

INTRODUCTION

DURING the year under review there has been a major readjustment in the shaping of New Zealand's war effort as a whole ; and, as in all such periods, there have been special and complex problems to be dealt with.

In formulating the higher policy which has shaped and guided the war effort in all its larger aspects, it has been usual for War Cabinet to obtain reports both from the Chiefs of Staff and from the National Service Department, the former providing a fresh and expert examination of the strategic situation as it has affected the Dominion, and the latter a close and up-to-date assessment of the man-power resources and industrial position of the Dominion and of her capacity for effort. Only after most carefully weighing up these aspects in the light of broader issues and likely further developments have the basic decisions of higher policy been reached.

It has been felt that the best approach to a full understanding of the evolving man-power situation as it has developed in the past year can be obtained, firstly, by passing briefly over the whole history of the war effort in its man-power aspects, and secondly, by following this up with a detailed discussion of the more recent events. This plan is accordingly followed in Part I of the present report.

In order not to confuse the discussion of the evolution of the higher policy with details of the internal working of this Department, it has been thought best to confine these internal details to Part II of the report.

The report concludes with a brief statement of the financial aspects of the Department, and is followed by a suitable statistical appendix giving detailed information as to each of the main aspects of the war effort in which the Department has been involved.

PART I.—REVIEW OF POLICY AS AFFECTING MAN-POWER IN 1943-44

1. DIGEST OF DEVELOPMENTS, 1939-43

It will assist in throwing recent developments into perspective if the major events of the past are briefly set down and mention is made of their profound influence in twice changing the whole direction of the Dominion's effort in its man-power aspects.

Up to the end of 1943 there had been three distinct phases in the war as it affected New Zealand :—

- (a) From the outbreak of war in September, 1939, until the entry of Japan in December, 1941 :
- (b) The first year of Japanese aggression :
- (c) The period from the stemming of the tide in the Pacific until the end of 1943—i.e., the period of Allied consolidation in the Pacific.

(The Dominion has now entered a fourth phase, which will be discussed at some length in later sections of this report.)

The transition from each of these phases to the next has involved a reorientation of the Dominion's war effort.

(a) *The First Phase.*—During this period the major problems lay in the orderly diversion of man-power from industry to the Armed Forces in such a way as to avoid, on the one hand, interfering with important industries such as farming, coal-mining, shipping, &c., yet, on the other hand, to ensure that the principles of universal service and equality of sacrifice were, as far as possible, carried into effect.

Protection of key personnel and of important industries was instituted, right from the very outset of recruiting, through the establishment of Man-power Committees and (later) Armed Forces Appeal Boards. The principle of universal service began to take full effect in 1940 with the establishment of the National Service Department and the gazetting of the first ballots.

At this time the dominant factors of the war situation had been the collapse of France and the Battle of Britain. There was an immediate need to despatch troops overseas to save what might have been a world-wide disaster. This urgent call was felt throughout New Zealand, and the whole spirit of the Dominion's war effort reflected the strategic emergency of England and the Empire as a whole.

By the end of 1940, 49,000 volunteers and balloted men had been accepted by the Forces, this figure rising to 86,000 by the end of November, 1941. Despite this withdrawal of man-power, the industries of the Dominion had so far succeeded in reorganizing their man-power resources, through the substitution of women for men, the dilution of labour, the working of longer hours, the curtailment of non-essentials, and through an all-round increase of individual effort, that record overall production was being achieved both in primary and in secondary industries. The following figures show the trends of that period :—

Year.	Primary Production.				Secondary Production.	
	Wool.	Meat.	Butterfat.	Crops.	Persons engaged.	Value of Production.
	Tons.	Tons.	Tons.	Acres.		£
1939-40 ..	138,393	535,000	185,365	432,000	108,722	129,061,826
1940-41 ..	147,991	515,000	200,365	475,000	113,999	147,153,559
1941-42 ..	154,330	535,000	188,720	498,000	117,214	155,566,195

The only classes of men who were granted a virtually complete exemption from military service, at that time, were—

Coal-miners, seamen, policemen, and clergy.