

CONCLUSIONS REGARDING THE CAPACITY OF THE DOMINION

The following is a summary of the points which emerged from a study of the whole of the foregoing data relating to New Zealand's capacity.

Assuming that the two Divisions remained overseas and that the Dominion's Air Force and naval commitments continued substantially to be met—

- (i) The withdrawal of sufficient Category "A" men to reinforce *one* of the overseas Divisions from the industries other than the vital primary industries was hardly practicable any longer, but could perhaps be achieved for one year only *if there were no industrial demands having an equally high or higher priority* (a position which did not apply):
- (ii) The reinforcement of *both* of the Divisions from industries other than the primary industries could be dismissed outright as being physically impossible:
- (iii) Further withdrawal of farming workers from the Armed Forces would be necessary to achieve the maximum production which would be possible for the 1944-45 season:
- (iv) As regards the Dominion's capacity for increasing the volume of secondary production, the hours worked in a number of industries (particularly those with a high female content) suggested that there was some scope for increase in production in these industries (provided supplies of raw materials are available):
- (v) The position of the distributive and commercial industries further suggested that a number of workers (particularly female workers) could, in circumstances of greater austerity, be transferred to industrial or other more productive work:
- (vi) This diversion to more productive work would in any case be achieved to some extent by the measures then being put into effect by the Industrial Man-power Division—*i.e.*, registration of women aged thirty-one to forty and tightening up of procedure, particularly as regards inflow of labour into new employment.

9. THE WITHDRAWAL OF MAN-POWER FROM THE PACIFIC

Documents prepared at the actual time when far-reaching problems are under discussion are often found to give the best guide as to the development of thought and policy at the time. The following paragraphs, which are taken from a report of the Director of National Service dated the 25th March, 1944, and another of 30th March submitted to Members of the House by the Minister of National Service, show the position which had been reached towards the end of the period covered by this report, and give a summary of the factors which led to a major policy decision being taken at that time.

THE FOOD REQUIREMENTS OF THE ALLIED NATIONS

Deterioration of Food Position in Great Britain.—Urgent representations have recently been received from Great Britain requesting the largest possible increase in New Zealand's contribution of foodstuffs (particularly meat, butter, and cheese), in order to avoid the necessity for further cuts in the already meagre rations of these foods available to the civilian population, including the wartime industrial labour force.

Heavy reductions in supplies of these foods, and particularly of butter and cheese, have occurred in the current year from each of the principal countries of supply. As a result of past setbacks in supply, the British cheese ration was reduced successively from 8 oz. to 6 oz. to 4 oz. to 3 oz., and is now in danger of being reduced to 2 oz. The butter ration, now down to 2 oz. per week, will have to be entirely suspended for a period unless further supplies can be made available.

Food Requirements of Allied Forces in the Pacific.—In addition to urgent requests for increased supplies to Great Britain, there have been very large-scale demands from the United States Joint Purchasing Board for foodstuffs for the Allied Forces massed in the Pacific. New Zealand is the nearest point of supply to these Forces, so that it is in the interests of conservation of shipping for these demands to be met as far as possible. At the same time, only a fraction of the quantity of meat requested has been able to be made available, while the meeting of butter and cheese requirements has reduced the amounts which would otherwise have been available to Britain.

Probable Further Urgent Demands.—It is anticipated that as devastated territories are occupied in Europe in the coming months, urgent demands for food, among other forms of relief, will quickly arise.

ADJUSTMENTS IN NEW ZEALAND'S WAR EFFORT

Impossibility of maintaining the Two Overseas Divisions at Full Strength.—On account of the length of time which has elapsed since the call-up of the last available age-groups for military service, and the coming-out of fit men from classes previously postponed from service which has since continued, New Zealand has now arrived at a position where it would no longer be possible to maintain the flow of reinforcements to the overseas Forces without seriously reducing her output of primary products. The man-power requirements of the Air Force and Navy take a higher priority than those of the Army, and their combined intakes will absorb the whole of the inflow of fit men at the youngest military age.

Quite apart from *increasing* her food-supplies, New Zealand has therefore had to face for some time the alternatives of either allowing both Divisions to remain in action and to run down in strength, or of withdrawing man-power from one Division in order to maintain the other at full strength.

The Significance of the New Demands for Increased Food-production.—With the present urgent demands for increased food-production, the whole position has had to be considered afresh.

As a food-producing country, New Zealand is the most productive land in the world. Her capacity to produce foodstuffs when compared with the size of the labour force involved is higher than that of any other country. Her production figures have been at a high level throughout the war, though the cumulative effects principally of man-power losses and fertilizer difficulties have now made themselves felt, and a falling tendency in production (already evident for over two years in dairy products) has now spread to other sections of the farming industries.

Approximately 20,000 farming workers have been lost to the Forces, some thousands of whom are in each of the Divisions. The return of the farming workers from one of the Divisions would materially assist to arrest and reverse the present decline in food-production.

OPINION OF COMBINED CHIEFS OF STAFF, LONDON AND WASHINGTON

The whole matter was therefore referred to Mr. Churchill and Mr. Roosevelt, and the opinions of the Combined Chiefs of Staff in London and Washington obtained.

As a result of these negotiations, which extended over some considerable time, the decision was made to withdraw a limited number of men from the Pacific Division to meet the demand for increased labour for food-production.