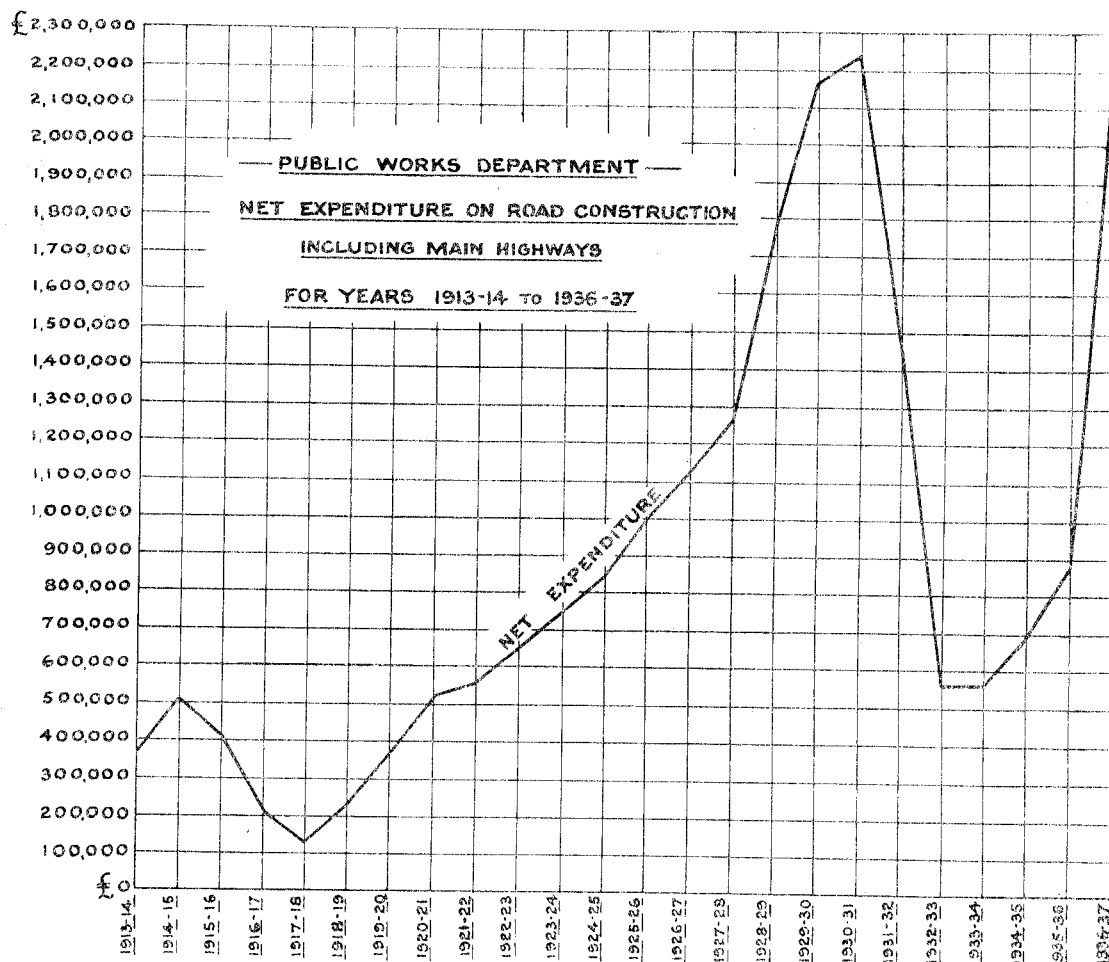


The Hollyford to Lake McKerrow Road, where 114 men are employed, is a section of a future connection between the Hollyford Valley on the new highway to Milford Sound and the road now being constructed into South Westland. The work was commenced in November, 1936, and satisfactory progress is being made. Eighty men are employed here.

Operations have been continued throughout the year on the Taumarunui to Tokaanu Road, which will give direct access from the King-country to Lake Taupo, as well as opening up large stands of timber and considerable areas of Native lands.

The new road known as Coronation Drive, on the Waitakere Ranges at Auckland, was commenced during the year, and work has been proceeding steadily.

The rise and fall of expenditure on roading generally over the last twenty-four years is illustrated by the graph hereunder.



IRRIGATION AND WATER-SUPPLY.

The construction of irrigation works is considered one of the most important developmental expenditures that can be undertaken in that it creates a permanent asset and one that has a cumulative effect on the prosperity of the country.

There are large areas of fertile land in Otago, Canterbury, and Marlborough where the deficient rainfall at present prevents full development of the intense production which the lands are capable of when the proper moisture is applied during the growing-season.

This uncertainty and lack of rainfall has considerably retarded the development of portions of these provinces, and the frequent droughts have caused large economic losses in past years.

Irrigation has been practised in Central Otago since 1919, and until 1934 the work was wholly confined to that province. However, the time has arrived when most of the available water-supplies in Central Otago have been utilized, and the remaining irrigable land can only be developed at a greater cost.