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HEALTH AND HOSPITAL INSTITUTIONS.

Expenditure approximating £48,000 is contemplated at Queen Mary Hospital, Hanmer Springs, in providing a new hospital for male patients and a new massage block and bathhouse. Improvements in the water-supply for the hospital and township are also being undertaken. Provision is made for the payment of further instalment on account of the Government grant of £20,000 towards the cost of the new Obstetric Hospital at Dunedin. The erection of a new training clinic for probationer dental nurses at Wellington is being undertaken as early as possible. A site has been selected and plans are in the course of preparation. It is hoped to have the actual construction well advanced within the year and final provision made accordingly. The net expenditure on health and hospital institutions for the year was £2,191.

EDUCATION.

The net expenditure of capital funds on the erection of school buildings, additions, and teachers' residences, and the purchase of sites, amounted to £131,457 for the year. This sum includes £10,033 provided by the Consolidated Fund to meet the cost of works under £200.

The expenditure was reduced by credits-in-aid amounting to £48,547. This figure includes a substantial portion of the proceeds from the sale to the Fire Board of the Clyde Quay School site, Wellington, and also a contribution from the Unemployment Board towards the cost of erecting school buildings.

The following table shows for the last three years the capital expenditure on new school buildings, additions, sites, and teachers' residences:—-

				1933-34.	1934-35,	1935-36.
				£	£	£
Public schools			 	57,664	35,105	87,908
Secondary schools			 	2,568	14,679	23,516
Technical schools			 	1,504	12,851	59,350
Training colleges			 			610
Native schools			 	2,698	5,419	8,399
Child-welfare institutions		• •	 		• •	221
Grand total			 	64,434	68,054	180,004
Less credits-in-aid			 	7,778	10,894	48,547
				£56,656	£57.160	£131,457
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ESTABLISHMENT OF AERODROMES.

During the year considerable expansion has taken place in this side of my Department's activities, and a special branch has been established to work in conjunction with the Civil Aviation and Air Services Branches of the Defence Department. In consequence of the quickened public interest and demand for air-transport facilities and the development of the Air Force stations at Hobsonville and Wigram, much more rapid development of aerodromes and emergency landing-fields has been proceeded with than was originally contemplated.

During the year air services were placed in operation on the Main Air Trunk route between Palmerston North and Dunedin and across Cook Strait from Wellington to Blenheim and Nelson, in addition to the air services already in operation between Gisborne and Napier, and on the West Coast of the South Island. Further extensions to these services are contemplated in the near future.