The fact that the Government has given to the owners of irrigated land a subsidy that is equivalent to £3 for £1 may perhaps be thought to be unduly liberal treatment, but it is a good deal in line with that given by Governments in other countries, and, provided payment of water rates is rigidly enforced, may not be out of proportion to the indirect benefits that the Government receives by way of taxation and additional railway revenue from lands upon which productivity has been increased three or four fold.

There is no clearly defined measure of the full enhancement to a country's well-being that comes from the turning of arid lands into fertile, highly productive farms, but there is no method of land-improvement that can so quickly show the

benefits for money spent upon it as that of irrigation.

At the present time, when it is so important to be sure that money is not spent upon useless work, I feel that we are more than justified in giving a full share of what money may be available to the improving of the lands of the Dominion in this way. We can rest assured that, whatever the future of the country may be, this form of expenditure will never be looked upon as wasteful.

I have, therefore, felt justified in carrying on this year with the expenditure of loan-moneys upon further irrigation schemes in Central Otago, and in asking that this work be continued throughout the times of depression, so that further land may be brought into a state of potentially high productivity when better times come.

If there is one part of the supply of irrigation water more than another upon which it is justifiable to expend public money, it is the construction of reservoirs to conserve water for use in times of scarcity. Such works, if well constructed, are assets of great value for all time to a country depending upon farming as its primary industry. I have, on this account, given particular attention to schemes involving the necessity of the construction of new reservoirs, or of increasing the capacity of existing reservoirs.

A start has been made upon a dam, 153 ft. in height, across the Manuherikia River, near St. Bathan's, which is known as the Falls Dam. This dam will form a reservoir that will conserve 40,000 acre-feet of water for irrigation, in the Manuherikia Valley, of land lying between Lauder and Omakau. At the present time about a hundred men are engaged in its construction. The dam is of the rock-fill type, with a concrete impervious up-stream face. This type was chosen as one that is simple and economical to increase in height at a later date, and one in which much the greater part of the expenditure is upon labour, so that men put off other public works could obtain employment and not help to swell the ranks of the unemployed. The base of the dam is being made only sufficiently wide at present for a dam 103 ft. in height, but the other works are of such dimensions as to allow for a dam 153 ft. high if experience shows that it will be profitable to extend the area irrigated.

A diversion-tunnel 600 ft. in length and 17 ft. in diameter is needed to dewater the foundations, and the driving of this tunnel is now well advanced. The clearing of the dam-foundation is completed, and two quarries for rock have been opened up, and a start made on the rock-filling of the dam. Electric power generated

from Diesel engines is used for the plant required on the works.

To coincide with the completion of the dam, a sufficient number of men are engaged upon race-construction between Lauder and Omakau, so that it will be possible to irrigate 8,000 acres here immediately the dam is ready to supply water. There are thirty miles of main race to make, and 3 miles are completed. In addition to ninety-eight married relief workers, forty-four single men are employed in race-cutting under the Unemployment Board's scheme of camps for single men.

It is proposed to start immediately upon the construction of an arched concrete dam, 65 ft. high, in the Manorburn Stream, near Galloway, to impound sufficient water to irrigate 400 acres on the lower end of the Galloway Flats. This will release water from the main Manorburn reservoir to irrigate additional land of a similar area in the Ida Valley. The dam and races are to cost £7,000, and the wages of the men will be paid out of unemployment funds.

The Eweburn Dam, an old dam built by the Mines Department, which now stores water for the Hawkdun irrigation scheme, is now being strengthened, so

that more water may be stored for use on that scheme.