

part, represent additions to the labour force of such industries by compulsory direction, and in considering the practicability of revoking the declarations it must be realized that if the present restrictions were abolished the loss of personnel would in all probability be considerably in excess of the figures shown, in that many of the workers who have been held in these undertakings would no doubt seek other employment. Table 28 of the Appendix depicts graphically the broad industrial distribution of the 63,219 males and 15,947 females estimated to be employed under direction as at 31st March, 1945.

PERSONS WORKING UNDER DIRECTION AS AT 31ST MARCH, 1945, IN THE MORE IMPORTANT INDUSTRIAL GROUPS

Males—

Farming	8,853
Sawmilling and mining, &c. .. .	3,392
Food processing	12,288
Building and allied trades	9,858
Transport and communications	5,768
Total	40,159

Females—

Clothing-factories and woollen-mills	4,030
Hospitals	2,774
Restaurants, hotels, and domestic	1,670
Food processing	1,412
Transport and communications	426
Total	10,312

115. Notwithstanding the overall relief which will be afforded to industry by the return of some thousands of servicemen from overseas, and the further reduction of home-service personnel, it is evident that man-power controls in a modified form must be retained until some time after Japan is defeated and normal labour conditions apply if the staffing position of the more vital industries is to be safeguarded. It is equally evident that any relaxations that may be possible in the interim must necessarily be effected gradually in order that disruption of industry will be reduced to an absolute minimum during the period of transition from war to peace.

116. While it is the aim to abolish man-power controls at the earliest possible date, it is not practicable at this juncture to nominate a date from which this will take effect, but a progressive relaxation concluding with the complete abolition of man-power control within a short period after general demobilization can be anticipated.

(ii) Plans for Full Employment

117. Although there are wide differences of outlook on the question of State responsibility for economic activity, the consensus of Government and public opinion in New Zealand and other English speaking countries has, during recent years, tended to the view that the State is in the last resort responsible for the removal of unemployment. Since the outbreak of war full employment has almost without exception figured as a policy objective of the individual united nations. There can be little doubt that the success of any peace settlement will substantially depend upon the extent to which the nations of the world are able to realize and maintain a state of full employment. The policy of the New Zealand Government is based on recognition of the fact that the State is fundamentally responsible for the maintenance of full employment. Internationally this view is now so far accepted that it is agreed that each Government's responsibility for maintaining full employment does not end with assuring employment for its own nationals, but extends to the promotion of world trade and through it the raising of the standard of living of other peoples the prosperity of all of whom depends on consumer purchasing power which is high, stable, and general.

118. At all of the important international conferences by means of which the United Nations are progressing towards the reconstruction of world peace and prosperity there has been implicit recognition of full employment as both a policy objective and a definite responsibility of every Government. It is specifically mentioned as an objective in the United Nations Charter, the Bretton Woods Agreement, the Philadelphia Charter of the I.L.O., and in other important international documents.

119. Full employment may be said to exist in a given society when there are no persons idle who are both able and willing to work. If theoretical precision is insisted upon, this definition does not quite satisfy, because the existence of a large number of unemployed persons who were able but unwilling to work would, in fact, imply a state of only partial employment. Furthermore, it is not enough that everybody able and willing to work should be merely employed. Inherent in the concept of full employment is the assumption that they will be so employed as to contribute most to economic welfare. With these two theoretical qualifications the definition used does, however, give clearly what is meant by the term. In practice, as Sir William Beveridge points out, full employment implies a state of affairs in which unemployment is reduced to short intervals of standing by, with the certainty that very soon one will be wanted in one's old job again or will be wanted in a new job that is within one's powers. It implies also having always more vacant jobs than unemployed men, not slightly fewer jobs. It means that the jobs are at fair wages, of such a kind, and so located that the unemployed men can reasonably be expected to take them, and it means by consequence that the normal lag between losing one job and finding another will be very short.