CHAPTER 10

A DIGRESSION ON MANPOWER AND RESOURCES, NOVEMBER 1940-JULY 1941

1—THE PROBLEM TAKES SHAPE

MANPOWER questions are dealt with fully in other volumes of this series[1] but, because they forced themselves into the forefront of politics during 1941 and because they appear to have been at the heart of the problem of adjustment with which Cabinet struggled, both then and later, it appears necessary to refer here to certain aspects of the subject.

As already indicated, the 1940-41 Budget, approved in November 1940 and applying the decisions of June 1940, demanded a major diversion of resources to war purposes. That diversion had not taken place as thoroughly as had been hoped. There were many reasons—defects in organisation and lack of trained administrative staff; resistance by sectional interests; dependence on key materials or equipment ordered from overseas; limits set by shortages of coal, transport and skilled workers; the rise in spending by civilians as a result of the higher expenditure in Australia and the consequent growth of non-essential industry in spite of attempts at control through capital issues; hesitation by the Government—a hesitation which was undoubtedly affected by the political instability—to impose on the country all the measures which it might have thought necessary; the lingering concern over questions such as "unemployment", "maintaining the economy of the country" and "sound budgetary practice" which every day were becoming less and less relevant.

The Budget may again be used as a barometer. Although the demands and exigencies of war had greatly increased during the financial year 1940-41, there was a considerable lag in expenditure within Australia. The position at the end of the financial year, on 30th June 1941, was that £159,059,000 had been expended out of a total provision of £182,489,480. The lag was almost wholly in respect of construction, arms and ammunition. The Navy had an unexpended balance of £1,676,037 for naval construction and £1,387,314 for reserves of stores; the Army an unexpended balance of £32,446,000 for arms and ammunition and £1,315,000 for buildings and works; the Department of Air had an unexpended balance of £3,761,788 for ammunition and explosives, £2,211,683 for aircraft, and £1,649,000 for buildings and works; the Department of Munitions had an unexpended balance of £1,062,697 for machinery and plant.[2]

The expenditure on transporting and maintaining the A.I.F. overseas, on the expansion of the militia, and on the R.A.A.F. pay and allowances had exceeded the Estimates.

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[1] S. J. Butlin, *War Economy 1939-42* and *War Economy 1942-45*.

[2] War Cabinet Agendum 46/1941, and Supplements 1, 2, 3 and 4. Minutes 903 of 18 Mar 1941; 1047 of 9 May; and 1320 of 13 Aug 1941.

Month by month during the year it had become clearer that the problems associated with the war effort rose to an apex in manpower. During November and December 1940, members of the Advisory War Council were given information to the effect that a limit was being approached where Australia could not increase the numbers of the expeditionary forces without dangerously depleting manpower needed for local defence, that the defence of Australia hinged on the production of equipment; that the munitions programme was suffering, apart from the shortage of machine tools, from a shortage of skilled labour; that increased demands would be made on Australian production both for the Eastern Group Supply Council and local needs; that the registered unemployed at the end of 1940 were 70,583, compared with 112,704 at the outbreak of war and that most of them were unskilled.[3] All the information pointed to the approaching crisis in manpower and the need for major adjustments in industry. For some months, however, the liveliest concern of the non-Government members continued to be with fear of unemployment rather than with need for manpower.[4] The Treasury was worrying about how to find the "money"; other experts were worrying about how to dispose of export surpluses so as not to put farmers out of business and, at the same time, how to maintain or increase production of farms so as not jeopardise "the economy of the country".

During the absence of Menzies overseas the War Cabinet under Fadden made two false starts in the handling of manpower and resources, thereby adding to its own education but making little effect on the problem. On 12th February 1941 War Cabinet, being presented with a recommendation by the Minister for Munitions for the construction of additional factories to implement the recommendations of the Eastern Group Conference for the manufacture in Australia of types of arms and ammunition in addition to Australian requirements, accepted the view of a cautious Treasury that the whole of the munitions programme needed "revision and consolidation" before any decision could be made about extending it. The Treasury, at that stage of the war, found the addition of every million pounds rather alarming and pointed out that the A.I.F. was also wanting to add £20,000,000 to its munitions requirements and the C.M.F. wanted an extra £65,000,000. Accordingly, an inter-departmental committee under the chairmanship of Sir George Pearce was appointed to examine the question.[5]

Reporting towards the end of April on those financial questions in which the Treasury was chiefly interested, the Pearce committee also drew attention to the fact that the £183,000,000 programme of production up to 30th June 1942, together with the additional demands from the Eastern Group Supply Conference, raised questions of manpower, machine capacity, and raw materials. While it had not been able to make any comprehensive

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[3] Advisory War Council Minutes 25, 29, 38 and Agendum 7/1941.

[4] This outlook continued at least until May 1941. When the McKell Government reviewed its achievements in New South Wales during the war, one of its starting points was that when it took office "the problem of widespread unemployment remained unsolved". (*Five Critical Years, Story of the McKell Labour Government in New South Wales, May 1941-May 1946* (1946), p. 2.)

[5] War Cabinet Minute 777, 12 Feb 1941.

review of these factors, the committee thought great difficulty would be experienced in finding the people to carry out the projected programme. Although the starting point of the committee's work had been "money" and the whole Treasury emphasis had been "the necessity for the review of progress in terms of expenditure as well as potentialities of production", and although the committee appears to have tinkered with the notion of finding a "tested formula upon which the money value of requirements can be readily translated into terms of labour", its practical sense cut through a lot of figures to "the opinion that if it is desired to implement the full projected munitions programme, build ships and tanks, and make a substantial contribution to the manifold requirements of the Imperial forces, it can only be accomplished by the diversion of such of the national effort that is now being absorbed in meeting the ever-growing demands of the civilian population caused by the high ratio of employment and resultant increased spending power". The Committee considered that, to be effective, "the diversion would need to be of a major order".

At a meeting on 30th April 1941 the War Cabinet had before it, in addition to the Pearce committee's report, "Some Notes on Increased War Effort" which had been prepared by the Financial and Economic Advisory Committee, and a letter dated 21st April to the Acting Prime Minister from the Minister for the Army, Mr Spender. Both of these additional papers had been previously considered at a meeting of the Advisory War Council in Sydney on 23rd April.

The notes prepared by the Financial and Economic Advisory Committee, commenting on the Pearce committee's report, said that the situation demanded Government action, the public were eagerly awaiting it, and the time was ripe for general sacrifices by the community. The war programme should be reviewed in the light of the latest information regarding limits to productive capacity, actual and potential. The Financial and Economic Advisory Committee made its own rough estimates of the manpower requirements and manpower available and drew the moral: "We cannot meet unlimited enlistments and unlimited demands for munitions and war supplies. The urgency of each must be assessed". The committee added: "One thing stands out clearly—the time has arrived when we must face up to restriction of civil consumption. At the present time the volume of employment and rates of wages have created a spending power which is giving rise to a civil consumption of such a rate and character that the war effort is being severely curtailed because an ever-increasing number of workers is being absorbed in meeting this growing demand for consumption goods".

The following steps were suggested:

(a) Immediate and double time propaganda by the Department of Information to educate the public.

(b) A general authorisation to the Contracts Branch of the Supply Department to place orders for overseas war supplies, even though they involve restriction of civil supplies.

(c) The Minister for Supply to explore whether the rationing of certain items should be introduced.

(d) Further restrictions on imports of non-essential goods.

The notes also stressed the desirability of establishing an authority "to keep in constant touch with war demands in relation to capacity, to prevent any part of the programme getting out of balance, to obtain maximum results and to see there is no waste of effort".

The letter from Spender reported the deficiencies in equipment suffered by the army and declared that the fundamental problem behind the deficiencies of equipment was "the mobilisation of manpower and industrial resources". The Minister praised what the Manpower Committee had done. It had handled 530,582 applications since war was declared and made 47,693 reservations, thus stopping that number of skilled men "from being drained haphazardly away into the various services in capacities presumably less useful to the country". But the scope and functions of the manpower organisation must be widened as the military and economic effort of the nation moved towards its peak. It was now necessary to go beyond the stage of conserving manpower and face the problem of directing and redistributing manpower to approved national uses—a phrase which eventually found its way into the Menzies broadcast of 17th June.

> This is a duty from which we have all doubtless flinched away because of its delicate political character, and because there is doubt whether the nation is yet ready for such action (Spender continued). But sooner or later, as the war goes on, the problem must be faced and dealt with resolutely, even if it involves a risk that the ugly and inaccurate name of "industrial conscription" will be applied to measures which are, if people but knew, as necessary for their ultimate protection as any arm of the nation's defence. The essence of what we have to do is not conscript workers, but cut down to the bone the use of machines and manpower for luxuries, non-essentials and anything not directly concerned with our war effort.

The minister recommended that the Manpower Committee be asked to furnish an appreciation of the manpower position.

The War Cabinet acted rather impetuously, as it sometimes did under Fadden, and, overlooking existing instrumentalities, decided on 30th April[6] to appoint a committee to consider the proposals contained in the notes from the Financial and Economic Advisory Committee, the letter from the Minister for the Army, and the recommendation of the Pearce committee that the munitions programme should be reviewed and reports made on stocks and supplies of explosives, manpower requirements, specifications, and the reduction of the variety of munition requirements. At the same time approval was given to various recommendations of the Pearce committee to facilitate the carrying out of the munitions programme.

The new committee, it was intended, should be composed of "a leading industrialist", a representative of the "industrial trade unions", and representatives of each of the three services and of other Commonwealth departments or instrumentalities which were considered to be primarily

[6] War Cabinet Minute 1009.

concerned. It was intended to have power to appoint sub-committees. A preliminary plan of its organisation, prepared for the War Cabinet, provided for sub-committees on manpower, equipment, civil industries and imports and a full-time secretariat for the principal committee. It was to prepare recommendations on how to meet the problems of defence requirements and the policy in regard to essential and non-essential production.

Nothing came of it all. There was stir and bustle at the time. But existing instrumentalities do not like to be overlooked. They were working at their own plans. The idea slowly faded away. Eventually a submission to the Full Cabinet on 28th July wrote its epitaph, saying that the proposal seemed "singularly ill-adapted to its purpose". By that time new machinery had filled the need.

The second false start on the manpower and resources question was made when Fadden informed the War Cabinet on 14th February[7] that it was proposed to appoint a parliamentary committee with the following terms of reference:

(1) To enquire into Australia's resources of idle or partially employed manpower and to examine the extent to which they could be utilised for the manufacture of munitions;
(2) To enquire into the practicability of using for the manufacture of munitions, equipment in manufacturing establishments which are not now engaged in the manufacture of munitions;
(3) To report to the Government the results of such enquiry.

The committee would conduct this survey in each State and would confer with such Commonwealth and State departments and organisations whose activities were closely related to the questions under review. In a subsequent press statement Fadden said:

> It is intended that those conducting the survey should find out to what extent it is possible to link such men and resources with productive work which will be of help to the nation in its war programme. If it is possible to effect changes which will bring the whole of our industrial resources on to a wartime basis Australia will have reason to be satisfied that it has not left neglected potential sources of power.

As an instrument for making a survey and expertly examining the results of such a survey, the committee was not well-planned. As a means of silencing critics, promoting cooperation and stimulating interest in the problem it may have had something in its favour. Its membership was arranged on the recommendation of the Advisory War Council.[8]

The committee was composed of two Government supporters, Messrs Spooner (U.A.P.) and Abbott (C.P.); two Labour members, Messrs Holloway and Drakeford; and one Non-Communist Labour Party member, Mr Rosevear. Spooner was appointed chairman and Holloway vice-chairman. When the Prime Minister returned and found the committee in being he observed that it was composed of two members from the Government

[7] War Cabinet Minute 809.
[8] Advisory War Council Minute 150, 20 Feb 1941.

side of the House who had been critics of the Government and three members of the Opposition, and noting that press reports were already forecasting critical conclusions, he also observed to his colleagues that it appeared to be a rather risky course to constitute a committee that was loaded against the Government. The creators of the committee defended their action by saying that it had led to a diminution of complaints against the Government about manpower and resources.

The committee started work on 21st February and presented its first interim report on 8th May 1941 after having visited Sydney, Melbourne, Lithgow and Canberra, as well as certain factories and annexes engaged on wartime production, and taken evidence from government officials, representatives of the fighting services, directors of the Ministry of Munitions, manufacturers, trade union officials, unemployed organisations and others to the total number of 112, in the intervals between attending sittings of Parliament.

The committee found that the latest official registrations of unemployed totalled 25,987 in New South Wales and 4,244 in Victoria, but reached its own conclusion that the true figures were not less than 30,000 in New South Wales and 6,000 in Victoria. If the present proposals for munitions manufacture went according to plan in the financial year 1941-42 it should be possible to employ progressively all unemployed manpower, provided that there was no substantial diminution of employment in non-war industries. In the meantime, as a short-range plan, some of the unemployed should be taken up for the construction of strategic roads and other works. If not, the construction of these works would eventually be done only at the expense of the munitions programme. A series of projected roads in the Newcastle and Sydney areas was listed and the committee recommended that these be authorised and an advance made to the construction authorities, with whom the army should be permitted to deal direct so as to avoid delay in starting the work. They also recommended a revision of the planning of the work on the Sydney graving dock so that it might be completed much earlier than contemplated.

Other proposals were for a munitions annexe at Broken Hill to absorb local manpower and the extension of the use being made of State railway workshops for munitions works so that they might engage on such major projects as tank and gun production.

After assembling figures of manpower requirements for munitions and the services, the committee reached the opinion that before the end of the year 112,528 men would be required—81,120 for munitions and 31,408 for the forces—including over 50,180 semi-skilled and unskilled men for munitions. In making this calculation they admitted that they had made no provision for the additional requirements of private industry in the manufacture of the material for the war effort. They then proceeded to make recommendations in regard to working hours and shifts in factories, dilution of trades to the extent necessary to meet the requirements of war production and the extension of a system of training for factory workers. They criticised the administration of labour matters and proposed the

creation of a Co-ordinator General of Labour and Technical Training assisted by an advisory board composed of an employers' representative and an employees' representative and endowed with authority over all organisations both Commonwealth and State in regard to "the administration of employment, unemployment, technical training and industrial relations". Only by this means, the committee believed, could the manpower of Australia be welded into "an effective organisation to equip the factories and fighting services". This section of the report has much less of the character of an investigation or a survey than an attempt to build up a case derogatory to the Department of Labour and National Service, the Manpower Committee of the Department of Defence, and the State Departments of Labour.

A final section dealt with the housing and welfare conditions for munition workers, chiefly at Lithgow and Maribyrnong.

The report lays itself open to criticism because one set of recommendations is based on the expectation of a surplus of labour and the other set of recommendations is based on the expectation of a shortage of labour, including an early demand for semi-skilled or unskilled workers much greater than the number of unemployed. The committee gave nothing whatever except its own unscientific opinion in response to the request to survey the actual resources of manpower in Australia. Passing beyond its terms of reference, it criticised the administration for its alleged shortcomings in regard to the Department of Labour and National Service and the housing of munitions workers and left an impression that it was more interested in criticism than in investigation. Its work probably had chief value insofar as it drew attention to the existence of a problem.

The report went first to the Advisory War Council, where it was commended by the non-Government members, and passed to the War Cabinet which, having received comments from departments on it, simply decided that it would not be published.[9]

A second interim report was presented by the committee on 31st May, after a visit to South Australia. It gave an account of conditions in that State and added various general recommendations regarding housing for munitions workers, control of factory production, use of factories in country towns, government buying and contract arrangements, the cost-plus system, railway workshops and technical training. A more balanced document, the second report also had little of the character of an enquiry into manpower and more of the character of an essay on the general planning of the Australian civil war effort. It was remitted to the new Department of War Organisation of Industry for observations, and languished there. After the reconstruction of Cabinet the committee membership was changed to Messrs Coles (chairman), Drakeford, Duncan-Hughes[1], Rosevear and Sheehan[2] and Senator Sampson[3] and presented a

[9] War Cabinet Minute 1209, 11 Jul.
[1] J. G. Duncan-Hughes, MVO, MC. (1914-18: Maj RFA.) MHR 1922-28, 1940-43; Senator 1931-38. Barrister; of Adelaide; b. Hughes Park, SA, 1 Sep 1882.
[2] T. Sheehan. MHR 1937-55. B. Sydney 14 Apr 1891. Died 26 Mar 1955.
[3] Col B. Sampson, DSO. (Served in 1st AIF.) Senator 1925-47. Farmer; of Newnham, Tas; b. Launceston, 30 Mar 1882.

third interim report on 18th September 1941 after a visit to Queensland. This report was also remitted to the Department of War Organisation of Industry and also languished.

In the meantime, the groundwork had been laid for a more practical approach to the problems. In response to its enquiries, the War Cabinet was furnished at its meeting on 9th May with statistics on the manpower available for war industries. The figures supported a conclusion that "broadly speaking the point has now been reached at which there is very little available labour competent in skill or capacity . . . What amount of labour can now be made available from non-war industries depends on how far non-war industry can be curtailed".[4]

Having taken note of the statistics, the War Cabinet expressed the view that the Reserved Occupations List was in need of revision in that it provided for too wide a field of exemptions, particularly in the younger age groups; the Manpower Committee was directed to give early consideration to a revision of the list and to submit a report to the War Cabinet.

The criticism of the Reserved Occupations List came from two sides. One criticism was that the list kept men out of the navy, army and air force. The other was that more reservations should be made for industry. As for the second claim, the Manpower Committee saw that an essential first step was to decide which industries were essential and which were unessential. War production was at present being hampered not because the list did not reserve enough skilled men, but because some skilled men who had been reserved were not engaged on war work.[5]

On 26th May the Minister for Labour and National Service, Mr Holt, submitted a memorandum to the Cabinet summarising the position. The requirements of the expeditionary forces for a four years' war from 1st July 1940 were 410,000 men for the expeditionary forces and 210,000 for the home defence forces. There were available, after deductions had been made of the numbers estimated to be in reserved occupations or medically unfit, and after provision had been made for an expeditionary force of 410,000, a reserve of 450,000 men available either for home defence or for increasing the expeditionary forces.

> It seems clear (the memorandum went on) that we have sufficient manpower potentially available to cope with present commitments, and that the Reserved List of Occupations though it may be possible to improve it in details, is not standing seriously in the way of the raising of sufficient men for the armed forces. Nevertheless it is obvious from general considerations that in the future we shall be faced with (a) more serious competition for bulk manpower; and (b) an accentuation of the competition already experienced for men with special skill and experience.

Taking this view of the stage reached in the handling of manpower, the Department of Labour and National Service raised the question whether the manpower organisation should be revised and suggested the creation of a Manpower Priorities Board with the following functions:

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[4] War Cabinet Agendum 164/1941.

[5] Report by Manpower Committee 28 May 1941.

1. To review the whole field of Australian man and woman power, and to be in a position at all times to lay before Cabinet information as to the effects, in terms of manpower of all departmental proposals made to the War Cabinet and referred to the board for report;
2. To receive and consider reports of manpower priority problems from the Manpower Committee, the Ministry of Munitions, the Trade Union Advisory Panel, and a consultative panel representing employers' interests;
3. To superintend the maintenance and amendment of the List of Reserved Occupations, and to make recommendations in connection therewith to War Cabinet;
4. To assist in advising Cabinet on the *extent* to which restrictions should be placed on non-essential industries for the purpose of conserving manpower.

If this proposal were adopted the Manpower Committee would continue to operate very much as heretofore as "a coordinating committee for service requirements and the administrative agency for dealing with exemptions", and its chairman would be a member of the Manpower Priorities Board.[6]

This agendum was considered by the Full Cabinet on 6th June, after the return of Menzies, and, following its adoption, the Prime Minister announced on 25th July the appointment of Mr Wurth,[7] chairman of the New South Wales Public Service Board, as Director of Manpower Priorities and Chairman of the Manpower Priorities Board. Wurth, whose services had been made available by the New South Wales Government, would be appointed for three months, at the end of which time the arrangement would be reviewed by the two governments. Part of his time would still be devoted to his duties on the Public Service Board. After describing "the general functions of the board", the Prime Minister continued:

> Other important duties to be carried out by the Board include the devising of measures to promote the voluntary transfer of labour from low priority to high priority defence work, and liaison with the State Governments in regard to matters affecting their employees. While the Commonwealth Government is forced to make many calls on the services of State Government employees, it is thoroughly seized of the importance of maintaining essential State services, and is anxious to ensure that the defence needs of the Commonwealth are properly coordinated with the needs of the State Governments.
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> Mr Wurth, as Director of Manpower Priorities, will maintain liaison between the Department of Labour and National Service and the newly-established Department of War Organisation of Industry. The Manpower Priorities Board will be concerned largely with determining the general manpower requirements of the war economy, while the Department of War Organisation of Industry will help to supply those requirements by effecting industrial adjustments designed to facilitate the diversion of labour from low priority to high priority work.[8]

The creation of the Department of War Organisation of Industry was part of the response to the same set of circumstances. The need for such an authority had long been urged by senior economic advisers but there had been some differences of opinion as to the form it should take, its relationship to existing departments, and the way in which it would work. The intention to create it was announced by the Prime Minister in the

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[6] War Cabinet Agendum 164/1941, Supplement No 3, 26 May 1941.

[7] W. C. Wurth, CMG. (Served in 1st AIF.) Member NSW Public Service Bd 1936-39; Chmn since 1939; Dir-Gen Manpower 1941-44. Of Sydney; b. Mudgee, NSW, 14 Jan 1896.

[8] Press statement of 25 Jul 1941.

broadcast of 17th June, and on the 26th the appointment of Mr Spooner to the new portfolio was announced. Spooner, who had been chairman of the Committee on Manpower and Resources, was a practising accountant, with seven years' ministerial experience in the New South Wales State Government. He had entered Federal Parliament in 1940 with a reputation for business capacity.

On 10th July the functions of the new department were defined as follows:

(a) Surveying civil industry with a view to determining which industries or groups of industries are susceptible of reduction or diversion without impairing the real strength of the nation.
(b) Devising, with the assistance of committees familiar with the industry concerned, ways and means of reducing or diverting any selected industry to war purposes.
(c) Maintaining for this purpose constant contact with the Department of Labour, the Department of Munitions and the Department of Supply, so that the limitations imposed upon civil production will be properly related to the actual current needs of military production.

The problems before the new department were peculiar. The method by which questions might be referred to it had not yet been established. Should it function by clearing up a mess or by preventing one from being created? In regard to the diversion of non-essential industries to war production, the question arose whether the new department would have the functions and the powers to exercise control over industry. The withholding of a permit from a building or the transfer of skilled workers from a factory might have far-reaching effects on other industries and on the employment of great numbers of workers. Should the Capital Issues Board be placed in the new department? Other departments already exercised functions that affected the working of the new department. The Munitions Department controlled resources and purchased their own materials. The Customs Department controlled rationing. The Supply Department let contracts. Was the new department to be only advisory and consultative or would it require to duplicate the staffs already existing in executive departments in order to assist in the handling of various matters?

The neglect to think clearly through such questions as these gravely limited the value of the new department; its administrative organisation took place slowly and it can scarcely be claimed that, under its first minister, it did anything to relieve the difficulties which had prompted its creation.

2—THE STRENGTH OF THE ARMED FORCES

Early in the war decisions regarding the raising of Australian forces were influenced by the shortage of arms and equipment, including supplies from overseas.[9] Now another phase of the question appeared, and the size of the fighting services and the use to be made of them were more directly influenced by the supply of manpower than by the supply of arms and equipment.

[9] See Chapter 5, Section 2. above.

On 30th June 1941 it was estimated that there were about 400,000 men in the three fighting services—a proportion of at least one in four of the Australian male population between 18 and 40 years of age. The question was arising whether Australia could maintain so large a force and whether it were wise to attempt to do so.

On 10th July, after a discussion on manpower requirements of the fighting services and the capacity to meet present commitments, the War Cabinet asked the service and war supply and production departments to prepare statements of their requirements.[1] This review eventually reached the War Cabinet on 17th September and was noted without any action being decided.[2] It is of more interest as a statement of the requirements of each of the war departments than as an analysis of the manpower situation, for so many factors were not recorded and some of the calculations were so rough and ready that it does not give a review that could be accepted uncritically. Broadly, the picture was that the three services, Munitions and Aircraft Production would require a total of 794,029 men and 52,376 women up to 30th June 1943. These figures did not take account of the needs of the Department of Supply, which estimated its own requirements at 4,400 men and 500 women but could make no calculation regarding the manpower requirements of contractors or suppliers of goods and materials. Similarly Munitions made no calculation in respect of the requirements of industries which were producing stores for that department, but guessed that it might be over 60,000.

The demand for 794,029 men was linked with the requirement of 52,376 women. One figure supplemented the other and if more women could be used in munitions and aircraft production a considerable number of men could be released for other services.

On the other side of the ledger, it was shown to the War Cabinet that the total manpower available between 18 and 60 years of age, based on the National Register of 1939, was roughly 1,140,000. The Cabinet agendum showed it exactly as 1,139,023 but its pretension to exactness is comical in view of the way in which the calculation had been made. It is enough to say that the Cabinet had before it some plausible figures which showed more or less exactly what the Services, Munitions and Aircraft Production wanted in order to carry out their existing programmes, an indication of the extent to which the manpower shortage might be immediately eased by the greater employment of women, and a rather less definite indication that these requirements were going to leave very little margin for the industries which were directly serving the war effort and essential civil consumption, or for the export production which the Government regarded as necessary for the maintenance of the national economy. Both planning and control were needed. Some breaking down of normal industrial practice would be imposed by that planning. Some modification of the military commitments might be found necessary.

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[1] War Cabinet Minute 1188, 10 Jul.

[2] War Cabinet Minute 1372 on Agendum 277/1941.

Before that review was made the War Cabinet had decided, on a report from the Minister for the Army, that at the present stage of the war the army's role was to act defensively until armoured forces and equipment comparable to those possessed by the enemy could be built up. This role implied keeping land forces to a minimum consistent with the security of Australia and the vital strategic areas of the Middle East and Malaya. The existing formations of the A.I.F., plus the armoured division, appeared to be the maximum Australia could maintain in view of other commitments, particularly the Empire Air Training Scheme; but so long as the A.I.F. forces were operating overseas they should be fully maintained as regards reinforcements "in accordance with their size and the scale of operations in which they are involved".[3]

One incidental factor was that, as overseas service was voluntary, the Government did not have complete control. It could keep men out of the overseas services but it could only try to persuade them to go in. It was estimated that the requirements of volunteers for all overseas service would total 280,000 men up to September 1942; 322,000 to March 1943; and 369,000 to September 1943, but the rate of enlistment made it doubtful whether the requirements could be met. By March 1943 the supply of reinforcements would be "insufficient to meet existing A.I.F. commitments".[4]

Eventually, after considering various proposals, the War Cabinet decided that, "having regard to the general manpower situation and the prospective rate of enlistments in the A.I.F.", it was beyond Australia's capacity to maintain the existing force and that the A.I.F. should be reorganised on the basis of a corps of three divisions, less one brigade group, but including an army tank brigade and increased establishments; the 8th Division with increased establishments; the armoured portion of an armoured division (the remaining portion being completed by militia units so long as it remained in Australia); plus independent companies, railway and forestry units. This reorganisation should be carried out with a view to changing over to an organisation of a corps of two divisions and an armoured division (at 29,000 men per division) together with an army tank brigade, plus the 8th Division.[5] When a change of Government came the Curtin Ministry affirmed the decision of its predecessor,[6], but on 26th November, following strong representations from Blamey, virtually returned to the former establishment by deciding to reject the army tank brigade, to raise the armoured division wholly from the A.I.F. and to defer "for the present" any reduction in the existing commitment in the Middle East. At the same time, it was considered "inevitable that effect will ultimately require to be given to the previous Government's decision to reduce the number of infantry divisions".[7]

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[3] War Cabinet Minute 1160, 2 Jul 1941, on Agendum 180/1941.
[4] War Cabinet Agendum 197/1941 and War Cabinet Minute 1322, 13 Aug.
[5] War Cabinet Minute 1373, 17 Sep 1941 on Agendum 197/1941, Supplement No. 2.
[6] War Cabinet Minute 1406, 15 Oct 1941 on Agendum 197/1941, Supplement No. 3.
[7] War Cabinet Minute 1520 on Agendum 197/1941, Supplement No. 4.

The commitment accepted by the Menzies and Fadden Governments (and later affirmed by the Curtin Government) if translated into totals of men required, meant that the limit of Australia's capacity of manpower raised by voluntary enlistment for the A.I.F. was considered to be 139,000 (the existing strength) in September 1941; 205,600 in September 1942; and 240,000 in March 1943, and it was possible that these figures might have to be reduced to 185,000 in September 1942 and 215,000 in March 1943. The decisions committed the Government to find over 5,000 volunteers a month for the next eighteen months.

These decisions had been largely influenced by the prospective rate of enlistment and, although they were also represented as being a recognition of the claims of industry for manpower, the fact of the matter is that the lack of eligible volunteers had already set a limit to the size of the A.I.F. In spite of a continuous though perhaps not always intelligent recruiting campaign for the past twelve months the army had not been able to obtain all the men that the Army staff in Australia considered that they needed to maintain the five divisions.[8]

The gross monthly recruiting figures for the A.I.F. show that in the first six months of the war 21,998 men enlisted, compared with 62,786 in the first six months of the 1914-18 war. February 1940, when 217 men offered, was the bottom of the trough. As news became worse the enlistments rose and half of the total enlistments for the first two years of war were made in a period of three months, June, July and August 1940, after Germany had broken through on the Western front and France had fallen. The news of the Dunkirk evacuation on 28th May was followed in June by 48,496 enlistments, the highest monthly total recorded—higher even than the total of 36,575 in July 1915 when news from Gallipoli sent enlistments to the peak for the whole of the 1914-18 war. In October and November there was another fall in numbers and only 1,000 men a month were offering. Enlistments remained low until March 1941, the monthly total jumping suddenly from 2,594 in February to 6,512 in March and 9,875 in May. At the beginning of February the Australians had entered Benghazi; on 19th February Australian forces had landed in Singapore; and—what the army itself thought more significant—news got around of the intention to form an armoured division.

By September, however voluntary enlistment was producing fewer men than the Army staff in Australia regarded as necessary to maintain the A.I.F., although Blamey considered that enough were coming forward not only to maintain but increase the size of the A.I.F. In the first two years of war voluntary enlistments had not reached the totals attained in 1914-16. Up to the end of August 1941, the total of enlistments in the A.I.F. from a population of 7,000,000 was 188,587 whereas in the first two years of the 1914-18 war 307,966 had been accepted from a population of 5,000,000. Even if the total strength of the R.A.A.F. (about 60,000) and

[8] There was a difference of view between the Government's military and manpower advisers in Australia on the one hand, and the G.O.C., A.I.F., on the other. The G.O.C. considered that the numbers of men coming forward were enough not only to maintain but to increase the A.I.F.

the new enlistments in the Navy (about 10,000) be added the total of volunteers recruited is still below the 1914-18 figure.[9] On the other hand Australia had set herself a high standard in this regard in 1914-15, and by the end of 1941 voluntary enlistment had enabled her to form and maintain a slightly larger number of divisions in proportion to population than, for example, the United States were to maintain under conscription at any stage of the war.

Various explanations have been offered of the lower rate of voluntary enlistment in 1939-41. The application of the List of Reserved Occupations was said to have excluded from the A.I.F. large numbers of volunteers and to have deterred others from offering.[1]

That it is not the whole explanation is indicated by the fact that there were 200,000 medically fit men who had been called up for home defence training in the militia who were not in reserved occupations and who were free to volunteer for the A.I.F. but did not choose to do so. Reasons which were canvassed in the War Cabinet itself were chiefly that men would not enlist if they thought Australia was insecure from a Japanese threat, although this was countered to some extent by the statement that enlistments were higher when there was a prospect of overseas service; reports of lack of equipment discouraged them; the munitions industry, which did not exist in the previous war, attracted men both by the high wages and overtime pay and because it was also considered an important national service; in a mechanised war infantry had little attraction, a reason supported by the number of enquiries for the armoured division. The R.A.A.F., seeking a smaller group of young men, had waiting lists and its attractions, apart from the way it conducted its recruiting campaign, appear to have lain in its being a distinctive service and possessing a modern weapon that caught the imagination.

By the Cabinet decisions the further growth of the A.I.F. had been checked and a limit set to its claims on manpower, but its existing strength was untouched. The militia was a different case. Towards the end of the year, after a change of government and when the naval forces in Australian home waters had been strengthened by the return of Australian vessels, the Labour Government asked the army to investigate the possible release of men from the army for "munitions production and essential industry".[2] At that stage there were 113,687 troops on full-time duty in Australia, including 61,396 in the militia, 11,050, in garrison battalions and 36,357 in the A.I.F. (the armoured division, part of the 8th Division, and reinforcements). The same possibility of obtaining manpower for industry by reducing the militia while leaving the A.I.F. intact was still in mind up to the outbreak of war in the Pacific for on 4th December the Curtin War Cabinet directed the Defence Committee to review "the strength and

[9] See Appendix 8, "Recruiting for the A.I.F. 1939-41".

[1] The exact effect of the application of the Reserved Occupations List on recruitment for the A.I.F. is the subject of contradictory reports. One statement made to War Cabinet was that it had kept out about 50,000 men. An examination of the records of the Manpower (Services) Committee shows that out of 159,882 applicants handled up to March 1941 only 7,041 had been reserved. See also S. J. Butlin, *War Economy*, in this series.

[2] War Cabinet Minute 1470B, 30 Oct 1941.

organisation of the three services to meet the probable forms of attack on Australia, the state of preparedness of the services to fulfil their respective roles in the defence of Australia, with special reference to equipment and the priorities which it considers should be accorded to measures for the completion of defence against the probable forms of attack, on the basis that the primary requirement is to prevent an enemy from reaching Australia. The Committee is also to consider, in the light of the above, the possibility of reducing the establishment of the Military Forces by, say, 20,000 to 30,000 men to enable additional manpower to be made available for the Navy and Air Force and for munitions production. This is not to affect the A.I.F. which is to be maintained in accordance with the principles already approved".[3] This instruction was superseded, however, by the urgent measures taken a few days later on the outbreak of hostilities with Japan—an event which, as will be seen later, completely changed the attitude towards the strength of the armed forces and for a time suppressed all thought of seeking an exact adjustment between armed services and industry.

3—WOMEN AT WAR

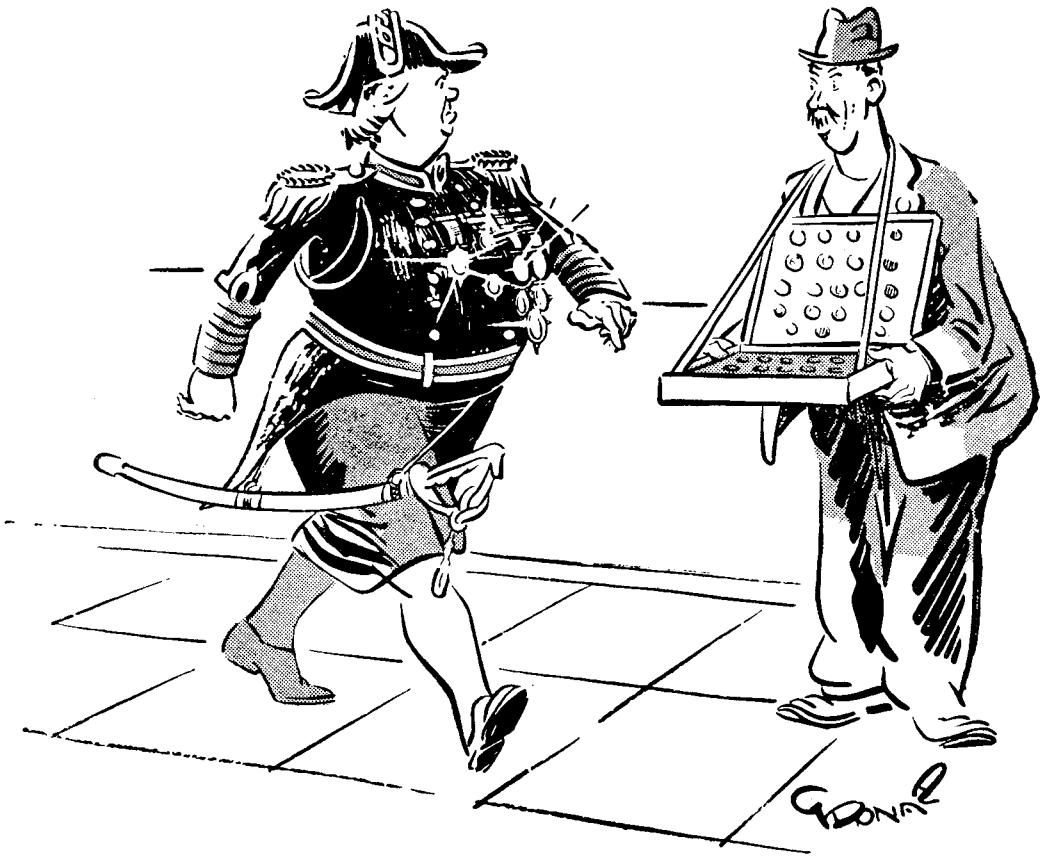
Except for nurses, who went overseas with the A.I.F. and saw honourable service in the Middle East campaigns, Australian women had officially taken very little part in the activities directly connected with the war up to the beginning of 1941. They were also occupying only a small part in the munitions effort.

The slowness to make better use of women in the war effort seems to have been due very largely to male obtuseness, coupled with a lingering idea that war is man's work and that a woman in a uniform or a pair of overalls, working in the company of men, would create all sorts of unmentionable difficulties. There was also likely to be difficulty over industrial conditions, fear that male workers might be displaced by women, and anticipation that the training of hosts of women might create employment difficulties after the war.

The nature of the objections to the use of women and the gradualness with which the objections were overcome can perhaps be best illustrated by a reference to events associated with the formation of the W.A.A.A.F., the first of women's services formed during the war. In the middle of 1940 various women's organisations which had formed themselves into training groups and, in some cases, designed their own uniforms and chosen their own leaders, began to seek official recognition and assistance.[4] It is clear from the files that male officialdom found them something of a nuisance and, at a War Cabinet meeting on 11th July 1940, the service ministers said in effect that there was no need for them, and that Commonwealth funds, training and uniforms could be better used in activities of

[3] War Cabinet Minute 1529.

[4] The wide variety of voluntary women's organisations, mostly developed without official sponsorship, is indicated by the section of photographs in this volume illustrating the women's war effort.



"Button, lady?"

Donald in Bulletin *(Sydney), 26 Mar 1941*

a higher priority than women's services. The most that the War Cabinet would do was to ask the three services to indicate the activities in which women could be most usefully employed should the need arise, in order that the women's organisations could proceed with the voluntary and unassisted training of their members in these duties. There was to be no Commonwealth expenditure. The last sentence of the War Cabinet Minute added: "It was emphasised that any scheme, if given effect, should not result in the actual displacement of men from their employment". Once again this question of employment and unemployment was dominating the planning of the war effort.[5]

In due course the services furnished lists of various classes of work for women and these were communicated to the women's organisations to be used as a guide in training their members. The army thought women might serve as V.A.D.'s as drivers of motor vehicles and ambulances in the base area; women operators from the Postal Department might be used on telephone switchboards; later on "consideration might be given to the employment of women in canteens in base and training areas" and there might be a need for clerical staff in pay and records offices. The air force listed a much wider range of activity including fabric workers, photographers, wireless telegraph operators, cooks, dental orderlies, motor transport drivers, clerks, canteen and mess stewards, office orderlies and telephone operators.

The air force was also the first to propose the formation of a women's auxiliary service and, early in October 1940, submitted a proposal to form the Women's Auxiliary Australian Air Force "for the employment of women in musterings where trained men are not available or are not suitable for the work required". The submission referred to an "acute shortage" of trained men for employment as wireless telegraph operators. There were not enough trained men to complete the manning of all aircraft of service units in Australia, let alone the ground stations, and it was known that 350 women who had reached various stages of training in their voluntary organisations would be available after short conversion courses for ground duty. There was an existing deficiency of 565 personnel. It took eight months to train a wireless operator and cost about £175 a man, and the limits on training expansion facilities, combined with the expansion of the air force, meant that the deficiency could not possibly be overtaken for twelve months. Every effort had been made to obtain trained male telegraphists, even by lowering the medical standard and allowing recruitment of men for ground duties only, but very few more could be obtained. Yet here were women available who in four weeks would be ready for duty and who, by reason of their own voluntary efforts, at their own expense, would save the Commonwealth from £25,000 to £30,000 in the expense of training them.

The arguments were exceptionally persuasive but the War Cabinet was cautious and, while the Treasury was making a routine enquiry into costs

[5] War Cabinet Minute 416.

and rates of pay, decided to refer the proposal to the Advisory War Council. The Prime Minister explained the proposals to the Advisory War Council on the same day.[6] The Council considered the question and deferred it. A week later they again deferred it because they wanted further explanations from the Chief of the Air Staff.[7] A week later, after further consideration, the Council expressed the opinion that the first thing to do was to enquire from the Post and Telegraph Union and from the Telegraphists' Union the number of persons offering for this class of work who were beyond the maximum age of fifty laid down for the enlistment of the R.A.A.F. ground personnel; that by means of the "widest publicity" another attempt should be made to obtain male recruits; and that the air force should see if it could speed up the training of recruits. For the time being, no women.[8]

At the end of the month the air force came back again with a stack of information about the additional enquiries it had made. The chief relevant fact uncovered was that by June 1941 it might be possible to obtain seventy-five telegraphists from the Post Office and that it might be possible, as a result of raising the age of enlistment, to find forty or fifty operators between 50 and 65 years of age. Other information which the department proffered in answer to particular enquiries made by Mr Beasley, a non-Government member of the Advisory War Council, suggests that some of the objections he had raised in the Council had been petty. Mr Beasley was assured that the Women's Emergency Signal Corps and the Women's Air Training Corps—the two voluntary organisations which had trained women operators in Sydney—were quite voluntary, that they were open to all patriotic women "irrespective of class" and that the fees had been nominal at 6d or 1s a week.

This interim report was noted by the Council and further enquiries ordered.[9] Over a month later, after interviews and enquiries among trade union secretaries and postal officials, the Council was informed that "the efforts made had not achieved the required results" and that there were now 550 positions in the R.A.A.F. "to be filled by women until men became available" and the A.I.F. was also "seriously short" of trained telegraphists.[10] The old objections were repeated. "The feeling of the Council was against the enlistment of women in the fighting Services, particularly for duties which, in unit life, are performed by men." A qualification began to creep in when attention was drawn to the additional need for cooks and waiters. "Mr Makin stated that there was not the same objection to the employment of women for positions such as these which, in civil life, were filled by women."

Eventually, three months from the first time of asking, the Council yielded—but only conditionally. "After receiving the assurance of the

[6] Advisory War Council Minute 14, 30 Oct.
[7] Advisory War Council Minute 15, 7 Nov.
[8] Advisory War Council Minute 28.
[9] Advisory War Council Minute 51, 2 Dec 1940.
[10] Advisory War Council Minute 75, 8 Jan 1941.

Minister for Air that, although personally he did not favour the enlistment of women for duty as wireless telegraph operators in the R.A.A.F. if it could be avoided, but was satisfied that it was justified in the present instance as every endeavour had been made to obtain men with the required qualifications without success, it was agreed that women might be enlisted as wireless telegraph operators for service with the R.A.A.F. to meet the temporary deficiency of male wireless-telegraph operators until men became available to fill the vacancies. To this end, recruitment and training of male personnel should be maintained, enlistment of women being restricted to the minimum number required for the minimum period that it is estimated that there will be a shortage of men. It was suggested that, before women are enlisted, they be made aware of the temporary nature of their engagement and that it be made quite clear to them that they will not necessarily be engaged for the period of the war."[1] Previously the War Cabinet had decided that, if there were no decided objection by the Advisory War Council, women should be engaged for twelve months to fill vacancies on the establishment as wireless telegraph operators until members of the air force undergoing training became available.[2] The detailed plan for the formation of the W.A.A.A.F. with a total establishment of 308, approved by the War Cabinet, was eventually accepted by the Advisory War Council on 5th February 1941.[3] The approval was accompanied by a recommendation that the Council review the position at the end of 1941.

Meanwhile the navy had discovered a similar need for servicewomen and, again, as in the case of the W.A.A.A.F., the War Cabinet hesitated to move without the blessing of the Advisory War Council. But on this occasion the non-Government members though they did not favour the move, would not oppose it and told the Government it must accept responsibility for its actions at the same time suggesting that "every avenue be explored" to obtain men and that any recruitment of women should be only a temporary measure.[4] Already, on ministerial authority based on the precedent of the W.A.A.A.F., the navy had employed a small number of women telegraphists at its shore stations.

When the decision to form the W.A.A.A.F. was announced to Parliament, Makin, for the Opposition, expressed strong objections to women being called into the fighting services until the full strength of the country's manhood had been employed. Women should be employed in "other and more suitable avenues". He asked the Government to give further consideration to the matter "in order to see that full justice is done to the men of Australia who are prepared to serve their country in these callings". If, however, the emergency was so grave as to demand the employment of women in any capacity with the fighting services they should have the same rates of pay and privileges as the men.[5]

[1] Advisory War Council Minute 87, 8 Jan 1941.
[2] War Cabinet Minute 673, 12 Dec 1940.
[3] War Cabinet Minute 746 and Advisory War Council Minute 137.
[4] Advisory War Council Minute 272, 17 Apr 1941.
[5] *Commonwealth Debates*, Vol 166, p. 149.

On the question of pay the Government adopted the rule that women in the auxiliary services should be paid two-thirds of the rate paid to men for the same class of work. This was an improvement on the practice commonly followed in industrial awards at that time.

It was Menzies, inspired by what he had seen women doing in England, who set in train more definite policy. At a meeting on 1st June 1941, at which the War Cabinet was brought up sharply against the manpower question in relation to the future strength and organisation of the A.I.F., reference was made to the scope for employing women to a greater degree in industry and in government departments, to release men for the services and munitions production, and it was decided that the service ministers should look into this question in relation to their respective departments.

Following the direction of the War Cabinet, the army prepared proposals for an Australian Women's Army Service,[6] and the air force presented proposals for the expansion of the W.A.A.A.F. The purpose of both these proposals was to release men for other duties, not to enrol women already engaged as civilians or to cover work already normally done by women. The principle was later established that no women enlisted in the services were to be sent overseas without the approval of the War Cabinet.[7]

During this period the employment of women in munitions also became more general, the principle of their engagement being one that had been laid down for the employment of women generally in war departments, namely, that preference should be given to single women but "that married women may be employed if they have superior qualifications".[8] On 23rd July, however, approval was given to the employment of married women in "professional and technical" capacities, the definition including "factory workers generally".[9]

In a review of manpower requirements prepared for the War Cabinet in response to a request of 10th July, it was proposed that in the course of two years the total number of women engaged in the services, munitions and aircraft production, either in uniform or as civilians, should be raised from 12,962 to 52,376, the major increases being 19,000 service personnel and 3,000 civilians for the army; 6,000 servicewomen for the air force; and 10,000 civilians for munitions and aircraft production. Most of these increases were to be made in respect of "unskilled trades" in both army and munitions, and office workers in all departments. The Munitions Department added the view that, if necessary, about half of the unskilled work which it was still proposed to undertake with men could probably be done quite satisfactorily by women. That would mean 35,000 more women to release that number of men.

Until effect had been given to the decisions of June 1941, however, the direct participation of women in war activities had been small. At 30th

[6] War Cabinet Agendum 257/1941.
[7] War Cabinet Minute 1315, 13 Aug 1941.
[8] War Cabinet Minute 1061, 9 May 1941 and 1247, 23 Jul 1941.
[9] War Cabinet Minute 1247.

June only 1,399 women were in the three services (22 in the Navy, 1,181 in the Army and 196 in the Air Force). Most of these were either members of the Australian Army Nursing Service or telegraphists and teleprinter operators in the air force. The number of women in civilian employment for the services, or the Departments of Munitions and Aircraft Production totalled 11,563. More than half of these were unskilled workers in the Munitions Department and about one-third were office girls in the services and the production departments. The services had about 1,300 unskilled civilian workers in various capacities. Only seventy of the women in the Munitions Department were at that time classified as employed on skilled trades.

A cross section of those entering munitions work is given by a contemporary analysis of 800 girls engaged in a period of ten weeks. There were 268 domestics, 190 factory workers, 88 shop assistants, 74 waitresses, 47 who had never before entered the labour market, 41 dressmakers, 38 nurses and receptionists and 31 clerks and typists.[1]

Outside munitions and the services, the war had created increased opportunities rather than a major change in the employment of women and the most marked feature of the situation was the move away from domestic service—the least popular of occupations for girls. The total number of female wage and salary earners (excluding the defence forces) had increased from 565,600 in July 1939 to 666,500 in July 1941, and, as private domestic employment had fallen by 24,500 and the increase in rural wage earners was slight, this meant an accretion of over 120,000 women to the force of city wage earners. The greater part of this total could be accounted for by the girls reaching the age for employment and taking their first jobs during those two years.

The increased employment of women in munitions and the prospect of greater increases brought early political problems relating to rates of pay. The trade union view, as formulated at a special conference of the A.C.T.U. at the Trades Hall, Melbourne, on 22nd, 23rd and 29th April 1941, was that men and women should receive equal pay for equal work, both in industry and in the services. The method favoured was to declare exactly the same basic wage and margins for skill for men and women so that the wage paid would be fixed by the nature of the work done. The main arguments were that unequal pay would be unjust to women inasmuch as it denied a female worker full payment for her work and would be unjust to men as it exposed male workers to the unfair competition of underpaid female workers. Some regard was paid, too, to the special problem of wartime when, with menfolk absent and the opportunity for young women workers to share in the benefits of the total income of a family not always remaining, it was imperative to assure young women of economic independence in order to maintain "normal ethical and social standards". On the other hand there were some signs at the conference of a small opposition to equal pay because of the effects it was likely to

[1] Helen Crisp, "Women in Munitions", *Australian Quarterly*, Sep 1941, p. 71.

have in breaking up the family as the social unit, and there was also some opposition from the same quarter to the employment of married women because of the effect that it would have on the home. Another facet of the question was revealed by the way the fear of the displacement of men by lower-paid women was sometimes expressed as an objection to letting the "capitalists and profiteers" exploit "cheap female labour". A Council of Action for Equal Pay, with Miss Muriel Heagney as secretary-treasurer, became active both industrially and politically. The Government, while initially fixing the rates of pay in the women's auxiliary services as two-thirds of the male rate, took the view that the rates of pay in industry were a matter for the Arbitration Court and should be left to be fixed under their awards. This reply would have been stronger if the executive had not already intervened to determine margins in a limited number of trades—an incursion into the Court's jurisdiction which, however, it was beginning to realise had been unwise.[2] In this connection, the fact that some of the processes on which women would be employed were new processes made it necessary that some determination of the nature of the work should be made. It was, however, left to the next government, after a greater flow of women into industry had commenced, to deal with the political and social problems raised.

4—THE EFFECT ON THE CITIZEN

Any decision on manpower is a decision touching human beings. It may affect them as wage earners, as employers, as consumers or as producers. It touches those who are irked because they are not being used as well as those who feel that they are being asked to do too much. Because manpower decisions affect human beings they do not begin nor do they remain simply as problems of administration or problems of the control and use of resources; they are necessarily also political and social decisions.

In the first two years of war there was probably much less direction than most citizens had been led to expect. In 1939 when they filled in their national register cards setting out their occupations, their qualifications and their additional skills, they might have expected that in time a hand would reach out to them and a voice say: "You are just the man the country needs". They had been told that the objective was to ensure that each did what he was best fitted to do to help the nation. In practice, however, the individual was more conscious of being restrained than of being selected. In succession men up to the age of 34 had been summoned in various age groups for medical examination at drill halls throughout the country. They had shuffled half naked from point to point of the bare room filling in forms and being measured, tested and sounded by various hands and, somewhere in the course of a rather aimless hour or two, they had shuffled in line up to a table where a man with a heap of papers had checked their occupations and, if they had a tale about special circum-

[2] See O. de R. Foenander, *Wartime Labour Developments in Australia* (1943), p. 9.

stances, had heard and questioned them. Subsequently those not in reserved occupations and medically fit had received notices to report for "embusment" or "entrainment" and had gone into camp.

This sole piece of official selection for the service of the nation sometimes appeared more of a nuisance than an honour. The three months' camp was in many cases regarded as an interruption of the old life rather than the beginning of a new. Lack of equipment, lack of first-class instructional staff and lack of imagination in training, as well as the remoteness of the war, left many trainees unconvinced that they were doing anything useful. The big majority, after having done readily enough what the nation had asked them to do in the militia, returned to civil life when their training period was over to pick up lost opportunities and lost pay.

Apart from the militia call-up, the citizen was left to make his own decisions and was more conscious of what officialdom would not let him do than of what it wanted him to do. There were recruiting campaigns to induce him to enlist in the A.I.F. but the volunteer might find himself checked by the manpower officer. There were statements to the effect that men were needed for munitions but if an ambitious man sought to change his employment he might be told to stay where he was.

So long as the Government hesitated, for political reasons, to impose on the nation a strict curtailment of non-essential industry, accompanied by rationing and manpower controls, their immediate administrative problem was to hold labour in the places where they wanted it, and not, as was the case later, to make arrangements for diverting labour from one industry to another. Furthermore, so long as the fear of unemployment dominated the thinking of a strong section of Labour, the planning of war measures had to take special care not to displace workers and to find a place for the unemployed, who were predominantly unskilled. The regulation of employment was therefore conservative.

Moreover, the initial shortage of labour was a shortage of skilled men and as more and more war contracts were let, some contractors tried to attract workers away from other employers. Non-essential industry, profiting from the period of increased spending, also tried to hold its workers or attract them back. The regulation of employment was therefore, at first, restrictive. Politically, anything resembling the conscription of labour was sure to come under attack and this provided another reason why the citizen felt restraint rather than direction.

By the first Employment Regulations of July 1940[8] certain specified skilled workers could not be engaged unless their last employer consented or the employee obtained a permit from the Director of Labour (Department of Munitions). Employers in munitions industries were prohibited from paying higher or lower marginal rates than those specified in the regulations. In September 1940 this provision was amended to a prohibition of the engagement of the employee otherwise than in the terms of a permit issued by the Director of Labour to the employer. Labour having

[8] National Security (Employment) Regulations, Statutory Rules 1940, No. 128, 5 Jul 1940.

objected to the requirement that the onus of obtaining a permit should be on the employee.[4] In subsequent months this policy of preventing the movement of workers from one employment to another and checking the "poaching" of workers by employers who offered higher wages was extended, mainly by making the regulations apply to new classes of workers.[5] The individual citizen, whether an employer or a wage earner, felt the regulations as an irritating restraint and dislike of them grew when they gave rise to inequality of wages, particularly in industries not wholly engaged in munitions work.

With the creation of National Employment Offices, in pursuance of the programme for an unlimited war effort, the recruiting of labour for munitions became more purposeful after July 1941, but up to that time at least the individual worker had looked for a job himself and had been made conscious of authority chiefly when, if he was a skilled worker, authority had told him to stay where he was. For the ordinary man, one of the chief results of the war was that more possibilities were opening. There were more jobs going, whether in his old peacetime trade or in new undertakings. Some of these possibilities opened gradually. The most frequent contemporary complaint, though not necessarily the common experience, was that of men who had offered themselves for this or that and had been "knocked back". At a time when the Government, for the reasons stated above, was conserving manpower, it was lagging in the task of mobilising and training it. Nevertheless, there were openings. Each of the production departments undertook separately the recruitment of labour and the Government worked out with the trade unions and employers, too, arrangements for the "dilution" of labour so that semi-skilled workers might be admitted to occupations recognised as being reserved for fully-qualified tradesmen and so that semi-skilled and skilled workers could be trained more speedily than under the apprenticeship system. The first dilution arrangement was made with the Amalgamated Engineering Union, the Metal Trades Employers' Association, the Victorian Chamber of Manufactures and the South Australian Chamber of Manufactures in May 1940, and was followed by others in the engineering and metal trades.

The man who left his job to enlist or to take up war work, or who was called up for the militia, left behind him a vacancy for someone else to fill. The clerk, the shop assistant or the public servant who went into the army or air force left an empty place, for commerce and the retail trade were still expanding. The public service became open to temporary employees, although entrance was still guarded narrowly by the Public Service Board.

The number of wage and salary earners in the Commonwealth had risen to 2,217,900 by July 1941—the peak of the war years and 157,200 more than in July 1939. Besides this, there were nearly 400,000 persons on the paid strength of the defence forces. A substantial increase in factory

[4] Statutory Rules 1940, No. 206, 20 Sep 1940.

[5] Statutory Rules 1940, No. 287, 13 Dec 1940; Statutory Rules 1941, No. 29, 12 Feb, No. 41, 25 Feb, No. 87, 22 Apr, No. 117, 28 May.

employment up to the first half of 1941 had taken place only in New South Wales, Victoria and South Australia. Estimates of non-seasonal increases in employment, prepared by the Financial and Economic Advisory Committee in April stated that from July 1939 to February 1941 factory employment in New South Wales had increased by approximately 33,600 and in Victoria by 35,000. Out of the total for the two States about 25,000 of the increase was in government munitions and aircraft plants and naval yards, about 11,900 in privately-owned iron and steel works and about 29,600 in private factories, including some, but by no means all, engaged on war contracts.

In the middle of 1941 such measures as newsprint rationing, petrol rationing, the tighter restrictions on building and the general effects of wartime changes in industry gave rise to some discussion on what was termed the re-employment problem. It was confidently expected that men displaced from one industry would find work in another and the Government thought of its own role as chiefly one of providing facilities for training and for engagement in munitions work and the minimising of the individual hardship which might be inevitable while the adjustment was being made. The workers at home, the Minister for Labour said, could be trusted to face their difficulties with the courage and resourcefulness of their comrades overseas.[6] In this, as in other phases of manpower administration, there was at this stage no thought of direction. "We shall do all we can to assist them," said the Minister, "but displaced workers cannot expect the Government to pick them up unsought and immediately put them in new jobs. Those so affected must themselves display some self-help and self-reliance in seeking employment. That these qualities are not always evinced is evident from the fact that whilst unemployment is recorded in the cities, country interests are continually calling for labour. This is a situation which must be adjusted, and which itself should afford opportunities of employment for those seeking it."[7]

The employers, too, were subject to restraint but not direction. The restriction on the engagement of labour protected the employer who had a staff but hampered the employer who was seeking one. Prices were fixed. New enterprise was subject to capital issues regulations which made it necessary to obtain the Treasurer's consent to the formation of companies or an increase in capital of companies.[8] The Treasurer's consent was required for the erection of a building costing over £5,000 and, after June 1941, for the erection of any building, excepting dwelling houses costing less than £3,000 or certain alterations.[9] In some cases, chiefly primary industries, the products of industry were controlled. In nearly all cases war brought unusual difficulties in the obtaining of materials and stock. Yet, up to the middle of 1941, for the employer as for the worker,

[6] *Commonwealth Debates*, Vol 167, p. 885.

[7] *Commonwealth Debates*, Vol 167, p. 855, 3 Jul 1941.

[8] Statutory Rules 1940, No. 218, 9 Oct 1940, and subsequent amendments.

[9] Statutory Rules 1939, No. 146, 8 Nov 1940, and subsequent amendments and Statutory Rules 1941, No. 131, 11 Jun 1941 and subsequent amendments.

war had opened up new possibilities as well as imposing restraints and the experience of the employers had been marked by the chance for individual initiative rather than by official direction.

For those who managed to obtain war contracts, the going was not unduly hard. Because of the national importance of the prompt fulfilment of contracts the Government took the major responsibility for the supply of materials; because so many of the processes were new and so many factors in production were unknown, the normal rule of submitting tenders was replaced by a cost-plus system, which virtually freed the manufacturer from any anxiety as to cost because his contract price would be the actual cost of manufacture plus either a stipulated percentage as profit or plus a fixed sum as a management fee. It even encouraged him to let costs run, for the higher the cost the bigger the amount of profit.[1]

While wage earners and employers were aware of opportunities as well as restraints and, in serving their country, found life more rewarding for themselves, there was another class in the middle—the small business man, the small farmer, the self-employed man, and salaried employees—which was conscious only of restraint. There was a recorded decline of 15,000 between July 1939 and July 1941 in the number of "employers and workers on their own account". The disturbance of this class had probably been greater than recorded for a number of them had found a new status as war contractors. The small contractor and builder, the garage owner, taxi cab proprietor, struggling shopkeeper, the young accountant, the lawyer, the tradesman working on his own account, the agent, the man with the small and independent enterprise, whether it be a goldmine or a two-room office in town, or a workshop in the suburbs, were closing down and enlisting in the forces, taking employment in a munitions factory, going into the public service or working for the man who got the contracts. The frequency of the complaint that the Government did not use the skill and plant available was in part a protest against the social change which was being forced on the small employer by the war.

The salaried man with professional or semi-professional qualifications, or the man in the fee-earning professions, felt the burdens of war but was slow to adjust himself to share in its opportunities. It was characteristic of this group that the war gave them few improved opportunities, and they found it hard to move because of their commitments. While numbers of them did enlist, in most cases war service meant a much lower income and a loss of prospects. While doctors cooperated in a scheme which kept the practices of absentees alive until their return, such arrangements were not attempted in other professions.

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[1] See the economic volumes in this series.
In general it would appear that any criticism of profiteering that might lie against the employing class should be directed less against the established companies than the smaller and adventurous wartime undertakings, including some formed at less than the £2,500 limit set by the capital issues regulations. Company dividends were stable around 7 per cent. The fields for exploiters were varied. The erection of small blocks of flats before the building regulations clamped down, the forming of small private companies for war contracting, the provision of accommodation, meals, drink and amusement as well as munitions all provided chances of making money quickly. Those who did well out of the war can be grouped more exactly as people who were greedy than as people who come from any particular social or industrial group.

For the majority of Australians, however, the first two years had brought more material advantages than hardship. Few had to endure anything more irksome than their own impatience. Bereavement had not yet deeply touched the population. Up to the end of November 1941 the total of service losses (deaths from all causes, missing and prisoners of war) was 9,000 and the wounded less than 5,000. The deaths on war service from all causes (2,745) in two years were considerably less than the average number of deaths from accident in Australia for a single year (3,766). There were approximately 145,000 men serving afloat or in overseas theatres of war or in training overseas—not quite one in ten of the men between 21 and 45 years of age.

There was money about. The total of wages and salaries was £469,000,000 in 1940-41—an increase of £30,000,000 in one year—and the disbursement of pay and allowances to members of the forces had grown to a total of £56,000,000 a year, a large proportion of which was at the disposal of the Australian community. The people were spending. The income tax on all incomes was still less than £40,000,000. Savings bank deposits per head of population in 1940 and 1941 were much the same as in pre-war years, although in 1941 a total of £17,380,000 was contributed to War Savings Certificates. The index of employment in retail stores reached its wartime peak in July 1941.

Prices were rising slightly and, though nominal wages were higher the index of real wages had fallen a little. Men in steady employment on fixed salaries and fixed commitments were feeling the pinch a little. Single men, families in which the number of wage earners had grown and shift-workers were doing well enough.

Trade union proceedings show a greater concern with pay than with conditions—a tendency which usually means both that pay is needed, that it is worth having, and that the worker on the job can see signs that industry is doing well enough to spare him a little.

Demands for more pay were linked with the disappointment of unions that the Federal Arbitration Court had deferred a review of the basic wage and with the interpretation which unions placed on the wartime loadings of about 6s a week which had been made in a number of industries over and above the award rates in recognition of some peculiar disadvantage or hardship due to the war. By the middle of 1941 there had arisen a definite claim, endorsed by the June congress of the A.C.T.U. for the extension of wartime loadings to all workers in all industries as of right, irrespective of whether any special disadvantage had been suffered. In some of the particular applications to the Court the union claim was based simply on dissatisfaction that some workers should have it and others not.[2]

More serious than the question of pay was the real disadvantage that war workers were beginning to suffer in housing. As yet there was no serious general housing shortage throughout Australia but in places such

[2] See O. de R. Foenander, Ch IV; also the debate on the basic wage initiated by Holloway on 25 Mar 1941, *Commonwealth Debates*, Vol 166, pp. 151-168.

as Lithgow and Maribyrnong where large munitions plants were located acute local shortages arose. Uncomfortable and ramshackle makeshifts or long daily journeys by improvised transport services were often the lot of the worker who had uprooted himself and his family from home to engage in wartime work.

An incidental but important effect of the changes in the first two years of war had been a growth in the strength of the trade unions. By the end of 1941 trade union membership had grown to 1,075,680—an increase of 187,522 since the end of 1939. Two-thirds of the increase was in the "manufacturing" group of unions, especially the engineering and metal trades. Incidental effects were increased finances for the trade union movement as a whole. The unions were stronger and labour was in demand.

As manpower engaged in civil industry became a more and more important part of the war effort, so the problem of industrial relations, to which trade unions could contribute so much, became a matter of greater national importance. As promised by Menzies on 17th June, yet another approach was made to the A.C.T.U. to obtain a fully representative Advisory Panel of Trade Unions but without success and, while Labour members of the Advisory War Council continued to urge that fuller use be made of the trade unions for improving industrial relations, the Government was, as the result of the stand of the A.C.T.U., still without fully adequate means of consultation.

Besides affecting the lives of individual citizens the diversion of manpower and resources was changing the content of Australian politics and also changing the relative value of its instruments. This diversion, touching so closely the life and livelihood of the people, was bound to create its own social and political problems. It reached down into the working population; it sought to command the hands of working men. It is clear that in order to direct such a war effort any government would require the trust and the active support of trade unionists.

Sun (Sydney)

Women's Emergency Signalling Corps training at Centennial Park, Sydney, January 1940. The group held a camp, attended by 150, at Castle Hill out of Sydney in March. This and the Women's Air Training Corps were the voluntary organisations mentioned in the submission to War Cabinet in November 1940 as likely sources for telegraphists. Uniforms were green.

Australian War Memorial

Women's Air Training Corps. This became a state-wide organisation in Victoria in January 1940 under the auspices of the Women's Voluntary National Register. In October 1940 five States were represented in a Commonwealth conference of the Corps. The New South Wales group, the Australian's Women's Flying Club, closed its membership at 1,500. Courses included aircraft; aero engines; motor transport; clerical work and stores; commissariat; draughtsmanship; photography; radio and signals.

Sun (Sydney)

Voluntary Aid Detachments of the Red Cross Society. In addition to their training in first aid and home nursing the members gave considerable time and effort to the raising of funds. The white uniform was later changed to pale blue with a small red cross on the pocket.

Sun (Sydney)

Air League members at a training camp at St. Ives, New South Wales, 10th June 1940.

Argus (*Melbourne*)

Australian Women's Legion. Membership in January 1940 was small but the organisation planned a land army and included a horsewomen's unit then numbering 16; drill and first aid were included. After a stormy split in July the Legion was reconstituted in August 1940 and membership was reported to be more than 900. The uniform included khaki coats and skirts and brown forage caps.

Herald (Melbourne)

Women's Auxiliary Service Patriots. The uniform was grey with burgundy accessories. In October 1940 statements by the University Vice-Chancellor and by the Chairman of the Manpower Committee that uniforms being worn by women's voluntary organisations deflected materials, manpower and money from the production of uniforms for the Forces, provoked spirited protest from the leaders. Women contended that the uniforms were necessary for morale and for the active nature of training.

Argus (Melbourne)

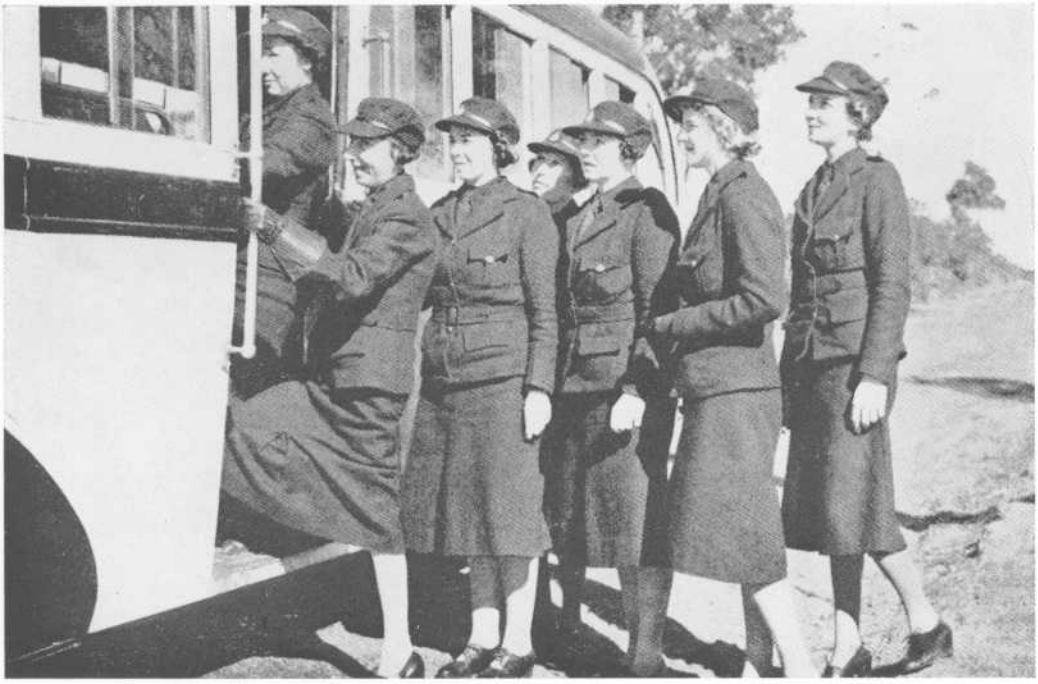
Country Women's Association—Land Army. Formed at a conference of this long-established association in Melbourne in June 1940, the first school was at Berwick, Victoria, and about 30 attended. Courses included milking, care of cows, sheep, pastures, machinery. Professor S. M. Wadham lecturing to members.

Australian War Memorial

Australian Women's Legion at rifle practice, Hawthorn Rifle Range, Victoria, April 1941.

Australian War Memorial

Cavalry Corps, April 1941

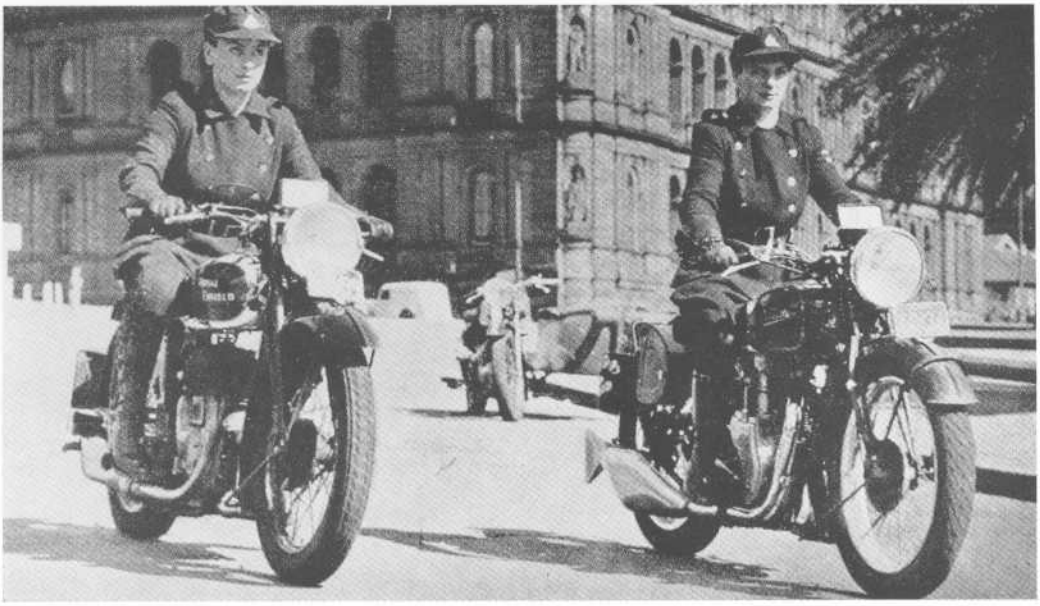


Sydney Morning Herald

National Emergency Services in New South Wales were staffed by volunteers, but were associated with the State's arrangements for Air Raid Precautions. There was no authorised uniform, but members adopted dress of similar pattern and colour and a common badge was supplied. Members being trained in bus driving, July 1940.

Sydney Morning Herald

National Emergency Services ambulance drivers' training included first aid to casualties. (July 1940.)



Australian War Memorial

National Emergency Services members training as motor cycle messengers. They supplied their own machines. (April 1941.)

Australian War Memorial

Women's Auxiliary National Service formed in June 1940 with Lady Wakehurst, wife of the Governor of N.S.W., at its head. It covered first aid, a land army, rifle shooting, canteen cooking, and in the first weeks enrolled 4,500 women of 17-60. Under the auspices of the Women's Voluntary National Register the W.A.N.S. sought to coordinate and check the by now somewhat unmanageable array of voluntary organisations. Organisations were invited to affiliate with the W.A.N.S. which, in November 1940, amalgamated with the W.V.N.R. The W.V.N.R. remained the registering authority, the W.A.N.S. the training and coordinating authority.

Australian War Memorial

The Militors were a Melbourne organisation which held its first general meeting in August 1940. Members were generally in the younger age groups and trained in rifle shooting, first aid and military drill, the last under an army sergeant. Officers had military titles, and membership grew to more than 100.

Australian War Memorial

Australian Women's Legion. A class in signalling and wireless telegraphy at Melbourne Technical College, April 1941.

Cinesound News Review

Kitchen and servery at the Anzac Buffet, Hyde Park, Sydney. Finance for the Buffet was in great part secured through the money-raising efforts of the Ladies' Auxiliary; workers, almost entirely voluntary, served more than 4,000,000 free meals to troops by the end of the war.

Sydney Morning Herald

War Workers Social Aid members at the Moore Park, Sydney, recruiting depot, 26th May 1940.

Sydney Morning Herald

Comforts Funds identifying themselves with individual units grew from the efforts of relatives and friends of men serving with the unit. 2/1st Battalion Comforts Fund at their headquarters in Bent Street, Sydney, May 1940.

Sun (Sydney)

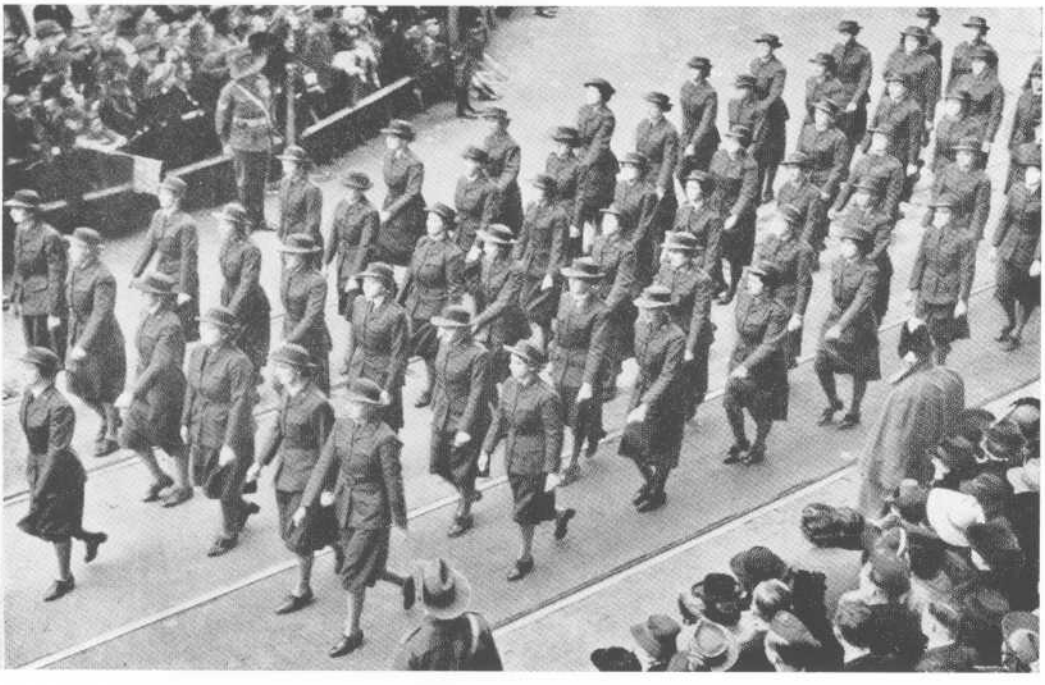
Women members of the Postmaster-General's Department were trained in various jobs normally held by men, such as driving vans and collection of mail.

Australian War Memorial

Women's Auxiliary Australian Air Force.

Australian War Memorial

Women's Royal Australian Naval Service.



Australian War Memorial

Australian Women's Army Service.