

BRITAIN WILL BUILD 2 NEW BATTLESHIPS; MATCHES 3 POWERS

**Keeps Up to Reich, Italy, Japan
—Plans Carrier, 4 Cruisers, 18
Destroyers, 20 Escort Craft**

PROGRAM IS SPEEDED UP

**Defense Expenditures for the
Coming Year £580,000,000—
Borrowing Figure Doubled**

Great Britain, disclosing that she would spend £580,000,000 on arms in the coming fiscal year and would double her borrowing capacity to £800,000,000 for her entire five-year program, announced increased naval building. She will construct two more battleships, making the number under way nine and about matching the combined capital-ship building of Germany, Italy and Japan. [Page 1.]

Across the Irish Sea it was revealed that Ireland would spend £5,500,000 on war materials and airfields and would increase her army. [Page 8.]

From Moscow a naval mission is coming here presumably to order warship parts and guns in line with the Soviet's new policy of striving for sea power. [Page 9.]

In Washington the House, stirred by speeches on the dangers of the international situation, passed the bill increasing the Army Air Corps equipment to 5,500 serviceable planes. An outlay of \$376,000,000 is envisaged. [Page 1.]

British Increase Program

By FERDINAND KUHN Jr.

Wireless to THE NEW YORK TIMES.

LONDON, Feb. 15.—The British Government announced today that it would lay down two more giant battleships in the 1939-40 financial year, bringing the total under construction to nine and almost matching the combined battleship-building programs of Germany, Italy and Japan.

In addition, work will be begun on another big aircraft carrier, making a total of six under way apart from the 23,000-ton Ark Royal, which was completed and commissioned only a few months ago.

A start also will be made in the new financial year on four big cruisers, eighteen destroyers and twenty fast escort vessels of a new type intended to protect merchant shipping against the menace of submarines.

It is understood that at least one further capital ship will be laid down in 1940-41 to complete Britain's gigantic five-year naval building program. In any case Britain expects to have enough floating fortresses by 1942 to send a powerful battle fleet to Singapore and still have plenty left in European waters to defeat any combined challenge from the Fascist powers.

White Paper Is Issued

The extent of the new naval program was disclosed today in a White Paper on rearmament that placed the expenditure on defense in the coming financial year at the colossal sum of £580,000,000. To spare the taxpayers of this island the burden of paying for the entire sum—an amount equivalent on the basis of population to an annual defense outlay of more than \$8,000,000,000 in the United States—the government tonight introduced a bill into Parliament doubling its borrowing powers to £800,000,000 over the five-year period ending in 1942.

Originally the government planned to employ the expenditure of £1,500,000,000 in five years, of which £400,000,000 was to be borrowed. It had been expected that the coming year's armament bill would reach £500,000,000. Today's figures leave no doubt, however, that the original £1,500,000,000 estimate will be substantially exceeded by the time 1942 rolls around.

For one thing the original estimate did not include civilian defense, which now will be paid from borrowed money for the first time. In the next financial year, which begins April 1, the government intends to spend at least £56,000,000 on air raid shelters, gas masks, food storage and other measures intended to protect the crowded city populations of Britain from enemy bombers.

Rate of Building Unprecedented

Although today's White Paper was reticent about details of army and air force expansion, its naval disclosures amounted to a preview of the new naval estimates that are expected to be published tomorrow. They showed that in addition to all her other unprecedented armament expenditures, Britain is building fighting ships at a rate never approached by any nation in history.

In the three years of furious na-

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BRITAIN ANNOUNCES 2 NEW BATTLESHIPS

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val building before 1914, Britain completed, according to the White Paper, an average of 170,000 tons of principal classes of warships, not including submarines.

The tonnage expected to be completed in 1940 and 1941 was placed at 219,500 and the individual ships will be infinitely more powerful in most classes than corresponding types before the war.

Naturally any increase in the British Navy means that Germany will have a slight increase too under the 1935 treaty that limited the German fleet to 35 per cent of Britain's naval tonnage. But there is complete confidence here in spite of yesterday's launching of the Bismarck and today's announcement about the widening of the Kiel Canal that Germany cannot possibly find the raw materials or the shipyard space to build up to even 35 per cent of Britain's tonnage.

The advantage of time, moreover, lies with Britain, which has unlimited access to raw materials and more shipbuilding space than any great maritime power. In a way the present naval building program will constitute an argument for Prime Minister Neville Chamberlain's policy of gaining time until Britain is strong enough for a possible struggle with all her three potential enemies at the same time.

5 Battleships on the Stocks

Britain already has five 35,000-ton battleships on the stocks—the King George V and the Prince of Wales, laid down on New Year's Day, 1937, and the Duke of York, Beatty and Jellicoe, laid down, respectively, in May, June and July of the same year. The first of these five will be launched on the Tyne next Tuesday and the second will follow it on the Mersey at Birkenhead next month.

In addition, two 40,000-ton monsters, the Lion and the Temeraire, with sixteen-inch guns, were authorized under last year's program and construction will be begun

early this year. It is not yet known whether the two newcomers, announced today, will be of 35,000 or 40,000 tons, although it is believed they will be of the larger size, with sixteen-inch guns.

The British building program of nine battleships of 35,000 tons or more compares with three under construction and one projected in Germany, four now building in Italy, two begun and two projected in Japan and three begun and one projected in France. The United States has laid down two and authorized four more, but construction on the first two is proceeding more slowly than in any of the big European navies.

By next year Britain's superiority in aircraft carriers will be as overwhelming as in battleships. The Ark Royal, with a capacity of sixty planes, has joined the fleet already; five more of 23,000 tons each are now being rushed at such a pace that all except one are expected to be ready for service before the end of 1940.

As for destroyers, Britain will have a total of 217 of these vessels in commission when the two newest flotillas are completed. The twenty new escort vessels are intended as a direct answer to Germany's decision to build up to parity with Britain in submarine tonnage. It is believed that they will be small, speedy craft under 1,000 tons each, but their exact specifications will not be known until publication of the naval estimates, and perhaps not then.

Tax Question Uppermost

Although today's White Paper provided for expenditures in astronomical figures as compared with those of pre-Hitler years, it failed to excite members of Parliament or the general public tonight. The British people have become accustomed to seeing staggering amounts spent on armaments, and their chief interest in the latest figures was to know whether they would mean another increase in the income tax.

Some members of Parliament jumped to the conclusion that because of added borrowing there would be no added taxation, but in financial quarters this was thought to be taking far too much for granted. Whether there is war or not, the prospect is that the taxpayers of the present generation and also their children and grandchildren will have to pay for the huge armaments made necessary in the past few years.

The White Paper explains that the increased expenditure is needed

largely "to meet the risk of air attack."

"It is everywhere recognized," says the White Paper, "that our armaments have no aggressive purpose. His Majesty's Government deeply deplores the need for the expenditure of these vast sums on armaments. It has already indicated that when other nations are prepared to consider some arrangement for the limitation of armaments this country will be prepared to play its part."

"But in the absence of a general reduction of armaments it is inevitable that this country should continue to take the steps necessary in the light of present developments for its own protection and for the discharge of its responsibilities elsewhere."

Of the £400,000,000 of borrowed money authorized in 1937 for the five year program only £197,000,000 has been spent, and £203,000,000 remains, according to the White Paper. But new and unforeseen requirements will eat this up at a faster rate in the next two years. In the field of civilian defenses alone £42,000,000 will be needed in the coming year for air raid precautions, £9,000,000 for safeguarding public utility services, such as the water supply, and £5,000,000 for storing food, fertilizers and petroleum.

The earlier stages of the five-year program have been completed, the White Paper assures the British public, and continues:

"Industrial capacity has been largely increased, new models have been designed, tried out and are in production. The initial difficulties met with in any large program of production have been largely overcome. All three service departments are now receiving armament stores of all kinds and of the latest models in very large quantities, and production will continue on an increasing scale."

"The extent of the program and expenditure on it in the ensuing years of the rearmament program must, however, be determined by our own defense needs judged in the light of the world situation. While, therefore, the measures of acceleration which have been undertaken have contributed to the extent of the defense expenditure to be incurred in the ensuing financial year, it is at present impossible to predict how soon the needs of the situation will permit a slowing down of the production of armaments."

To show the speed with which the navy is being strengthened, the White Paper includes a table show-

ing that naval tonnage of only 139,000 was being built in January, 1935, whereas 544,000 tons were under construction on Jan. 1 of this year—a figure that will jump to 669,000 tons by March 31.

During the coming financial year, according to the White Paper, sixty fighting ships of a total tonnage of 120,000 will be added to the fleet, excluding about 25,000 tons of miscellaneous vessels.

The re-equipment of the army with new weapons and the accumulation of war reserves on the necessary scale "is proceeding rapidly," the White Paper continues. As for the air force, it is stated that the monthly rate of production has been doubled in the present financial year "and will show further substantial increases."

Dealing with personnel problems, the White Paper announces that 11,000 recruits entered the navy in the first three quarters of 1938 and that 12,000 more would be needed in the next financial year. More than 37,000 enlisted in the regular army and 77,000 joined the territorials in 1938 but in the coming year, according to the White Paper, 100,000 more men will be needed for the territorial army, which will have charge of protecting the home front against air attack.

A total of about 35,000 joined the air force during 1938 but 20,000 more will be needed in the new financial year.