During the year committees have been appointed to report on three problems of importance—the suitability of Rongotai for the establishment of a commercial airport, of Wellington Harbour as a base for flying-boats, and a site for a Municipal Airport at Auckland.

In the report of the Controller of Civil Aviation a detailed statement is given of the work of the Aeradio Committee, of which the Controller of Civil Aviation is Chairman. The Committee, comprising Technical Officers of various Government Departments concerned with aids to navigation, performs a most important function in ensuring that the development of aeradio is in accordance with modern principles.

On the 2nd April, 1937, His Majesty's Government in Great Britain ratified, on behalf of New Zealand, the Protocol of 1st June, 1935, amending the International Convention relating to the Regulation of Aerial Navigation, 1919, and providing a new annex for a proposed modified international Customs procedure.

The Dominion acceded to the Convention for the Unification of Rules relating to International Carriage by Air (Carriage by Air Convention), and the Convention became effective in respect of New Zealand as from 5th July, 1937.

As a result of an exchange of Notes between His Majesty's Governments in the United Kingdom and Northern Ireland, Australia, New Zealand, and India, and the Danish Government, an agreement was reached and came into force on 21st July, 1937, whereby the respective Governments agreed to accept Pilots' and Navigators' Certificates in lieu of national passports.

A similar agreement with the Norwegian Government came into force on 11th October, 1937.

The progress made during the year under review is referred to in the reports of the Chief of the Air Staff and the Controller of Civil Aviation, and I wish to place on record my personal appreciation of the excellent work done by all associated with Aviation since I have been Minister of Defence.