Defence Expenditure in Future Years
December 1937

Role of Army:

AA defence of UK

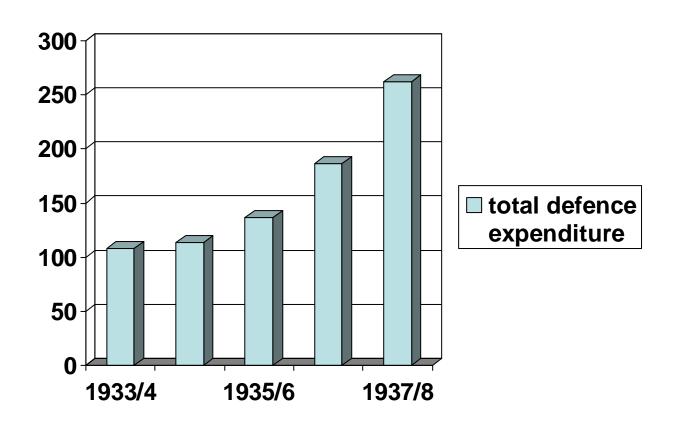
Imperial defence

Insufficient munitions for European operations at outbreak of war

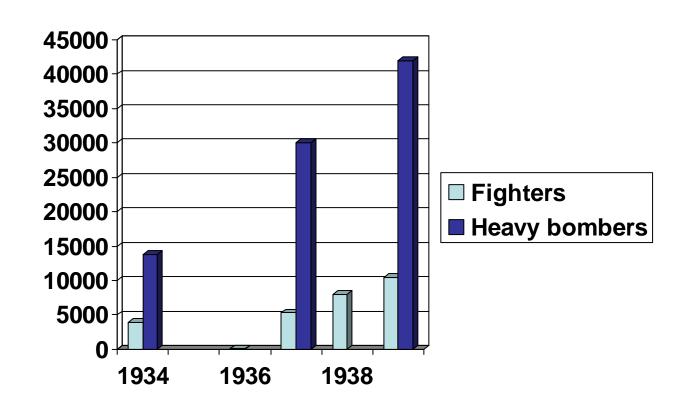
 What was generally termed a policy of 'limited liability' in continental warfare had now shrunk to one of no liability at all (Howard).

 The Field Force was cancelled (McKercher).

Expenditure in financial years 1933/4 – 1937/8



Cost of aircraft (£)



Edward Bridges:

 money and effort would be wasted in building isolated parts of a structure planned on so gigantic a scale that it could not be completed.

 We must confront our potential enemies with the risks of a long war which they cannot face.

Economic stability a fourth arm of defence

- Protect UK against attack
- Preserve trade routes
- Defence of British territories overseas

 Our fourth objective, which can only be provided after the other objectives have been met, should be co-operation in the defence of any allies we may have in war.

• If France were again in danger of being overrun [we might have] to improvise an army to assist her.

 Should this happen, the Government of the day would most certainly be criticised for having neglected to provide against so obvious a contingency.

Vansittart

Hankey

Chatfield

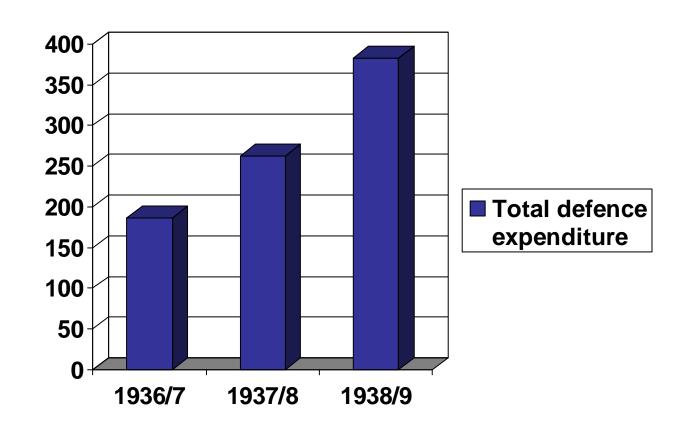
Second Inskip Report February 1938

 Planning on basis of 'ration' of £1570m over five years

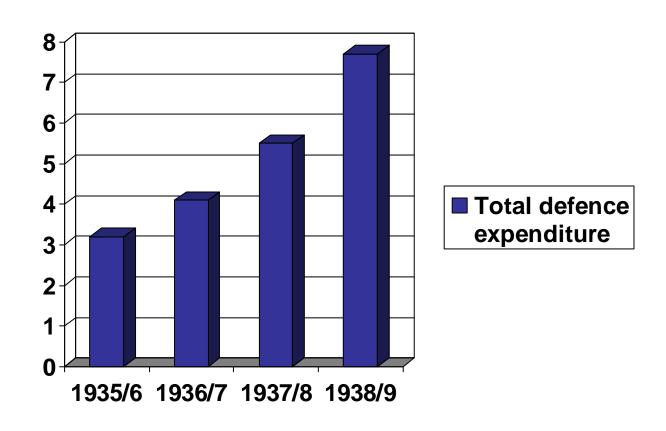
Rate of expenditure set by industrial capacity

Further review in light of international situation in 1939

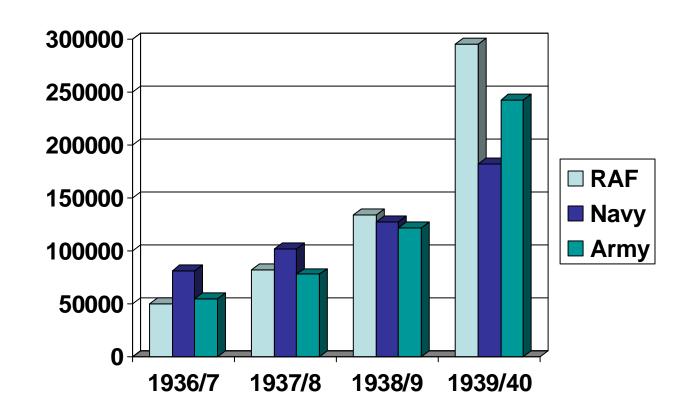
Expenditure in financial years 1936/7-1938/9



Defence expenditure as % of GDP



Defence departments' expenditure in financial years 1936/7-1939/40



Role of Field Force:

February 1938 – Egypt?

February 1939 – France

Tanks

• Light

Infantry

Cruiser

Medium

Increases in Army

• Regulars from 5 divisions to 6 (Feb. 1939)

TA from 13 divisions to 26 (March 1939)

Conscription (April 1939)

Pluses and minuses

Battle of Britain

Battle of the Atlantic

Dunkirk

Post-war defence reviews

1957 Duncan Sandys

1981 John Nott

 2010 Strategic Defence and Security Review

1957 Duncan Sandys

 Britain's influence in world depends on health of its economy

 Need to sustain armed forces in long run

1957 Duncan Sandys

Deterrence > defence of UK

BAOR

Air/sea mobility east of Suez

1981 John Nott

NATO > out of area

Invincible

Endurance

2010 Defence and Security Review

Overspend on procurement since 1998 review

2008 Credit Crunch

Growing national debt

2010 Defence and Security Review

Ark Royal

Queen Elizabeth class

Themes

Increasing costs of weapons systems

 Tendency for the sum of three services' requirements to exceed what national economy can sustain

 Need for flexibility to provide for different contingencies