



## Government support and incentives, 1918–1938

### Soldier settlement

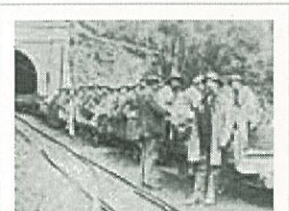
At the end of the First World War, government policy was to rehabilitate servicemen by settling them on farms. The government bought land for this purpose or gave soldiers cheap loans to buy their own farms. The scheme triggered a sharp increase in land values, and when prices for farm produce fell in the early 1920s, some 'rehab' farmers who were unable to cover their mortgage or rent were forced off their land.



'Bridge to nowhere'

### Transport and technology

In the years after the First World War, transport and communication improved – to the real benefit of farmers. The main trunk rail line between Auckland and Wellington had been completed in 1908, and the government was now expanding regional lines. The opening of the Ōtira tunnel in 1923 linked Canterbury and Westland. About this time it was clear that cars, trucks and tractors would replace horses for transport and agricultural work. The government passed the Main Highways Act 1922, beginning an era of highway expansion.



Building the Ōtira tunnel

These improvements reduced the isolation of rural communities and the cost of transporting produce. The inter-war years also saw the reticulation of electric power throughout the country, and radio and telephone services were improved.



Preference to farmers

### Producer boards

The Crown increased its support of agriculture between the wars. This was partly because of its success co-ordinating the export of meat, wool and dairy products during the First World War in what was known as the Imperial Commandeer – all of New Zealand's export produce was bought by the British government at fixed prices until 1921. However, when the UK market became volatile in the early 1920s, the Massey government set up the Meat Board in 1922 and the Dairy Board the following year to co-ordinate marketing in the UK.

During the depression New Zealand tried to negotiate preferential access to the British market, with limited success. So in 1936 the Labour government introduced the Primary Products Marketing Act, which gave the government the power to buy in primary products at fixed prices and control their sale. In fact this was largely used for dairy produce, for which fixed prices were guaranteed. Later the Meat Board and the Wool Board, set up in 1944, did lay down minimum export prices.

### Import licensing

From December 1938 the Labour government licensed imports. Although not specifically designed to support agriculture, the measure allowed successive governments to restrict imports that

competed with New Zealand's agricultural production and allow in those that were beneficial.

## Freeing up credit

The coalition government (1931–35) passed legislation to reduce the number of farmers defaulting on their mortgages. The Labour government after them extended this relief on the back of improved export prices, and freed up credit to farmers. A tangible example of this policy was the establishment of the State Advances Corporation in 1936.

## Farm advisors

In the early 1920s the Board of Agriculture convinced the government that a group of itinerant experts could improve farming methods. These 'fields instructors' travelled around the regions advising on fertiliser use, grass varieties, and how to develop marginal land. With the help of farmers, they established experimental plots to test scientific findings under local conditions. These advisers became numerous, dominating the administration of the Department (later Ministry) of Agriculture until its deregulation in the 1980s.

## Biographies



Bernard Cracroft Aston, 1871–1951

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Joseph Gordon Coates, 1878–1943

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William Ferguson Massey, 1856–1925

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