

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

	1933-34.	1934-35.	1935-36.	1936-37.
	£	£	£	£
Public schools	57,664	35,105	87,908	162,894
Secondary schools	2,568	14,679	23,516	24,092
Technical schools	1,504	12,851	59,350	77,836
Training colleges	..	..	610	6,729
Native schools	2,698	5,419	8,399	12,172
Child-welfare institutions	..	..	221	2,473
University Colleges	..	..	..	525
Massey College	..	..	..	3,022
Gross total.. .. .	64,434	68,054	180,004	289,743
Less credits-in-aid	7,778	10,894	48,547	7,848
	<u>£56,656</u>	<u>£57,160</u>	<u>£131,457</u>	<u>£281,895</u>

ESTABLISHMENT OF AERODROMES.

During the year activities in this side of my Department's operations have increased considerably, and its scope has been widened to carry out or advise on all matters pertaining to aerodrome facilities and ground organization for air transport.

In consequence of the success of the initial air transport services a greater demand for such services has arisen, and development of facilities to serve the Main Trunk Services has been energetically proceeded with. During the year there has been a considerable increase in passenger and air-mail traffic.

East Coast Airways, whose service between Napier and Gisborne was suspended during improvements to the Gisborne Aerodrome, returned to operation with considerably improved terminal facilities. Cook Strait Airways has extended its services from Nelson to Hokitika to connect with the existing South Westland service. Union Airways daily express passenger and mail service between Auckland and Wellington via New Plymouth has been commenced recently. All services have maintained their schedules with very commendable regularity and the maximum of safety.

To illustrate the growth of regular air services the following is a tabulation of passengers, mails, and freight carried for three-monthly periods from 1st January, 1936, to 30th June, 1937 :—

Quarter ended	Number of Passengers.	Passenger-miles.	Freight.	Freight Ton-miles.	Mail.	Mail Ton-miles.
			lb.		lb.	
31st March, 1936 ..	5,460	560,000	7,200	360	6,400	350
30th June, 1936 ..	5,080	550,000	8,400	370	20,000	1,600
30th September, 1936 ..	4,750	540,000	8,700	450	25,000	2,250
31st December, 1936 ..	6,150	700,000	13,700	630	33,000	2,880
31st March, 1937 ..	8,200	870,000	13,200	595	32,200	2,530
30th June, 1937 ..	7,400	770,000	16,500	Not available.	36,800	Not available.

During the coming year even greater increases in all classes of traffic are to be expected, while extensions to the Main Trunk routes are contemplated. These extensions, as well as the development of feeder services, will follow the establishment of the relative aerodromes and facilities and a planned programme is being pursued to this end.

The development of aerodromes and emergency-landing grounds has been concentrated primarily to serve the Main Trunk routes, and a commencement made with those for the feeder services. There are now forty-nine aerodromes licensed for regular operation, on twelve of which enlargement or improvement work is proceeding, while fifteen additional fields were under development during the year.

A major undertaking has been the investigation and planning of new Royal New Zealand Air Force stations and the improvement of the two existing stations