

Arms Parley Doubted as U.S. Prepares for Record Peace-Time Naval Outlay in 1939

WASHINGTON, Oct. 12 (U.P.)—President Roosevelt's announcement that next year's naval expenditures will be increased to a new peace time high doomed today any hope still held by officials for a reduction in armaments.

Many officials for some time have seen no immediate prospects of an international conference looking toward disarmament. With the European situation still uncertain and renewed activity in the Sino-Japanese conflict, they were under-

stood to believe the time inopportune for such discussions now. Mr. Roosevelt's announcement was made at his press conference late yesterday. He said that rather than retard its national defense program the United States would speed it up and that an increase of \$150,000,000 in next year's naval budget would be necessary to carry on new warship construction.

Such an increase would bring the naval appropriation for the fiscal year 1940 to more than \$700,000,000. In addition there may be

larger expenditures for the Army, especially coast defense and anti-aircraft batteries. Army officials at maneuvers in North Carolina this week claimed that these departments are insufficient for national security.

The President gave no explanation for his belief that expenditures for national defenses should be increased. However, his statement was interpreted as an indirect answer to Adolf Hitler's speech at Saarbrücken last Saturday in which

Sumner Welles who, a few days ago, issued an official "feeler" on that subject.

The \$150,000,000 increase in the naval budget would be sufficient to build two battleships for which contracts are to be let before next year and as a beginning of the

\$1,500,000,000 authorized naval expansion program.

Mr. Roosevelt did not specify what new vessels he would ask Congress to appropriate for, but he recalled that the last session made funds available to begin construction of four battleships as replacements for over-age craft and authorized construction of three more super dreadnaughts, and a general increase of 20 per cent in the fleet's fighting strength.

It was believed that he would give the go ahead signal on the four battleships for which funds are available within the next six months, giving the United States six first line warships on the ways during 1939.

On July 1, 1937, the United States had 113 over-age ships totaling 889,230 tons. No appreciable change has been made since that time in actual tonnage afloat. Britain had 181 ships of 1,042,998 tons; Japan, 171, of 708,158 tons; France, 158, 466,011 tons; Italy, 160, of 353,507 tons, and Germany, 67, of 103,674 tons.

In over-age ships the United States had 212, Britain 104, Japan 29, France 4, Italy 40, and Germany 10.

The United States was building or had appropriated for 87, Britain 96, Japan 23, France 42, Italy 67, and Germany 39.

DR. MOULTON PROTESTS

CHICAGO, Oct. 12 (U.P.)—Dr. Harold G. Moulton, president of the Brookings Institution, said today control of the country's economic life has passed from private to public hands. He spoke before the 25th annual convention of the Mortgage Bankers of America.



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