	3,000,000	350,000
19. Surveying to be performed by Navy for other Government departments	59,687	0

TOTAL - EXTRAORDINARY ACCOUNT..... \$383,976,291

NAVAL BUDGET FISCAL YEAR 1930-31 - RECAPITULATION OF ORDINARY ACCOUNT.

(Classified according to activity and nature of expense).

	Under: Office Pay	Office expense	Office repairs	Miscellaneous expense	Food and clothing	Ship and Ordnance manufacture & repair	Local manufacture	Care of Patients	upkeep of: Naval Ports	Operation of vessels: (fuel, supplies, etc.)	Hydrographic training expense	Various training expense	aid to families of enlisted men	subsidies to actual: Aid to Families of Sailors	Prisoners	Commissaries	Miscellaneous	TOTAL
Naval Department Proper	418,878	801,340																1,220,218
General Staff	558,657		86,145	863,803														1,448,605
Hydrographic Office	225,250		18,955	25,623						560,901								804,729
Naval Technical Dept.	514,970		76,558	157,508	650	2,065,140												2,748,226
Naval Aviation Dept.	254,575		15,948	40,559	384	195,864												546,330
Technical Research Laboratory	254,575		21,518	45,918	487	2,192,931												2,470,919
Manama Naval Station and Offices under its Jurisdiction	490,997		519,656	840,300	256,063	26,115,323	0	752	309,559	224,331	10,785	21	0	0	0	0	0	28,125,877
Kure Naval Station and Offices under its Jurisdiction	482,929	0	277,108	240,470	187,009	9,219,280	0	702	294,220	222,223	9,919	21	0	0	0	0	0	10,244,719
Sasebo Naval Station and Offices under its Jurisdiction	452,656	0	262,050	221,222	181,200	13,216,706	0	722	299,112	245,490	11,004	21	0	0	0	0	0	14,209,022
Fleets, vessels and the various Corps	51,957,712	0	28,076,007	618	27,117,640	2,366,203	1,590,598	396,751	349,226	152,222,763	0	150,404	0	0	0	0	0	120,184,298
Navy Yards	2,578,377	0	216,680	291,120	14,722	22,925,746	0	20,270	0	0	0	0	0	0	0	0	0	26,122,975
Hospitals	584,216	0	26,218	45,924	587,342	0	0	922,642	0	0	0	27,871	0	0	0	0	0	1,541,035
Subsides	2,329,229	0	0	261,600	1,041,522	0	126,151	22,845	0	90,263	0	2,208,911	0	0	0	0	0	3,749,739
Naval Court-martial Boards and Prisons	202,637	0	19,266	45,779	19,425	0	0	1,791	0	1,400	0	0	0	0	11,041	0	0	229,679
Aides to Imperial Family, Staff of Fleet Admirals, & Supreme War Council	107,322	0	0	8,740	0	0	0	0	0	0	0	0	0	0	0	0	0	116,062
Miscellaneous expenses	144,301	0	40,021	12,717,025	1,643	0	0	0	0	0	0	0	11,022,404	12,607,907	0	199,300	0	24,882,801
Miscellaneous disbursements																		900,822
TOTAL	62,672,614	801,340	1,680,604	734,578	29,366,966	1,226,203	1,714,727	1,454,542	1,250,940	154,006	1,160,712	247,122	237,248	11,022,404	12,607,907	11,041,041	199,300	280,208,149



NAVAL BUDGET FISCAL YEAR 1950-51.  
 Allocation of the Funds of Item 2 of the Ordinary  
 Account (Military Expenses - Item 10 on previous  
 page) classified according to activity and nature  
 of expense. (This item is budget provided for pay  
 of personnel and operating expenses for the Fleet,  
 miscellaneous vessels and the various courses)

ACT			APPROPRIATIONS									
			for repairs & overhaul	for fuel & oil	for clothing	for supplies & stores	for miscellaneous	for travel & transportation	for communications	for operating expenses	for miscellaneous	for various expenses
fleet	10,000,000	0	265,408	4,808,781		10,000,120,202	47,068	0	115,804,507	26,912	20,028,171	
fleet	7,945,435	0	210,478	2,221,727		10,000	42,864	30,980	0	2,275,420	21,121	21,770,922
training squadron	1,227,474	0	27,214	420,024	0	2,000	2,214	0	100,102	2,261	1,227,720	
training vessels	1,869,829	0	42,478	2,000,000	0	2,072	17,460	0	2,250,240	7,072	2,227,202	
guard vessels	4,212,702	0	121,004	2,126,078	0	10,000	22,267	0	2,285,000	12,720	12,227,602	
survey vessels	442,000	0	2,202	120,104	0	2,200	2,000	0	204,724	622	1,142,027	
vessels in reserve	2,000,000	0	172,078	2,224,222	10,000	44,202	22,202	0	2,272,224	24,174	10,040,000	
miscellaneous vessels	1,400,001	0	47,077	210,478	0	2,222	7,227	0	4,227,242	2,222	4,222,227	
Midway Minor Naval Station	412,480	22,072	24,422	202,024	222,222	2,222	12,222	27,222	120,422	222	1,222,222	
Great Lakes Minor Naval Station	222,222	0	12,222	22,222	222,222	2,222	4,222	44,222	22,222	222	222,222	
Great Lakes Minor Naval Station	222,222	0	12,222	22,222	222,222	2,222	4,222	44,222	22,222	222	222,222	
San Diego Minor Naval Station	222,222	0	12,222	22,222	222,222	2,222	4,222	44,222	22,222	222	222,222	
San Diego Minor Naval Station	222,222	0	12,222	22,222	222,222	2,222	4,222	44,222	22,222	222	222,222	
Naval Forces in Massachusetts	222,222	0	22,222	122,222	0	2,222	1,222	0	122,222	222	222,222	
Yorktown Naval Barracks	1,222,222	0	22,222	1,222,222	0	22,222	2,222	0	122,222	1,222	2,222,222	
Great Lakes Naval Barracks	1,222,222	0	22,222	1,222,222	0	22,222	2,222	0	122,222	1,222	2,222,222	
Great Lakes Naval Barracks	1,222,222	0	22,222	1,222,222	0	22,222	2,222	0	122,222	1,222	2,222,222	
Yorktown Defense Course	122,222	0	2,222	22,222	0	2,222	1,222	0	22,222	222	222,222	
Great Lakes Defense Course	122,222	0	2,222	22,222	0	2,222	1,222	0	22,222	222	222,222	
Yorktown Aviation Course	1,222,222	0	122,222	1,222,222	20,000	42,222	12,222	0	1,222,222	2,222	2,222,222	
Great Lakes Aviation Course	1,222,222	0	122,222	1,222,222	20,000	42,222	12,222	0	1,222,222	2,222	2,222,222	
Yorktown Aviation Course	222,222	0	22,222	222,222	20,000	22,222	2,222	0	222,222	1,222	2,222,222	
Great Lakes Aviation Course	222,222	0	22,222	222,222	20,000	22,222	2,222	0	222,222	1,222	2,222,222	
Yorktown Aviation Course	222,222	0	22,222	222,222	20,000	22,222	2,222	0	222,222	1,222	2,222,222	
Great Lakes Aviation Course	222,222	0	22,222	222,222	20,000	22,222	2,222	0	222,222	1,222	2,222,222	
Yorktown Aviation Course	222,222	0	22,222	222,222	20,000	22,222	2,222	0	222,222	1,222	2,222,222	
Great Lakes Aviation Course	222,222	0	22,222	222,222	20,000	22,222	2,222	0	222,222	1,222	2,222,222	
Yorktown Aviation Course	222,222	0	22,222	222,222	20,000	22,222	2,222	0	222,222	1,222	2,222,222	
Great Lakes Aviation Course	222,222	0	22,222	222,222	20,000	22,222	2,222	0	222,222	1,222	2,222,222	
Yorktown Aviation Course	222,222	0	22,222	222,222	20,000	22,222	2,222	0	222,222	1,222	2,222,222	
Great Lakes Aviation Course	222,222	0	22,222	222,222	20,000	22,222	2,222	0	222,222	1,222	2,222,222	
Yorktown Aviation Course	222,222	0	22,222	222,222	20,000	22,222	2,222	0	222,222	1,222	2,222,222	
Great Lakes Aviation Course	222,222	0	22,222	222,222	20,000	22,222	2,222	0	222,222	1,222	2,222,222	
Yorktown Aviation Course	222,222	0	22,222	222,222	20,000	22,222	2,222	0	222,222	1,222	2,222,222	
Great Lakes Aviation Course	222,222	0	22,222	222,222	20,000	22,222	2,222	0	222,222	1,222	2,222,222	
Yorktown Aviation Course	222,222	0	22,222	222,222	20,000	22,222	2,222	0	222,222	1,222	2,222,222	
Great Lakes Aviation Course	222,222	0	22,222	222,222	20,000	22,222	2,222	0	222,222	1,222	2,222,222	
Yorktown Aviation Course	222,222	0	22,222	222,222	20,000	22,222	2,222	0	222,222	1,222	2,222,222	
Great Lakes Aviation Course	222,222	0	22,222	222,222	20,000	22,222	2,222	0	222,222	1,222	2,222,222	
Yorktown Aviation Course	222,222	0	22,222	222,222	20,000	22,222	2,222	0	222,222	1,222	2,222,222	
Great Lakes Aviation Course	222,222	0	22,222	222,222	20,000	22,222	2,222	0	222,222	1,222	2,222,222	
Yorktown Aviation Course	222,222	0	22,222	222,222	20,000	22,222	2,222	0	222,222	1,222	2,222,222	
Great Lakes Aviation Course	222,222	0	22,222	222,222	20,000	22,222	2,222	0	222,222	1,222	2,222,222	
Yorktown Aviation Course	222,222	0	22,222	222,222	20,000	22,222	2,222	0	222,222	1,222	2,222,222	
Great Lakes Aviation Course	222,222	0	22,222	222,222	20,000	22,222	2,222	0	222,222	1,222	2,222,222	
Yorktown Aviation Course	222,222	0	22,222	222,222	20,000	22,222	2,222	0	222,222	1,222	2,222,222	
Great Lakes Aviation Course	222,222	0	22,222	222,222	20,000	22,222	2,222	0	222,222	1,222	2,222,222	
Yorktown Aviation Course	222,222	0	22,222	222,222	20,000	22,222	2,222	0	222,222	1,222	2,222,222	
Great Lakes Aviation Course	222,222	0	22,222	222,222	20,000	22,222	2,222	0	222,222	1,222	2,222,222	
Yorktown Aviation Course	222,222	0	22,222	222,222	20,000	22,222	2,222	0	222,222	1,222	2,222,222	
Great Lakes Aviation Course	222,222	0	22,222	222,222	20,000	22,222	2,222	0	222,222	1,222	2,222,222	
Yorktown Aviation Course	222,222	0	22,222	222,222	20,000	22,222	2,222	0	222,222	1,222	2,222,222	
Great Lakes Aviation Course	222,222	0	22,222	222,222	20,000	22,222	2,222	0	222,222	1,222	2,222,222	
Yorktown Aviation Course	222,222	0	22,222	222,222	20,000	22,222	2,222	0	222,222	1,222	2,222,222	
Great Lakes Aviation Course	222,222	0	22,222	222,222	20,000	22,222	2,222	0	222,222	1,222	2,222,222	
Yorktown Aviation Course	222,222	0	22,222	222,222	20,000	22,222	2,222	0	222,222	1,222	2,222,222	
Great Lakes Aviation Course	222,222	0	22,222	222,222	20,000	22,222	2,222	0	222,222	1,222	2,222,222	
Yorktown Aviation Course	222,222	0	22,222	222,222	20,000	22,222	2,222	0	222,222	1,222	2,222,222	
Great Lakes Aviation Course	222,222	0	22,222	222,222	20,000	22,222	2,222	0	222,222	1,222	2,222,222	
Yorktown Aviation Course	222,222	0	22,222	222,222	20,000	22,222	2,222	0	222,222	1,222	2,222,222	
Great Lakes Aviation Course	222,222	0	22,222	222,222	20,000	22,222	2,222	0	222,222	1,222	2,222,222	
Yorktown Aviation Course	222,222	0	22,222	222,222	20,000	22,222	2,222	0	222,222	1,222	2,222,222	
Great Lakes Aviation Course	222,222	0	22,222	222,222	20,000	22,222	2,222	0	222,222	1,222	2,222,222	
Yorktown Aviation Course	222,222	0	22,222	222,222	20,000	22,222	2,222	0	222,222	1,222	2,222,222	
Great Lakes Aviation Course	222,222	0	22,222	222,222	20,000	22,222	2,222	0	222,222	1,222	2,222,222	
Yorktown Aviation Course	222,222	0	22,222	222,222	20,000	22,222	2,222	0	222,222	1,222	2,222,222	
Great Lakes Aviation Course	222,222	0	22,222	222,222	20,000	22,222	2,222	0	222,222	1,222	2,222,222	
Yorktown Aviation Course	222,222	0	22,222	222,222	20,000	22,222	2,222	0	222,222	1,222	2,222,222	
Great Lakes Aviation Course	222,222	0	22,222	222,222	20,000	22,222	2,222	0	222,222	1,222	2,222,222	
Yorktown Aviation Course	222,222	0	22,222	222,222	20,000	22,222	2,222	0	222,222	1,222	2,222,222	
Great Lakes Aviation Course	222,222	0	22,222	222,222	20,000	22,222	2,222	0	222,222	1,222	2,222,222	
Yorktown Aviation Course	222,222	0	22,222	222,222	20,000	22,222	2,222	0	222,222	1,222	2,222,222	
Great Lakes Aviation Course	222,222	0	22,222	222,222	20,000	22,222	2,222	0	222,222	1,222	2,222,222	
Yorktown Aviation Course	222,222	0	22,222	222,222	20,000	22,222	2,222	0	222,222	1,222	2,222,222	
Great Lakes Aviation Course	222,222	0	22,222	222,222	20,000	22,222	2,222	0	222,222	1,222	2,222,222	
Yorktown Aviation Course	222,222	0	22,222	222,222	20,000	22,222	2,222	0	222,222	1,222	2,222,222	
Great Lakes Aviation Course	222,222	0	22,222	222,222	20,000	22,222	2,222	0	222,222	1,222	2,222,222	
Yorktown Aviation Course	222,222	0	22,222	222,222	20,000	22,222	2,222	0	222,222	1,222	2,222,222	
Great Lakes Aviation Course	222,222	0	22,222	222,222	20,000	22,222	2,222	0	222,222	1,222	2,222,222	
Yorktown Aviation Course	222,222	0	22,222	222,222	20,000	22,222	2,222	0	222,222	1,222	2,222,222	
Great Lakes Aviation Course	222,222	0	22,222	222,222	20,000	22,222	2,222	0	222,222	1,222	2,222,222	
Yorktown Aviation Course	222,222	0	22,222	222,222	20,000	22,222	2,222	0	222,222	1,222	2,222,222	
Great Lakes Aviation Course	222,222	0	22,222	222,222	20,000	22,222	2,222	0	222,222	1,222	2,222,222	
Yorktown Aviation Course	222,222	0	22,222	222,222	20,000	22,222	2,222	0	222,222	1,222	2,222,222	

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 footnotes or elsewhere, according to subject matter.

From NA/Tokyo Date Feb. 17, 1938 Serial No. 43 File No. \_\_\_\_\_  
(Commence new series each January first) (Select proper number from O. N. I. Index)

Source of information Press

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

Reference \_\_\_\_\_

**NOTE.**—(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.)

Naval Policy and Trends from the Diet Proceedings

DECLASSIFIED

E.O. 11652, Sec. 3(E) and 5(D) or (F)

OSD letter, May 3, 1972

By RT, NARS Date MAY 21 1973

~~CONFIDENTIAL~~

Naval Policy and Trends from the Diet Proceedings

In the current session of the Diet, answers to certain interpellations have indicated somewhat the trend of Japanese Naval Policy and projects. Unfortunately, the majority of these interpellations have been made and answered in executive session or with stenographic recording suspended so that the replies as reported by the vernacular press after careful censorship (with possible distortion (?)) are even more obscure than the vague generalities usually expressed in open session of the Diet.

Naval Construction and Modernization:

The Imperial Navy is now quietly watching the moves of Great Britain and the United States in regard to naval armament expansion. Counter measures are under study but have not reached the point where a concrete plan can be announced ... The Navy has been following the course of independent armament ... The efficiency of battleships ought to be increased side by side with that of naval planes.

Reconstruction of capital ships has been "generally completed" and the reconstruction of auxiliary vessels will be continued for some time.

As regards the power (capabilities, efficiency) of small vessels, there is no need for apprehension.

There is no need for worry in connection with material (for construction).

There is no need to feel uneasy about National Defense as far as the Navy is concerned.

Policy:

The Navy has no intention of maintaining parity in naval strength despite plans for greater navies by other Powers but will perfect the national defense with a Navy suitable to the geographical and other conditions of this country. "Taking into consideration the armament of Third Powers, it is our intention to build up our fleet to the best of our ability. We are using the experience gained in the present hostilities to build up our strength, both morally and materially. Concrete plans therefore cannot be disclosed."

If Great Britain and the United States have concluded an agreement between themselves, the Empire will be required to take counter-measures. The policy of the Imperial Navy is maintenance of an independent armament based on the policy of non-menace and non-aggression.

Armament cannot be set up (created) in the Mandated Islands but the question of strengthening the armament in Formosa is now under consideration.

There is no intention of expanding the Marines (landing force) at present.

Although desired, no concrete negotiations are in progress for the right to exploit New Guinea oil fields.

Operations:

Judging from the remarkable achievements of naval planes in the present hostilities, it is quite obvious that in all future wars the air arm will play a very important part. From the point of view of Fleet operations, however, it seems only proper that the planes, as auxiliary units, should remain under the direction of the Commander-in-Chief of a Squadron (Fleet). For this reason, it will be difficult to detach the air arm from the Squadron (Fleet) and place it under a separate command to take action independently of the Squadron (Fleet). Hence, the Navy has no intention of advocating the establishment of a separate Air Ministry that would take over the Naval Air Force.

No answer can be made regarding operations against Hankow or Canton for reasons of military and political strategy.

Organization:

Combined Fleet (Vice Admiral Yoshida), consisting of:  
First and Second Fleets (Vice Admiral Shimada)  
China Area Fleet (Vice Admiral Hasegawa), consisting of:  
Third and Fourth Fleet (Vice Admiral S. Toyoda)

Increased Air Force:

It is believed that Japan will have adequate strength when the replenishment plan now under way is completed ... In the light of recent experience, expansion of armaments, especially in the field of aviation, will be effected quickly.

Personnel:

The morale of the Navy is very high. The Navy has under consideration but does not now intend to enforce a volunteer system for Koreans. Many Koreans have taken examinations for naval academy entrance.

There must be training (adopted) of better aviators in line with the expansion of aerial strength.

Fuel:

If imports from abroad are suspended we think we can manage by relying on exploitation of oil fields in Japan and coal-liquefaction ... the Navy has considerable reserve supply.

Results, as expected, are now being obtained by utilization of Formosan natural gas in the manufacture of gasoline but it is yet to be decided whether to leave the industry in the hands of the Navy or turn it over to a private concern.

Except for the low temperature process, the Fuel Industry in Japan is still in the experimental stage. The low temperature carbonization production for last year totalled 2000 tons of gasoline and 5000 tons of tar (plants in operation were Eian, Wanishi, Karafuto and Ubo). A new hydrogenation plant is now ready for operation in Northern Korea. Progress is being made in the projects at Miike (Kyushu) and Manchukuo.

Munitions:

The question of joint Army-Navy purchase of certain munitions is now being studied. The importation of important war material (munitions) will be continued regardless of the question of balance of foreign exchange.

The actual expenditure of arms and munitions has been greater than anticipated but we are preparing to replenish everything. This must be done as soon as we can.

Soviet-Vladivostok:

Full particulars regarding Russian naval strength at Vladivostok are not 'available' but it is known that in that port now are 'more than a hundred' destroyers, special service ships, and other high speed craft, besides a 'few score submarines'. "Soviet submarines around Vladivostok deserve special attention"....(also reported as --) "The actual Soviet naval strength is not of such a degree that it should cause special fear to Japan".

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NAVAL OPERATIONS, NAVY DEPARTMENT

ATTACHÉ'S REPORT C-12-C/7206-R

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From IA/Tokyo Date Feb. 18, 1938 Serial No. 45 File No. 902-100  
(Commence new series each January first) (Indicate proper number from O. N. I. Index)

Source of information .....

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

Reference .....

REMARK.—(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 Replenishment Program

RECEIVED  
MAR 19 1938

23

DECLASSIFIED

E.O. 11652, Sec. 2(E) and 6(D) or (F)

OSD letter, May 3, 1972

By RT, MARU DATE MAY 21 1973

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Report No. 45.  
Japan.  
February 18, 1938.

900 - Navy.  
902 - Policy.  
100 - Basic Policy.

### Third Replenishment Program.

- References: (a) DNE letter Op-18-B-11 CL/QN/EF37 dated 13 Jan. 1938.  
(b) NA/Tokyo report No. 316-37.  
(c) NA/Tokyo report No. 15-38.  
(d) NA/Tokyo report No. 25-38.

### Cruiser Construction.

The leading question, mentioned in reference (b), was asked the Senior Aide to the Navy Minister in view of the rumor prevalent in Tokyo that Japan was laying down additional Class "B" cruisers. The Senior Aide understood the question. Whether any reliance can be placed upon his reply is a matter of opinion. He may have been caught unawares and replied thinking that the cruiser program had been announced at some previous date such as at the time the original six were laid down.

As has been reported recently, the Italian Naval Attaché was of the opinion that five 9000 ton cruisers mounting ten 6" guns in double turrets were to be laid down. He now tells me that these five cruisers will displace between 8000 and 9000 tons and will have but four double gun turrets (6"). The extra weight and space, resulting from this reduction in gun power, is to be devoted to obtaining an increased radius. He also stated that Japan was contemplating the construction of a 13,000 ton cruiser type mounting 8" guns.

### Capital Ship Construction.

This same source insists that two 46,000 ton battleships have been laid down at Kure (reported in reference (c)) and a third is now being laid down at the Mitsubishi Nagasaki Yard on the ways vacated by the cruiser Tone. A fourth battleship is to be laid down soon.

### COMMENT.

The reliability of my informant cannot be vouched for. He states that he has received the above information from three different sources and inferred that some were officials in the Japanese Navy Department. He has, in the past, volunteered political information to the American Ambassador and military information to me, prefacing both by the statement that he likes Americans generally and us in particular. In my case his feeling is probably based upon a certain degree of friendship and a reasonably close association over a period of fifteen months. The political information has not always been true, in fact when verging on the truth it has generally been exaggerated. As regards the military information he hands out to me: If there are ulterior motives in so doing, in other words should he be in collusion with Japanese Naval officials to pull the wool over our eyes, it is difficult to understand why, in view of the political (and possibly military) understanding between Italy, Japan and Germany, he does not take the opposite tack and attempt to under-emphasize Japan's building program rather than to exaggerate it. For a time I believed the Italian Naval Attaché responsible for the rumors which started here in 1936 to the effect that Japan proposed building capital ships in excess of treaty limitations. Investigation has partially disproved this theory. In fact two Naval Attachés believed to be in a position to know affirm that he did not appear much interested in the matter until a few months prior to the time Italy joined the Anti-Comintern Pact.

The Italian Naval Attache asked whether Japan's reply to the United States note on capital ship construction would cause my government to go ahead now with the construction of super ships. Also whether I thought Japan was building such. When I purposely told him I did not think Japan was building much beyond the 35,000 ton limit, he replied that we could be assured, if such were the case, Japan would be only too glad to tell us so in order to keep us from out-building them. He also stated that the details of Japan's building program were pretty well known by the higher officials in the Japanese Navy Department and that when Rear Admiral Noda, Head of the Publicity Section, and Captain Kondo, the Senior Aide to the Navy Minister, <sup>said</sup> that they were not conversant with what Japan has laid down or intends to lay down (see reference (d)) they were just throwing out a smoke screen. He concluded by saying there was absolutely no question but that Japan was building 46,000 ton battleships.

Reports current are to the effect that there is very close liaison between Japanese Naval, Military and Air Officers and similar officials in the Italian Embassy. I believe this to be a fact.

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From NA/Tokyo Date March 28, 1938 Serial No. 68 File No. 411-200  
(Commence new series each January first) (Select proper number from O. N. I. index)

Source of information .....

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

Reference Industrial Mobilization for War

NOTE.—(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.)

National Mobilization Law



24

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 E.O. 11652, Sec. 3(E) and 3(D) or (F)  
 OSD letter, May 3, 1972  
 By INT, NAME Date MAY 21 1973

Source	B-1, B-2, B-3, B-4, B-5, B-6, B-7, B-8, B-9, B-10, B-11, B-12, B-13, B-14, B-15, B-16	graph	sketch	map	C. N. O.	Board	College	H. I. S.	Nav.	Chf.	T. S. R.	C. S. R.	Eng.	S. A. A.	M. S. R.	Aer.	M. C.	H. O.	
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Report No. 68  
Japan  
March 28, 1938

400 - Industrial  
411 - Industrial Summary  
100 - Industrial Mobilization for  
War

### National Mobilization Law

The General Mobilization Law which passed both Houses of the Diet 24 March 1938 (but not without considerable opposition both on the Floor and in Committee) will be promulgated in a few days:

This law aims to achieve a mobilization of the entire power (both material and personnel), resources (both natural and fiduciary) and economy for future warfare. The first 31 articles contain a bare framework for the scope of the mobilization. Articles 32 to 49 provide penalties for non-observance of the law and Article 50 provides for a National General Mobilization Council as an advisory body connected with the enforcement of the law.

According to statements by members of the Government in the Diet:

"Wartime is characterized by a declaration of war. A state of war resembling war means a state of hostilities similar to one in which a declaration of war has been made. This can be invoked by an Imperial rescript without a declaration of war."

While the supplementary regulations of the law enable it to be applied in its entirety by Imperial ordinance, in practice this invocation will be done article by article. Immediate invocation of articles dealing with munitions mobilization, control of press, controlled economy and labor are expected. Along with the former the Munitions Industry Mobilization Law and Law No. 86 of 1923 which supplements it will be abolished.

Often repeated was the aim to prepare for a future war which would require the exertion of the entire national strength. It being impossible to predict now what form a future war would take or which power would be Japan's enemy, prompt and swift measures would have to be taken according to the exigencies of the situation as they arise and as it would be impossible to set forth in law measures to be taken corresponding to the myriad changes that would develop in the course of a war (and were such concrete plans known to foreign powers it would be to the disadvantage of the State) such powers are therefore mandated to Imperial Ordinance.

The following is quoted from the article-by-article explanation given by the head of the Cabinet Planning Board when the bill was under consideration by the Committee of the Lower House:

"Articles 1 to 3 are sort of general rules defining the meaning of national general mobilization and clarifying its nature. From this it is clear that the bulk of the bill has to do with serious events that the nation may face in wartime or in times similar in character to wartime and cannot be invoked in such cases as disasters due to natural agencies or to internal upheavals.

"Article 2 provides that all materials important for replenishing the supply of munitions, for assuring security in the living of the people and other purposes of national

defense shall be considered general mobilization articles thus making clear the bounds within which the provisions of the present bill shall be invoked, together with the work of mobilization members regulated in Article 3.

"Articles 4 to 7 are concerned chiefly with mobilization of labor. Articles 4 and 5 clearly set forth the obligations of the subjects of the Empire, juridical persons and other organizations to participate in and co-operate with the work of national defense. Article 4 is based on the same principles as Articles 8 and 9 of the Munitions Industry Mobilization Law.

"Article 6 provides for adjustment of labor supply of demand and of labor conditions.

"Article 7 is concerned with appropriate handling of labor disputes. We do not believe, of course, that such labor disputes would arise in wartime in this country as would impair achievement of strategic plans, but we must not take anything for granted, and hence we must be prepared just in case there should arise such disputes.

"Articles 8 to 10 regulate the mobilization of materials.

"Article 8 aims at a smooth and appropriate supply of mobilization materials in accordance with the demand and is of the same nature as Article 6 of the Munitions Industry Mobilization Law.

"Article 9 has to do with control of imports and exports, aimed at promoting the export trade and controlling the importation of unnecessary and unurgent articles. This article seeks the same objects as Article 6 of the Munitions Industry Mobilization of unnecessary and unurgent articles, and Article 1 of the provisional law concerning disposal of imports and exports.

"Article 10 is about the same as Article 7 of the Munitions Industry Mobilization law, but it also provides, besides replenishment of munitions, for the replenishment of supplies for the people.

"In regard to losses to be sustained due to disposal of production, repair or use of mobilization materials under Article 8, due to importation or exportation orders under Article 9, and due to use or commandeering of mobilization articles under Article 10, means of compensating for them are provided.

"Articles 11 to 12 are concerned chiefly with control of financing; Article 11 is a rule for adjusting the supply of funds to the demand and is an expansion of Articles 2 and 4 of the Provisional Financing Adjustment Law. It limits or prohibits the inflow of funds for unurgent or unnecessary purposes into business enterprises where comparatively large funds are absorbed, or provides for ordering them to dispose of their profits in such a way as to expand or improve production facilities necessary for increasing the national strength, to set them aside for redemption or depreciation, et cetera. It also provides for proper restrictions on the use of funds by banks and other monetary institutions.

"Article 12 stipulates that the restrictions on the flotation of debentures or increase of capital under the Commercial Code may be moderated by Imperial ordinance for

the purpose of enabling important business enterprises to improve their facilities in wartime and is of the same nature as Articles 8 and 9 of the Provisional Financing Adjustment Law.

"Article 11 authorizes the Government to order accommodation of funds or subscription, taking over or purchase of negotiable bonds, but in such cases means of compensation are provided.

"Articles 13 to 16 are concerned with regulation of facilities or rights important from the standpoint of national general mobilization. Article 13 places the management of facilities necessary for replenishing the munitions supply in wartime under Government supervision and direction or enables the Government to use or appropriate such facilities at need and use their employes if necessary. The facilities to be embraced by this provision are quite extensive in scope, but the objectives are similar to those of Articles 2, 3 and 4 of the Munitions Industry Mobilization Law.

"Article 16 is aimed chiefly at restraining of establishment or expansion of enterprises considered unnecessary or unurgent, in a similar way as Article 4 of the Provisional Financing Adjustment Law, and enables the Government to order the establishment or expansion of facilities necessary for national general mobilization. In taking over the management, use or commandeering of factories and other facilities, land or buildings under Article 13, or in using or commandeering rights under Article 14 or in ordering establishment, expansion or improvement of facilities under Article 16, means have been provided for compensating the losses to be incurred.

"Articles 17 to 18 have to do with control of various enterprises connected with general mobilization. In Article 17, although control of various enterprises must be strengthened in wartime, it has been thought best to depend on autonomous control as much as possible so as to let this autonomous control meet the demands of national general mobilization, and therefore regulations have been provided for making the necessary adjustments.

"Article 18 goes a step further than Article 17 and provides for the organization of guilds by enterprisers of the same or similar enterprises important for national general mobilization so as to carry out joint buying, joint importing and joint selling.

"Article 19 prepares the ground for price control and is aimed at restricting profiteering in transactions or transportation of materials in order that fair and equitable prices may be maintained.

"Article 20 authorizes the Government to restrict or prohibit publication in newspapers, magazines, books etc., of military, diplomatic, financial or economic items and to prohibit the sale or distribution of all such publications as are liable to impair national general mobilization. In view of the far-reaching effect of the press in wartime, means have been adopted to provide against loopholes.

"The foregoing 16 articles, from Article 4 to Article 20, are applicable only in wartime, but Articles 21 to 26 are to be applicable not only in wartime but also in peacetime in regard to such matters as would prove inadequate if undertaken only in wartime.

"Article 21 provides for investigation in peacetime into the vocations and abilities of the subjects of the Empire so as to lay the foundation for fair and equitable application of the drafting system provided in Article 4 and to prepare for adjustment of supply of labor to demand in wartime.

"Article 22 regulates the training of technicians likely to be needed in wartime but for which considerable time is seen to be necessary.

"Article 23 regulates the storage of materials the supply of which is likely to be inadequate in wartime and authorizes the Government to order certain enterprisers to hold fixed portions of their materials in storage.

"Article 24 provides for ordering the execution of fixed plans in accordance with national general mobilization plans and drilling them in their working, as in air defense maneuvers citizens are being made to make certain plans and to conduct drills in peacetime. Enterprisers are thus made to make certain production increase plans and to undertake production on experimental orders placed with them by the authorities.

"Article 25 is to promote scientific research. In view of the importance of scientific research for the purpose of national defense, experiments and investigations necessary for general mobilization are to be carried out in peacetime.

"In regard to orders for the training of technicians under Article 22, storage of general mobilization materials under Article 23 or scientific research under Article 25, means of compensation for losses are provided.

"Article 26, similarly as in Article 14 of the Munitions Industry Mobilization Law, provides for subsidizing enterprises necessary for general mobilization and for imposing the necessary burdens on enterprisers against enforcement of general mobilization.

"Article 29 is for the establishment of a general mobilization compensation commission to assure fair and equitable allotments of compensation money and assessment of prices under Article 15.

"Articles 32 to 49 provide for penalties. In order that the present bill should achieve the aims of national defense, national unanimity and cooperation must be its keynote, but in times of national stress, on the other hand, strict observance of law must be demanded of the people. The penalties have been provided to assure this strict observance of law. Also, in view of the utmost importance of preparation and enforcement of national general mobilization for national defense, provision is made in Article 44 for preventing the leakage of Government secrets through vigilance on the part of mobilization members.

"Article 50 provides for the appointment of a national general mobilization council as an advisory body for deliberating on important matters connected with enforcement of the law.

"The supplementary rules provide that the date of enforcement of the law is to be decided by Imperial ordinance in order to allow for preparations needed for its enforcement

and that the Munitions Industry Mobilization Law and 1923 Law No. 88 now in force are to be abolished, for the General Mobilization Law is intended to replace them. Also, since provisions in the Munitions Industry Mobilization Law in regard to wartime rules are now being enforced under this 1923 Law No. 88, the necessary adjustments are made in the supplementary rules."

In view of the "necessity for unanimity during the present wartime conditions", many political observers were surprised at the vigor with which the majority parties in the Lower House (Minseito and Seiyukai) had interpellated the Government on various issues.

The Government announced at the time this bill was submitted that it would accept no amendments from the Diet and while such assertions are not unusual or beyond compromise, it soon became apparent as the Minseito and Seiyukai interpellators severely attacked the bill that the Government meant what it said holding the threat of dissolution of the Diet over the heads of the political parties.

As the movement for a single political party of Fascistic tinge (See Report No. 324-37) is ever simmering as a threat to the Minseito, Seiyukai and Social Mass Parties, certain "undisclosed" Right-wing leaders utilized their organized, uniformed and paid ruffians ("The Defense Corps Against Communism") to stage a siege (sit-down-occupation) of the Headquarters of the Minseito and Seiyukai on 17 February 1937. In response to the party leaders' demands that the police expell the Corps, the police proceeded with much less than their ordinary vigor. Hence, in the Diet Home Minister Admiral Suetsugu (whose right-wing tendency is considered proven beyond doubt) was severely criticized and accused of being the corps' "boss" with his Ministry being behind their movements. His recent appointees, the Inspector General of the Metropolitan Police Board and the Director of the Police Affairs Bureau of the Home Office, were said to be known as right-wing "small bosses", and former Premiers General Senjuro Hayashi and Mr. Yosuke Matsuoka, former Diet members Mr. Tetsuke Akiyama and Captain Prince Sanetaka Iohijo (retired) were accused of being the brains and backing of the Corps.

Early 3 March, Mr. Isao Abe, leader of the Social Mass Party, was attacked by two hired ruffians and severely caned suffering severe cuts and bruises. Again the Home Minister was accused of lack of control of public peace and his replies expressing regret, an investigation and a full report were not considered satisfactory.

Whether it was the pressure by Right-wing elements, the need for national unanimity and patriotism, or the threat of dissolution and the formation of a new political party headed by the Premier (who did not deny that he might lead such a move), the opposition to the General Mobilization Bill suddenly collapsed when the Government's determination to force the bill through without revision was fully realized. It is interesting to note that when the bill passed the Lower House unanimously "many Minseito and Seiyukai members whose objections had not been met and whose amendments were unacceptable to the Government (although in all possibility a majority of the House favored them) were not in their seats when the bill was voted".

The passage in the House of Peers was almost uneventful, although many interpellators both on the Floor and in committee vigorously opposed the manner of the bill's enforcement, its Constitutional threat and its strengthening of the forces of bureaucracy.

While there was but little opposition to the objectives of the National Mobilization Bill, much opposition was voiced to the manner of its drafting, execution and vagueness. Since these objections and government explanations further enlarge upon the bill, an outline of the salient points is herewith submitted:

PRO

CON

"Modern warfare is a warfare of national strengths. Not only Army and Navy win battles - whole nation must be perfected and coordinated to attain aims of warfare. This law is to develop general mobilization of national strength to maximum capacity. Enable state to develop its full capacity in national defense from both a materialistic and spiritualistic viewpoint. Russian and German collapse during World War was due to lack of thoroughness in 'general mobilization'".

"In time of emergency people must endure hardships as well as fighting services."

"We are considering the establishment of a Munitions Ministry to take over the enforcement of this law when enacted."

"In previous wars, there was no possibility of Japanese territory being bombed from the air but in any future war the danger of this is real ... we are likely to have air raids immediately on the opening of hostilities ... it might even happen that members of the Diet would be unable to attend a special session due to destruction by air raids of railway lines."

"If important state affairs are to be thus fixed by Imperial ordinances this will ignore rights vested in the Privy Council and the Diet by the Constitution. This bill invests too much authority in the government".

"Bill is law in name but is in reality consigned to Imperial ordinances".

"Imposes serious restrictions on the life, property and freedom of the people."

"This bill will increase the self-centered power of the bureaucrats."

"The existing administrative structure would serve to cope with immediate problems though in wartime we might require considerably extensive reforms of the administrative organization."

"Such measures (as this bill) could be passed by emergency Diet sessions such as during Sino-Japanese, Russo-Japanese and German-Japanese Wars."

~~CONFIDENTIAL~~

"National defense exists for the sake of the State. The people also exist for the sake of the State."

"It is a necessary expense."

"Article 11 not infringed; Article 31 meant to be made only in the worst case - in case the future of the State is at stake. This article is not directly infringed upon."

Vaguely denied by Government spokesman but interpellators dissatisfied with Government's replies.

"Japan is not facing a very severe crisis at present but this law is needed to be prepared for the future."

"Present methods of controlled economy are insufficient for wartime needs. It is necessary for the Government, as a third party, to intervene as private interests are certain to criss-cross."

"Strategic secrets and military and naval commands etc. come within the province of the Imperial Supreme Command prerogative (Article 12 of the Constitution) and are outside the scope of the present bill; hence the Mobilization Commission."

"Necessary to develop national power to fullest extent and insure adequate supply and replenishment of munitions for the fighting forces and adequate supply of necessities for the people."

"There is a tendency now to hold views implying that the State and people exist for the sake of National Defense."

"Enforcement of the law would be expensive."

"This bill infringes upon Articles 11 and 31 of the Constitution."

"It is feared that the bill would lead to paralysis of the Constitution which would be dangerous because of the trend toward Fascism. Although present Cabinet may not be intending a Fascist coup, there is no certainty that a succeeding Cabinet might not utilize the mobilization law in a coup. Passage of the act might lead to a tendency to alter the Constitution ... certain reactionary group with neither political training or thought is clamoring for the emergence of such strong laws."

"Bill contrary to patriotic ardor, national spirit and special psychology of the Japanese people."

"Present controlled economy is too bureaucratic and small merchants, manufacturers etc. are suffering thereby."

"Bill leaves too much to Imperial ordinances. Does this not violate the Constitution?"

"Authorizes Government control of labor, diversion of labor from one industry to another, fixing of wages and hours, control of all trade (import and export), fixing or changing of tariffs, control of trades, industries etc. which have only a remote bearing on national defense."

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APPENDIX A to NA/Tokyo Report No. 68-38.

Translation of the National General Mobilization Law

ARTICLE 1.

The national general mobilization referred to in this law is the control and utilization of personal and commodity resources to display most effectively the entire force of the nation for the purpose of attaining the object of national defense in time of war (including incidents of the nature of war).

ARTICLE 2.

The general mobilization goods referred to in this law are the following:

1. Arms, warships, ammunition and other military goods.
2. Clothing, foodstuffs, beverages and feed necessary for national general mobilization.
3. Medical supplies, medical instruments and apparatus and other hygienic goods, as well as hygienic supplies for horses, necessary for national general mobilization.
4. Vessels, aircraft, rolling stock, horses and other transportation facilities necessary for national general mobilization.
5. Communications facilities necessary for national general mobilization.
6. Materials for civil engineering and building purposes and those for lighting purposes necessary for national general mobilization.
7. Fuel and electric power necessary for national general mobilization.
8. Industrial materials, machinery, machine tools, equipment and other goods required for the production, repair, distribution or preservation of materials mentioned in each of the foregoing paragraphs.
9. Materials other than mentioned in each of the foregoing paragraphs necessary for national general mobilization to be so designated by Imperial ordinance.

ARTICLE 3.

The general mobilization businesses referred to in this law are the following:

1. Business pertaining to the production, repair, distribution, export, import or storage of general mobilization materials.
2. Business pertaining to the transportation and communication necessary for national general mobilization.
3. Business pertaining to financing necessary for national general mobilization.
4. Business pertaining to sanitation, veterinary attention for horses and relief necessary for national general mobilization.
5. Business pertaining to education and training necessary for national general mobilization.
6. Business pertaining to inquiry and research necessary for national general mobilization.

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7. Business pertaining to information or enlightenment and propaganda necessary for national general mobilization.
8. Business pertaining to guarding necessary for national general mobilization.
9. Enterprises necessary for national general mobilization to be so designated by Imperial ordinance other than those mentioned in each of the foregoing paragraphs.

ARTICLE 4.

In time of war when it is found necessary in connection with national general mobilization, the Government may, in accordance with the provisions of an Imperial ordinance, draft subjects of the Empire and cause them to be engaged in general mobilization enterprises. Application of the Conscription Law, however, is not to be interfered with.

ARTICLE 5.

In time of war when it is found necessary in connection with national general mobilization, the Government may, in accordance with provisions of an Imperial ordinance, cause subjects of the Empire, juridical persons of the Empire and other bodies to co-operate in conduction general mobilization enterprises by the nation or local public bodies.

ARTICLE 6.

In time of war when it is found necessary in connection with national general mobilization, the Government may, in accordance with provisions of an Imperial ordinance, give necessary orders concerning the use of employes, their employment or dismissal and wages and other labor terms.

ARTICLE 7.

In time of war when it is found necessary in connection with national general mobilization, the Government may, in accordance with provisions of an Imperial Ordinance, give necessary orders for the prevention or settlement of labor disputes, or restrict or prohibit closing work-shops, suspension of work or labor, or other actions in labor disputes.

ARTICLE 8.

In time of war when it is found necessary in connection with national general mobilization, the Government may, in accordance with provisions of an Imperial Ordinance, give necessary orders in connection with the production, repair, distribution, transfer and disposal, use, consumption, possession and moving of general mobilization goods.

ARTICLE 9.

In time of war when it is found necessary in connection with national general mobilization, the Government may, in accordance with provisions of an Imperial Ordinance, restrict or prohibit exportation or importation, or order exportation or importation, impose export or import tariffs or increase or decrease export or import tariffs.

ARTICLE 10.

In time of war when it is found necessary in connection with national general mobilization, the Government may, in accordance with provisions of an Imperial Ordinance, use or expropriate general mobilization goods.

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ARTICLE 11.

In time of war when it is found necessary in connection with national general mobilization, The Government may, in accordance with provisions of an Imperial Ordinance, restrict or prohibit the establishment of, increase of capital of, merger or change of objects of, and flotation of debentures of companies, or the calling in of second or subsequent payments of unpaid shares, or give necessary orders relative to disposition of profit, depreciation and other accounting, or give necessary orders concerning the use of capital to banks, trust companies, insurance companies, and other companies and persons to be designated by an Imperial Ordinance.

ARTICLE 12.

In time of war when it is found necessary in connection with national general mobilization, the Government may provide separate regulations by Imperial Ordinance concerning the increase of capitalization or flotation of debentures to raise funds for the equipment of companies which will manage general mobilization enterprises, in spite of the provisions of Articles 200 and 210 of the Commercial Code.

ARTICLE 13.

In time of war when it is found necessary in connection with national general mobilization, the Government may, in accordance with the provisions of an Imperial Ordinance, control, use, or expropriate plants, offices, ships, and other facilities belonging to undertakings of general mobilization enterprises, or the entire or a part of their facilities that could be used for such purposes.

In using or expropriating those facilities mentioned in the previous paragraph, the Government may, in accordance with the provisions of an Imperial Ordinance, take over the employes of such establishments, or operate such patented inventions or registered utility models already in operation by those establishments.

In time of war when found necessary for national general mobilization, the Government may, in accordance with the provisions of an Imperial Ordinance, use or expropriate land, houses, and other working facilities necessary for general mobilization enterprises.

ARTICLE 14.

In time of war when it is found necessary in connection with national general mobilization, the Government may, in accordance with the provisions of an Imperial Ordinance, use or expropriate mining rights, sand-mining rights and rights concerning use of water.

ARTICLE 15.

When the expropriated rights and facilities as provided in the two previous articles are used no longer, the old owners or old owners of rights, or successors thereof, may, in accordance with the provisions of an Imperial Ordinance, be given priority in purchasing back the expropriated rights or facilities when they are to be disposed of within ten years from the time when they were expropriated.

ARTICLE 16.

In time of war when it is found necessary in connection with national general mobilization, the Government may, in accordance with the provisions of an Imperial Ordinance, restrict or

prohibit establishment of new equipment of enterprises or expansion or improvement, or give orders for establishment of new equipment, expansion or improvement of facilities belonging to general mobilization enterprises.

ARTICLE 17.

In time of war when it is found necessary in connection with national general mobilization, the Government may, in accordance with the provisions of an Imperial Ordinance, require its permits for establishing, revising, or abolishing controlling agreements among owners of undertakings of the same category or different categories belonging to general mobilization enterprises, give orders to establish, revise, or abolish such controlling agreements or require enterprise owners participating or not participating in the respective controlling agreements, to abide by such agreements.

ARTICLE 18.

In time of war when it is found necessary in connection with national general mobilization, the Government may, in accordance with the provisions of an Imperial Ordinance, order the owners of enterprises of the same category or different categories of general mobilization enterprises to establish guilds for the purpose of controlling those enterprises.

The guilds mentioned in the previous paragraph shall be organized as juridical persons.

When those who have been ordered to establish guilds, as stipulated in Paragraph 1, neglect to do so, the Government may take necessary action in connection with the drafting of the articles of such guilds and their establishment.

When the guilds of Paragraph 1 have been established, the Government may, in accordance with the provisions of an Imperial Ordinance, permit those qualified for membership to become members of those guilds.

The Government may order the guilds of Paragraph 1 to have their members secure permits for establishing, revising, or abolishing regulations for the control of their respective enterprises, or order the members to abide by the control regulations of the guilds.

Necessary items concerning guilds of Paragraph 1 shall be provided in an Imperial Ordinance.

ARTICLE 19.

In time of war when it is found necessary in connection with national general mobilization, the Government may, in accordance with the provisions of an Imperial ordinance, issue necessary orders in connection with prices, transportation charges, storage rates, insurance fees, lease charges and working costs.

ARTICLE 20.

In time of war when it is found necessary in connection with national general mobilization, the Government may, in accordance with the provisions of an Imperial ordinance, issue necessary orders for the restriction or prohibition of matters printed in newspapers or other publications.

The Government may prohibit the sale or distribution of or confiscate newspapers or other publications violating the restricted or prohibited items in the previous paragraph and regarded

as hindering national general mobilization. In that event, the Government may also confiscate the original forms.

ARTICLE 21.

When found necessary for national general mobilization, the Government may, in accordance with the provisions of an Imperial ordinance, cause subjects of the Empire or those employing or using subjects of the Empire to report on items pertaining to their vocational ability, or examine the vocational ability of the subjects of the Empire.

ARTICLE 22.

When found necessary for national general mobilization, the Government may, in accordance with the provisions of an Imperial ordinance, issue necessary orders pertaining to the training of technicians necessary for national general mobilization to schools, training institutes, plants, working places, those in charge of facilities found appropriate for the training of technicians, or employers of those who are to be trained.

ARTICLE 23.

When found necessary for national general mobilization, the Government may, in accordance with the provisions of an Imperial ordinance, cause those producing or selling or importing general mobilization goods to store a fixed quantity of such goods, raw materials or materials of such goods.

ARTICLE 24.

When found necessary for national general mobilization, the Government may, in accordance with the provisions of an Imperial ordinance, cause owners of general mobilization enterprises or (in time of war) those who shall be caused to execute general mobilization enterprises, to establish programs pertaining to general mobilization or conduct necessary drills based on such programs.

ARTICLE 25.

When found necessary for national general mobilization, the Government may order those producing or repairing general mobilization materials or those in charge of experimenting and research organs to carry out experiments and research work.

ARTICLE 26.

When found necessary for national general mobilization, the Government may, in accordance with the provisions of an Imperial ordinance, guarantee a fixed profit or grant a subsidy within the scope of the budget to those in the business of producing or repairing general mobilization materials. In such event, the Government may cause such parties to produce or repair general mobilization materials or cause them to provide facilities necessary for national general mobilization.

ARTICLE 27.

The Government may, in accordance with the provisions of an Imperial ordinance, compensate losses caused through the stipulations of Articles 8, 10, 13 or 14; orders issued pertaining to exports and imports stipulated in Article 9; orders issued concerning the financing of capital or accepting, buying or flotation of negotiable securities stipulated in Article 11, or orders issued for the establishment, expansion or improvement of facilities stipulated in Article 16.

ARTICLE 28.

The Government, when issuing orders in accordance with stipulations of Articles 22, 25 and 26, may compensate losses or grant subsidies in accordance with the provision of an Imperial ordinance.

ARTICLE 29.

The amounts of compensation stipulated in the previous two articles and the disposal prices stipulated in Article 15 shall be decided by the Government after approval is given by the General Mobilization Compensation Commission.

Regulations concerning the General Mobilization Compensation Commission shall be provided in an Imperial ordinance.

ARTICLE 30.

The Government shall supervise those enterprises whose profits shall be guaranteed or to which subsidies shall be granted in accordance with the provisions of Articles 26 and 28, or may dispose of or issue necessary orders accordingly.

ARTICLE 31.

When found necessary for national general mobilization, the Government may collect reports as stipulated or cause competent Government officials to inspect necessary places for the purpose of examining conditions of the particular business, account books or other items.

ARTICLE 32.

Those who export or import or attempt to export or import in contravention of the stipulations of Article 9 shall be imprisoned with hard labor for a term not more than three years or fined not more than ¥ 10,000.

In the case of application of the previous paragraph, the Government may confiscate the imported or exported goods or those to be imported or exported in the possession of or belonging to the offender. If all or part of such goods cannot be confiscated, the Government may collect their equivalent value.

ARTICLE 33.

Those whose offense falls under any one of the following shall be imprisoned with hard labor for not more than three years or fined not more than ¥ 5,000:

1. Those violating orders, restrictions or prohibitions stipulated in Article 7.
2. Those violating orders stipulated in Article 8.
3. Those not exporting or importing in contravention of the orders stipulated in Article 9.
4. Those refusing, hindering or trying to avoid the expropriation or use of general mobilization goods stipulated in Article 10.
5. Those refusing, hindering or trying to avoid the expropriation or use or control, or refusing the loan of employees, of facilities, land or working goods stipulated in Article 13.
6. Those violating orders stipulated in Article 19.

ARTICLE 34.

Those whose offense falls under the following shall be imprisoned with hard labor for not more than two years or fined not more than ¥ 3,000:

1. Those violating the restriction or prohibition or orders stipulated in Article 11.
2. Those violating the restrictions or prohibitions or orders stipulated in Article 16.
3. Those violating stipulations of Article 17 or of Paragraph 4 of Article 18, by establishing, changing or abolishing control agreements or control regulations without obtaining permission; or violating orders stipulated in Article 17 or Paragraph 5 of Article 18.
4. Those who do not store in violation of the orders stipulated in Article 23.
5. Those who do not produce, repair or provide facilities in contravention of the orders stipulated in Article 26.

ARTICLE 35.

Those offending against the three previous articles be punished with both prison terms with hard labor and fines, in consideration of the nature of the offenses.

ARTICLE 36.

Those whose offense falls under any one of the following shall be imprisoned with hard labor for not more than one year or fined not more than ¥ 1,000:

1. Those who refuse to accept the expropriation stipulated in Article 4 or refuse to engage in the businesses stipulated in the same article.
2. Those violating orders stipulated in Article 6.

ARTICLE 37.

Those whose offense falls under any one of the following shall be fined not more than ¥ 3,000:

1. Those violating orders stipulated in Article 22.
2. Those not establishing programs or not conducting drills in contravention of orders stipulated in Article 24.
3. Those not conducting experiments or research in contravention of orders stipulated in Article 25.

ARTICLE 38.

Those whose offense falls under any one of the following shall be fined not more than ¥ 1,000:

1. Those not establishing guilds in contravention of orders stipulated in Paragraph 1 of Article 18.
2. Those violating the orders or disposals stipulated in Article 30.
3. Those neglecting to report as stipulated in Article 31, or giving false reports.

ARTICLE 39.

When a newspaper violates the restriction or prohibition stipulated in Paragraph 1 of Article 20, the publisher and the editor, in the case of a newspaper, and the publisher and the author, in the case of other publications, shall be imprisoned with hard labor for a term not exceeding two years, or imprisoned for not more than two years, or fined not more than ¥ 2,000. In the case of a newspaper, the person who was actually in charge of editing and the person who signed his name to the article published shall also be subject to the foregoing punishment.

ARTICLE 40.

Those who hinder execution of the confiscation stipulated in Paragraph 2 of Article 20 shall be imprisoned with hard labor, or imprisoned for not more than six months, or fined not more than ¥ 500.

ARTICLE 41.

The combined offense stipulation of the Criminal Code shall not be applied to offenses of the previous two articles.

ARTICLE 42.

Those refusing to let the competent authorities conduct inspections as stipulated in Article 31 or hinder or try to avoid such inspection shall be imprisoned with hard labor not more than six months or fined not more than ¥ 500.

ARTICLE 43.

Those neglecting to report in contravention of the stipulations of Article 21, or refuse to submit to inspection or try to avoid it, shall be fined not more than ¥ 500 or held in detention.

ARTICLE 44.

When those engaged in the general mobilization enterprises give out secrets of Government offices pertaining to general mobilization enterprises instructed by the competent Government office, or steal such secrets, they shall be imprisoned with hard labor for not more than two years or fined not more than ¥ 2,000.

When public officials or former public officials give out or steal secrets of Government offices pertaining to general mobilization enterprises instructed by the competent Government offices, they shall be imprisoned with hard labor for not more than five years.

ARTICLE 45.

When public officials or former public officials give out or steal secrets pertaining to the enterprises of juridical persons or those engaged in the said enterprises, they shall be imprisoned with hard labor for not more than two years or fined not more than ¥ 2,000.

ARTICLE 46.

Those who have received bribes or demanded or made such promises in connection with the duties of members of guilds established in accordance with the provisions of Paragraphs 1 and 3 of Article 18 shall be imprisoned with hard labor for not more than two years.

Those who have committed an unlawful act or those who have purposely neglected to perform a required act because of bribes shall be imprisoned with hard labor for not more than five years.

In the case of the previous item, bribes received shall be confiscated, or when the entire amount or part of it cannot be seized, an equivalent value shall be collected.

ARTICLE 47.

Those who have given bribes, proposed or promised to do so to the persons mentioned in the first paragraph of the preceding article shall be imprisoned with hard labor for not more than two years or fined not more than ¥ 500.

Those who have committed the offenses of the previous paragraph who surrender themselves to the authorities, may have their punishments lightened or exempted.

ARTICLE 48.

When representatives of juridical persons, or agents or employes or other workers of juridical persons or individuals commit offenses mentioned in Articles 32 to 34, Paragraph 2 of Article 36, Articles 37 and 38, or the first part of Article 43, in connection with the businesses of the juridical persons or individuals, in addition to the offenders the juridical persons or individuals shall also be punished with the major or minor fines stipulated in the various articles.

ARTICLE 49.

The stipulations of the previous article are also applicable to offenses committed in territories where this law is not in force by representatives of juridical persons, agents and employes and other employes of juridical persons having head offices or principal offices in territories where this law is enforced.

Agents, employes and other workers, of individuals having domiciles in territories where this law is enforced shall be subjected to the punishments stipulated in the foregoing article for offenses committed in territories where this law is not enforced.

Punishments of this law shall also be applied to subjects of the Empire committing offenses in territories where this law is not in force.

ARTICLE 50.

A National General Mobilization Inquiry Commission will be established for the purpose of investigating subjects posed by the Government concerning important items pertaining to the enforcement of this law (excluding matters of military secrets). Regulations for the commission shall be provided in an Imperial ordinance.

SUPPLEMENTARY PROVISIONS.

The date of enforcing this law shall be fixed by an Imperial ordinance.

The Military Munitions Industry Mobilization Law and Law No. 88 of 1937 shall be abolished.

Orders issued and dispositions executed under the Munitions Industry Mobilization Law prior to the enforcement of the present law shall be regarded as to be based upon the corresponding provisions of the present law.

Offenders of the Munitions Industry Mobilization Law, however, shall be punished according to the provisions of the said law.

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Before adopting the above final draft, the Cabinet made a number of changes to meet objections to the measure. According to the original working, the proposed law could be enforced "in time of war or an incident". In answer to criticism that the term "incident" is too ambiguous, the Government has altered the phrase to read "in time of war (including incidents of the nature of war)."

As laws are already in force restricting the constitutional rights of "liberty of speech, writing, publication, public meetings and associations", critics of the bill were suspicious of the following two articles in the original draft:

"ARTICLE 20. In time of war, when found necessary for national general mobilization, the Government may, in accordance with the provisions of an Imperial ordinance, issue necessary orders for the restriction or prohibition of meetings or mass movements."

"ARTICLE 22. In time of war, when found necessary for national general mobilization, the Government may, in accordance with the provisions of an Imperial ordinance, suspend the publication of a newspaper when its sale or distribution has been prohibited twice or more within 30 days or twice or more consecutively in accordance with Article 23 of the Press Law or the stipulations of the second paragraph of the previous article (see Article 20 of the revised draft).

"The competent local government authorities may confiscate newspapers printed for the purpose of sale or distribution in violation of suspension orders given under the previous paragraph."

Both of these articles were deleted, as well as two articles providing penalties for violations of them prior to presentation to the Diet.

Another concession embodied in the revised draft is provision for the establishment of a body to decide on application of the proposed law, to be called the National General Mobilization Inquiry Commission, which will include Diet members and representatives of private interests.

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ATTACHE'S REPORT 22471 11-11-38

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From NA/Tokyo Date April 13, 1938 Serial No. 79 File No. 300-302  
(Common use copies with January list) (Index present number from O. N. I. Index)

Source of information Official documents (restored)

Subject Japan Financial & Budget  
(Nation reported on) (Index title or per index sheet) (Subtitle)

Reference

**Note.**—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.

1938-39 Budget Expenditures Having Naval-National Defense Relationship

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E.O. 11652, Sec. 5(2) and 5(D) or (E)

OSD letter, May 3, 1972

MAY 21 1973

By: KT, NAOJ Date

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Report No. 79  
Japan  
April 13, 1938

300 - Financial  
302 - Budget

1938-39 Budget Expenditures Having Naval-National Defense Relationship

The following expenditures, while allotted to Departments other than the Navy, are directly or indirectly related to Naval activity and National Defense:

1. Department of Education  
Navigation training expenses (Maritime schools) ¥ 266,522
2. Department of Commerce and Industry  
Subsidy for furthering self-sufficiency of liquid fuels ¥ 10,553,831

House of Peers Budget Committee Proceedings:

Naval Minister Admiral Yonai:

"Discussions concerning the national fuel policy were started in earnest in 1932 during the 64th Diet Session, and in 1934 a Fuel Council was established. Since 1936 concrete measures have been formulated such as the enactment of the Petroleum Industry Law and the Imperial Fuel Industry Company Law, and the drawing up of the Petroleum Resources Development Bill which is to be introduced to the Diet in the near future. These concern themselves with the fuel world in general. As for the Navy, three plans have been formed, the simultaneous working of which should provide for the amount of oil required in wartime. They are: (1) storing of the fuel; (2) exploitation of resources; and (3) establishment of artificial oil industries. We are not satisfied with the scales of work conducted in the respective fields. In taking into consideration the present national strength, however, they will have to remain in the existing magnitudes.

"I have nothing special to say concerning the storing of oil. As to the exploitation of the resources, the Navy has been purchasing the entire amount of oil produced in North Sakhalin. At home the Navy maintains reserve coal fields at suitable places and the study for the carbonization of coal has been conducted since 1932, so that now the period of research has passed and that of industrialization of its results has arrived. Since this does not entirely satisfy our requirements, we are hoping that we shall be able to replenish the oil supply in the future by means of the Petroleum Resources Exploitation Bill which will soon be submitted to you for consideration.

"As to artificial oil, companies have been established under the provisions of the Artificial Oil Industry Law and the Imperial Fuel Industry Company Law and we are hoping for their future developments. As I have just said, since the oil supply obtained through these means - purchase of oil, exploitation of resources and manufacture of artificial oil, is rather meagre I am hoping that better results may be obtained through joint efforts among Government Departments concerned."

Committeeman Kishichiro Oka:

"... Should the national defense be insured by means of the measures now being adopted even if a further emergency should arrive?"

Naval Minister:

"Speaking first of the storing of petroleum, since we have a considerable amount in store, you can rest assured. As for the exploitation of resources, should the oil importation be cut off, we should have to conduct trial digging at whatever cost. The same thing applies to the manufacture of artificial oil. Should we disregard costs, since the method has proven to be workable, we should be able to supply ourselves with a considerable quantity by extending facilities or expanding companies. I think there are no other ways of getting the supply, if the oil import from foreign countries will be stopped."

3. Department of Finance

Construction of blue print shop for Naval Aviation Department	420,000
Construction of building for Paymaster's School	300,000

Under Formosa account:

Harbor works at Bako	300,000
Large drydock	1,300,000
Exploitation of oil fields	1,280,000

South Sea Islands:

Palao harbor improvement (continuing expenditure totalling ¥ 2,710,560, 1941 last allocation)	290,589
Constructing road connecting Koror Island and Malakal Island (continuing expenditure of ¥ 500,000, 1940 last allocation)	50,000
Construction of main road Ponape	30,000
Expenses for laying of a water supply at Palao	130,000
Expenses for laying of water supply at Saipan (continuing expenditure of ¥ 620,000, 1941 last allocation)	70,000
Communication facilities equipment	274,117
Construction road connecting Koror Island with Babelthuap Island	150,000
Enlarging Saipan harbor (continuing expenditure of ¥ 1,870,000, 1943 last allocation)	316,000

House of Peers 6th Budget Subcommittee (Railway and Overseas Departments) Proceedings:

Committeeman Kenjiro Nishimoto:

"...I inspected Saipan Harbor year before last ... Though the harbor was completed then, since the wharf was imperfectly constructed only ships of around 2,500 tons could enter the harbor ... At a subcommittee meeting I was told that when the work of removing an obstacle in the harbor should be completed ships of around 5,000 tons should be taken care of in the harbor. I understand that the work is being done by a continuous expenditure

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covering a period of three years ... Since the South Seas are developing rapidly, I think the harbor work should be done as soon as possible ..."

Governor of South Seas Kenjiro Kitashima:

"The harbor work of Saipan was completed about 3 or 4 years ago ... The plan at that time was to establish facilities for 3,000 ton class ships. At present, 6,000 ton class vessels are running between the mainland and the South Seas. Such ships cannot enter Saipan Harbor. I am not sure of the obstacle in the harbor to which Mr. Committeeman made reference. However, I am afraid that even if the particular obstacle should be removed, ships over 3,000 tons should be unable to enter the harbor. A plan is being formulated to clear the passage of coral reefs, etc. so as to have ships of 6,000 tons enter the harbor."

K. Nishimoto:

"I was told that the depth of water at the wharf was sufficient for vessels of 5,000 tons or 6,000 tons. On account of obstacles such as coral reefs, etc. only ships of 2,500 tons could enter the harbor ..."

Governor of South Seas:

"As I have just said the existing passage was constructed for 3,000 ton vessels to enter the harbor. I should think that even if the particular obstacle were removed, it would be impossible for 6,000 ton class vessels to enter the harbor. I understand that there is an obstacle at the entrance to the passage, on account of which even 3,000 ton class vessels have to negotiate a sharp turn. According to the present project, this obstacle is to be removed first of all, then reefs and such within the harbor are to be cleared away."

4. Department of Communications

(a) Subsidy for construction of 2 super liners of 26,000 tons each (Supplementary Budget)	28,800,000
(b) Navigation Subsidies	
1. North America (San Francisco) route	2,561,231
2. North America (Seattle) route	1,190,521
3. East Coast South America Route	1,035,314
4. West Coast South America route	408,670
5. East Coast Africa route	300,000
6. West Coast Africa route	300,000
7. Scheduled mail subsidy	470,000
8. Persia (Iran) line	150,000
9. South Seas route	200,000
10. Dairen route	20,000
11. Shanghai route	300,000
12. Japan Sea route	290,000
13. Petropavlovsk route	20,000
14. Ferry service between Hokkaido and Honshu	5,000
15. Okinawa (Naha) route	75,000
16. Okinawa (various) routes	77,000
17. Hokkaido routes	174,500
18. Miscellaneous (Japanese ports) routes	388,084
	¥ 7,104,820

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- (c) Subsidy for ship construction 2,089,076
1. Includes subsidy for special equipment of vessels 248,000  
(Explained as "equipping vessels specially selected among those constructed or laid down during current fiscal year with gun platforms and radio and meteorological facilities.
  2. Research expenses for ship construction materials 36,000
- (d) Civil Aviation expenses (See NA/Tokyo Report No. 75-38 and Military Attache Tokyo Report No. 8400)

House of Peers 5th Budget Committee (Agriculture and Forestry, Commerce and Industry, and Communications Departments) Proceedings:

Baron Michitomo Iwakura:

"... In Japan aviation was first founded by the Army and the Navy, and the civil aviation only recently followed their lead. Generally speaking, in Japan only the Army and the Navy planes out-number civil planes to such an extreme degree. To my mind it is most desirable for the Communications Minister to exert his efforts for the development and progress of the civil aviation so that it will attain the level equal to that of both services. The present incident offers an excellent opportunity for this as an expansive area suitable for the establishment of air routes connecting Japan with the continent is being occupied by our forces. Should the civil aviation advance to the same level as the Army and Navy aviations, it should facilitate obtaining pilot recruits for the Services in case of an emergency. You are well aware that captains of merchant vessels are appointed naval reserve officers. After comparatively short term of training at the Gunnery or Torpedo Schools they are qualified for service. In comparison with this, the system adopted for aviation is very much behind. I cannot lay too much stress to the necessity for the development of civil aviation from the standpoint of economy in national defense also ...."

5. With reference to the Navy's use of its ¥ 1,430,000,000 of the Extraordinary Military Expenditures passed by the past Diet, Admiral Yonai told the Budget Committee of the Lower House:

"The amount of the supplementary budget to the Naval Extraordinary Military Expenditures is ¥ 1,430,000,000 which covers the naval expenditures necessary in view of the present situation. The estimates call for expenditures required for carrying out necessary operations in keeping with the developments of the incident and in view of the present situation. The main items are: personnel expenses, expenses for the purchase of military stores such as arms ammunitions, clothing, food, other necessities, fuel and harbor supplies, etc. for vessels, air stations, landing forces, and special corps in China, expenses for quick establishment of aviation, communication, repairs, and supply facilities, charterage and expenses concerning recruits, various war allowances, and various grants for officers and men killed in action. I regret that I cannot reveal the detailed contents of these items, since they are strictly confidential."

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ATTACHÉ'S REPORT

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9318-4

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From NA/Tokyo Date May 2, 1938 Serial No. 91 File No. 1000

Source of information Mostly press

Subject JAPAN Aviation

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Aviation Notes.

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ODD letter, May 2, 1973  
By: IKT, MAJG/DAW MAY 21 1973

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Report No. 91.  
Japan.  
May 2, 1938.

1000 - Aviation.

### Aviation Notes.

Two Heinkel HE 116 four-engine transports arrived at Haneda Airport Tokyo on 30 April from Berlin, a distance of 9200 miles, in 52 hours 44 minutes of flight time (176.5 mph) in a total elapsed time of 143 hours 45 minutes or 6 days. These planes are noted as having a top speed of 205 mph and a range of 2800 miles in Jane's "All the World's Aircraft 1937". The flight was made via: Berlin, Island of Rhodes, Basra (Iraq), Jodhpur (Rajputania), Calcutta, Bangkok, Taihoku (Formosa) and to Tokyo. The planes are noted as designated for Manchuria Air Transport Company.

The new Hsinking Airport at Lichiatun for the Manchuria Air Transport Company will be completed by October. While the hangars are complete, shops and runways are under construction.

#### Improvement of Manchuria Air Transport routes.

The distance between Hsinking and Fuchin (on Sungari River) (via Harbin and Chiamussu) will be covered in 3 hours instead of the present two days schedule. The following schedule is adopted:

Chiamussu to Eopoh - 2 round trips per week.  
Harbin to Mutankiang - 3 round trips per week.  
Deiren to Hsinking - daily round trips.  
Hsinking to Seishin - 2 round trips per week.  
Hsinking to Linshi - 2 round trips per week.  
Harbin to Heiho - 2 round trips per week.  
Harbin to Manchouli - 2 round trips per week.

Three trips per week by Douglas transports over the 510 miles between Shanghai and Taihoku, Formosa, will be made by a new air line to start during the summer of 1938.

The experimental long distance airplane of Tokyo Imperial University's Aeronautical Research Institute is in flying condition following repairs.

Japan Air Transport is purchasing 52 large planes manufactured at domestic plants for delivery in August 1938.

It is reported that the Manchurian Air Transport Company's manufacturing branch will be purchased by Mangyo, the Manchuria Heavy Industry Development Corporation for \$8,000,000, if Mr. Yoshisuke Aikawa, the president, succeeds in interesting American capital to invest in his concern. Mr. Aikawa is scheduled to visit the United States in late June. Other press notices state that if he visits the United States it will mean that arrangements for United States funds have already been made. The aircraft manufacturing company to be purchased will be enlarged and recapitalized at \$20,000,000. The press further states that, if successful, Mr. Aikawa will recommend high ranking retired Army and Navy officers as president and vice president, respectively, of the reorganized factory.

#### Comments:

This is the first time that the practice of using retired high ranking officers as officials of commercial companies having business with the government has been noted in the press. The practice was noted in report 41-38 of this office. It is logical in this country from several viewpoints, particularly when retired military officers were on the appraising committee which set the value of the property of companies the Manchurian Heavy Industries Development Corporation was to purchase.

Aircraft Industry Law.

The Aircraft Manufacturing Industry Control Law was passed by the Diet on 25 March 1938 and will become effective on 1 August 1938. This law makes the following provisions by Articles:

1. Manufacturers of aircraft, fuselages, motors, propellers, or aircraft accessories are governed by this law.
2. The permission of the government is necessary for formation of a company.
3. The control of all companies engaged in the industry must be in the hands of Japanese subjects.
4. Permission to manufacture will be cancelled if the company concerned fails to start manufacturing within the time limit provided by the government.
5. The company will report its manufacturing plans which can be changed by the government.
6. An aircraft technical commission is set up to issue specifications for material. These specifications will be adhered to by aircraft companies.
7. Transfer of a whole or part of an organized company can be accomplished with the government's permission.
8. The power to expropriate or use lands which come under "The Land Expropriation Law" "Art. 2" is given to aircraft companies.
9. Companies are exempt from income tax and business profit tax for the first year following their organization.
10. Local taxes shall not be made during the first year without the government's permission.
11. Company imports of machines, tools and material made with the government's permission shall not be taxed until 1 August 1943.
12. Subsidies may be granted by the government to companies.
13. With the government's permission, capital incomes may be made by companies at any time.
14. Debentures beyond those stipulated by commercial law, but not exceeding 200% of paid stock shares may be issued with the permission of the government.
15. The companies shall make reports of the conditions of both business and property to the government.
16. The government controls sale prices and terms of all material manufactured.
17. The government, when a military necessity exists, controls Articles 1 to 5 and the following: expansion, manufacture, research, training of personnel, combination of companies, storage of material, shift of personnel, drilling of personnel, prevention of espionage and all matters not noted above which may become necessary. Losses caused by the foregoing shall be paid by the government. Appeal to the courts within three months is provided.
18. A second committee is set up, not connected with the industry, to determine the justice of claims for losses.
19. The government will take over the company if the Aircraft Industry Law is violated.
20. The Aircraft Industry Law is specifically extended to cover all aircraft accessories.
- Arts. 21 to 25 provide fines and punishments.

COMMENT:

Complete government control of the entire aircraft manufacturing industry is provided by this law. Article 17 concerning military control during emergencies is noteworthy.

Yen 80,000 has been provided in the latest budget for enforcement of the Aircraft Manufacturing Industry Law.

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Licensing of aircraft manufacturing companies will be based on those having, the following manufacturing capacities per year:

- (1) 300 small planes.
- (2) 50 planes over two tons.
- (3) 300 engines.
- (4) A paid up capitalization of more than ¥3,000,000.

The following fifteen companies with an aggregate capitalization of ¥369,650,000 of which ¥241,482,500 is paid up, exist in Japan:

<u>Company</u>	<u>Capitalization</u>	<u>Paid up</u>
Mitsubishi Heavy Industries	¥120,000,000	¥75,000,000
Sumitomo Metal Industry & Copper Works	100,000,000	62,500,000
Kawasaki Airplane Co.	50,000,000	35,000,000
Nakajima Airplane Works	20,000,000	20,000,000
Ishikawajima Shipbuilding Yard	16,000,000	12,000,000
Aichi Clock and Electric Co.	15,000,000	5,320,000
Tachikawa Airplane Co.	5,000,000	1,250,000
Tokyo Gas and Denki Co.	12,000,000	12,000,000
Watanabe Iron Works	6,000,000	3,750,000
Kawanishi Airplane Co.	5,000,000	1,250,000
Japan Airplane Co.	5,000,000	2,750,000
Japan Musical Instrument Co.	4,000,000	4,000,000
Tokyo Airplane Works	500,000	500,000
		(to increase)
Ito Airplane Co.	500,000	500,000
		(to increase)

Plans for the establishment of the following companies are being made:

The Showa Airplane Manufacturing,  
Bai Nippon Aviation Industry,  
Asahi Airplane Industry Co.

Machine Tool Manufacturing Industry Bill.

This bill is designed to perfect national defense and to develop the machine tool industry. Closely allied to other industries, one of the major reasons for it is to facilitate the aircraft industry.

The bill passed the Diet on 23 March 1938. Its phraseology is identical in practically all respects to that of the Aircraft Manufacturing Industry Bill noted in this report containing similar provisions for freedom of imports, from taxation, the granting of subsidies and complete governmental control.

In Article 24 it is provided that a 50% import tax may be imposed by the government if the importation of machine tools threatens to bring about a fall in their local market prices. This imposition is made after reference of the matter to the "Customs Inquiry Committee".

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Melvin H. Gibbon, an American who had served with the Chinese air force in various capacities, was removed, or left technically of his own volition, from the Empress of Asia prior to its sailing on 23 April from Yokohama. After examination by the local authorities he was released and will depart from Japan on 3 May on the PRESIDENT TAFT. It was stated that his release was to prevent complications with the United States. It was known to the Tokyo authorities that Gibbon could not be prosecuted under the act upon which he was held.

A press report from Singapore states that Vincent Schmidt, an American aviator who served with the Chinese Air Force, has a high opinion of the Japanese air force.

It is stated that the following aviation personnel and material arrangements have been made and are being made by the Chinese with the Soviets:

1. 150 Soviet planes delivered to Chinese prior to 12 December 1937
2. 100 Soviet planes delivered to Chinese at Hankow after 12 December 1937
3. 400 Soviet bombers and fighters have recently been ordered by the Chinese
4. 300 additional officer-pilots, engineers and mechanics had arrived in Hankow by 15 April 1938

Between 17 and 24 April 1938, 24 Dewoitine fighter airplanes are reported to have been delivered to China by the French to Hankow via Yunnan.

Two Siamese naval lieutenants, one a submarine officer and the other a naval aviator returned to Siam after stays of one year and of four months respectively.

150 applicants for civilian pilot training answered a call of the Communications Ministry for 170 men between 17 and 19 years of age. It is stated that 20 times this number or 3000 have been attempting to become Army and Navy pilots. The training course for civilian pilots is to cover ten months.

20 college students enrolled at Kasumigaura Naval Flying School on 18 April 1938 for flight training and commissions in the reserve.

Upon his return, the Japanese Consul General at Hongkong, Mr. Nakamura, has stated that:

- a. Intensive air raids form the only means by which Japan can prevent importation of war materials to China.
- b. Chiang will never sue for peace and Japan must use stronger measures to defeat his government
- c. The Chinese communists are implacably against peace with Japan.

Comment:

As to stronger measures, recent reliable information indicates that a large push aimed at Hankow is about to take place. It is believed that the remarks of the Consul General above form a frank statement of facts and that the Japanese authorities realize it.

Observed:

Three fast twin engined transports resembling the Nakajima cut down Douglas DC model were seen on 29 April 1938 at the Yoyogi Army Review. It was stated that these were the latest Army bombers by a cavalry major. This statement will be checked. 90 Army planes of recognized types formed the parade.



Report No. 126.  
Japan.  
June 9, 1938.

600 - Cities and towns.  
602 - Coast cities and towns.  
700 - Government plants.

Shipbuilding Capacities of the Three Major Naval Dockyards.

Reference: (a) NA/Tokyo report No. 29-37.

Information has been exchanged with the British Naval Attache on shipbuilding and docking facilities of the three major naval dockyards with the following results:

KURE

The information we both possess, though vague, is in general agreement.

One building way large enough to build vessel of any size on which he believes the Nagato was built.

One building dock in which we thought the Nagato was built is, according to the British, 1000 feet instead of 1200 feet long.

We both have heard rumors to the effect that a third large building way or dock was being or had been constructed.

Several small building ways for destroyers, submarines, etc.

Information on drydocks was in agreement.

YOKOSUKA

Information is in agreement on two building ways side by side, one about 1000 feet long with gantry overhead, the other shorter in length.

It is now believed that the rumored construction of a new building dock (NA/Tokyo report No. 60-37) is without foundation.

Information as regards drydocks is in agreement except as to the lengths of Nos. 4 and 5 which the British give as 600 and 1000 feet, respectively.

SASEBO.

Information that we both have is of two building ways capable of taking vessels of 10,000 tons.

His information on drydocks differs from ours as previously reported in NA/Tokyo report No. 102-38. The British and French opinions are that No. 4 dock may be used for building naval vessels larger than cruisers.

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