

## PART I.—THE ADMINISTRATION OF NATIONAL SERVICE DURING THE FINAL STAGES OF WAR AND THE ENSUING DEMOBILIZATION PERIOD

### SECTION I.—RÉSUMÉ OF THE POSITION AT 31st MARCH, 1945

9. In proceeding to review the Department's activities over the period of twelve months ending on 31st March, 1946, it is well to glance first at the broad features of the position confronting the Department on the threshold of that period *i.e.*, on 31st March, 1945.

10. At that point 56,000 men and women were serving in the Armed Forces overseas, together with 43,000 serving within New Zealand, a total of 99,000. The whole of the 3rd (Pacific) Division, numbering some 18,000, had been returned to the Dominion by the end of 1944, the majority of the men for direction to high priority employment, but a few for transfer to the Middle East. The advantages which industry gained from the return of these men had, however, been reduced to some extent by the introduction of the 2nd (Middle East) Division replacement scheme whereby veterans of the 2nd Division who had served overseas for three years or more were to be given the opportunity of returning to New Zealand. In the first three months of 1945 some 5,000 Category "A" men had been withdrawn from industry as replacements for the men returning from the Middle East. Owing to accumulated leave (which delayed the re-entry of the latter to industry for approximately three months after arrival) and also to the fact that the returning men were not able to (nor compelled to) fill the identical positions vacated by the replacement draft personnel, industry had not recouped itself fully for the loss of the latter men. Nevertheless, by the end of March some 9,800 veterans had arrived in New Zealand. The finding of further replacements for these men in order to keep the Division overseas at full strength therefore presented a somewhat difficult problem. The Armed Forces Appeal Boards had been required since November, 1944, to undertake a thorough and rigorous review of the cases of all Category "A" men held under appeal in their districts, and to this end release targets had been set to guide the Boards.

11. Although by March it was apparent that Germany could not continue her resistance for any great length of time the probable date of her capitulation was still uncertain. There could, as yet, be no slackening in the military or industrial war effort, and further directions into the high priority industries (including hospitals, sawmilling, coal-mining, dairy factories, and freezing works) were inevitable. By the end of March, 1945, the cumulative total of males and females placed under compulsory direction to work of national importance who had complied with the direction reached 117,081 and 32,452 respectively. The coverage of declarations of essentiality had similarly continued to increase, until by that date a peak of 255,000 persons were employed in undertakings covered by declarations. The war effort had continued at a prolonged peak of intensity, reductions in military mobilization since September, 1942, having been counter-balanced by increasing industrial requirements and a rising intensity of industrial mobilization.

Among the major problems facing industry in March 1945 were: (a) the urgent need for the continuing expansion of exports of foodstuffs to Great Britain and to the United Nations Forces in the Pacific; (b) the greatly increased demands of the Armed Forces on the industries of clothing, footwear, woollen manufacture, and engineering; and (c) the incessant calls for more production for essential civilian needs as the cumulative effects of prolonged shortages became more pronounced.

12. The exceptional demand of industry for labour was reflected in vacancies recorded and in the figures relating to persons in receipt of unemployment benefit. Unemployment in March, 1945, had reached a record low level of 200, all of whom were marginal or semi-employable workers. Vacancies recorded had reached the high figure of 6,590 for males and 4,792 for females in essential industries alone. The placement of fit ex-servicemen in suitable employment in industry was presenting no difficulties in view of the extremely wide selection of vacancies.