

from 100,000 men to 55,000. In particular, it was decided to repatriate the remaining veterans of the Second (Middle East) Division and regroup the division as a two-brigade force of 16,000 officers and men plus an immediate reinforcement draft of 2,000, as against the then total strength of 33,000. On regrouping, this reduced force was to be switched to employment against Japan. The Army establishment in New Zealand was to be reduced from 16,000 (which included a reinforcement pool of 5,000) to 8,400. Other small overseas groups which it was necessary to retain totalled 900. In the case of the Air Force, it was decided to reduce the then total strength of 35,000 to 21,500, while that of the Navy was to be reduced from 10,000 to 6,200. Although the addition of 45,000 men to the industrial labour force could be expected to lead to an overall easing of the industrial position, it would not immediately overcome the shortage of key and other skilled workers which was accentuated by the comb-out of Category "A" men until then held under appeal in industry, as the gain to industry from the large number of men to be demobilized would be gradual.

Happily, the defeat of Japan has rendered possible the immediate release of some thousands of men for farms and other essential work.

Relaxation of Man-power Control.—In the main report reference is made to the intention of the Government to raise man-power controls as soon as practicable. In Section II of Part I of the report an italicized note inserted after the compilation of the report stated that, in pursuance of this policy, control had been withdrawn (June, 1945) from (a) wives of returned ex-service-men desiring to establish a home; (b) married women forty years of age or more; (c) young persons under eighteen years of age; and (d) the widows of deceased servicemen of the present war. Early in August control was also removed from returned servicemen regardless of medical grading.

These exemptions were at once observed, except that it has been necessary to defer the release from essential employment of a number of returned servicemen repatriated to New Zealand in one or other of the essential industry drafts until replacements are available. In addition, the protection of a number of undertakings conferred by declarations of essentiality was removed by the revocation of such declarations.

Immediately following VJ Day the Minister announced the exemption from direction of the following further classes: (a) all married women irrespective of age; (b) all other women of thirty years of age or more; (c) all men of forty-five years of age or more. Moreover, employers have been freed of the necessity to obtain consent for the engagement of labour within certain specified classes, provided they notify all such engagements to Man-power Officers within seven days. Most declarations of essentiality are to be revoked by the end of 1945, and some large groups before the end of September. Revocation of a declaration of essentiality results in (a) freedom of workers in the industry or undertaking concerned to leave it; (b) freedom of employers to dismiss staff; and (c) the abandonment of direction powers to staff the industry or undertaking in question. In the meantime, regardless of the date of revocation of any declaration, all married women will, on application, receive automatic consent to leave declared industries if they desire to take up home duties.

Revocation of declarations and a consequential contraction of the direction field is expected to proceed rapidly, until at the end of 1945, the only industries likely to remain under protection will be—

Hospitals and mental hospitals.

Prisons, State Housing and Rehabilitation Departments, and possibly one or two other Departments.

Hydro-electric schemes.

Freezing-works and dairy factories.

Dehydration and food processing for export.

Sawmilling and building.

Coal-mining.

Woollen-mills.