

The Second New Zealand Division, under the command of Lieutenant-General Sir Bernard Freyberg, after fighting with great distinction in North Africa, is now in the spear-head of the Italian offensive. In the Pacific the Third New Zealand Division, under Major-General Barrowclough, after many months of training, has been assigned an offensive role in which it has already acquitted itself most creditably with the capture of Vella Lavella, the Treasury Islands, and the Nissan group. It was a great pleasure to me in November of last year to be able to visit the men of this Division, to see for myself the conditions under which they were fighting, and to learn of the high regard in which they were held by the American Commanders of the Allied Forces in the South Pacific area.

In the forward areas, as in the Dominion itself, relations with the American Forces have been characterized by the spirit of mutual assistance in all forms of practical aid. The intimate bonds cemented on the field of battle will, I am certain, serve to strengthen still further the friendship and understanding which have for so long existed between the two peoples.

As a result of the operations in the Pacific, greatly increased responsibilities have been laid upon the Royal New Zealand Air Force, and its expansion to full establishment for its important share in the offensive has been pressed forward with the utmost vigour. The airmen of this Dominion continue to be strongly represented in the European theatres of war, while at the same time playing an increasingly important part in the defeat of Japan. The Royal New Zealand Navy has also participated most successfully in the operations in the South Pacific while maintaining the defences of the ports of the Dominion against possible attack.

The mobilization of the total resources of New Zealand in man-power and materials for the successful prosecution of the war remains the foremost aim of my Government's policy. After four and a half years of hostilities the stage has been reached, however, when resources of man-power suitable and available for service in the Armed Forces must be balanced with those required for other essential wartime purposes. It has been found possible, with the recession of the threat of Japanese attack, to reduce the Forces maintained for home defence. The Territorial Army has been reconstituted on a part-time basis, and the Home Guard, which in the time of crisis rendered such excellent service, has been placed in the Reserve. Demobilization from the Territorial Army has resulted in the release of men to industry and made available additional men for the Expeditionary Forces and for the other Armed Services. Furthermore, the diminution in the demands of the Armed Services, particularly in regard to production for military needs and defence construction work, has enabled further reductions to be made in the labour force of the Dominion indirectly engaged in war work.

My Ministers are concentrating particular attention on the problem of augmenting the labour forces available to food-production, together with the continued review of men held from military service in other industrial undertakings. The present year will also require a fuller utilization of the services of women and a more rigorous policy of moving workers to industries and services of the highest priority. Among the more urgent matters to be dealt with this session will be a review of the Dominion's man-power requirements, particularly as regards the balance between the Armed Forces, food-production, and other essential commitments.

The production of foodstuffs and other raw materials for the United Kingdom, for the American Forces in the Pacific, and for our own servicemen is more imperative than ever, and calls for efforts no less vital in the achievement of victory than the successful accomplishment of military operations. The increasing difficulties which New Zealand and the other Dominions have experienced during the past two years in fulfilling the heavy demands made upon their food-production have given rise to a growing fear lest their exportable surplus should be insufficient for the continued maintenance of the already meagre rations of butter and meat to which the people of Great Britain are limited. In order to increase the exportable surplus, and thereby assist in the maintenance of the British ration, it was deemed necessary in October last to ration butter in New Zealand. More recently, and for a similar reason, it has been decided to include meat in the rationing system. The inconvenience involved in the rationing of these two important foodstuffs has been, and will