GENERAL REMARKS.

There have been no fatal accidents during the year 1887; indeed, there has been only one of any kind. This happened to a miner named Clarkson, in June last, at the newly-opened Miranda Mine, whereby he had his leg broken and also received a nasty scalp-wound. As regards the circumstances of this accident it may be explained that there is a heavy inflow of water into the mine, necessitating the water-tank being kept going constantly, even when no coal is being raised. The engine-driver, therefore, unless signalled for coal, keeps raising and lowering the tank as quickly as he can get it filled and emptied. In the temporary absence of the onsetter, and during the slight stoppage to empty the tank at top, Clarkson made to cross to the other side of the shaft, through the cage, which was at the bottom, and, miscalculating his time, got caught in the shaft-timbers, whereby he got his leg broken and sustained other injuries. He had himself entirely to blame, as he had no right to attempt to cross there, a special cut being made round the shaft at the bottom for this purpose, but to save himself going the few yards round about he nearly lost his life.

I am sorry, however, to have to record that a fatal accident occurred to a miner named James Russell, at the Taupiri Colliery, on the 3rd February last. This accident occurred entirely through the man's own carelessness. As this accident occurred in the present year it will appear in this year's statistics, when published in 1889, but, as it has been usual for Inspectors to bring the subject of their reports up to the latest date of their visiting the mines, I may mention that the above gives only one fatal accident in the North Island for every 833,621 tons of coal raised, a result so favourable and low that I have never seen it equalled in the mining statistics of any country.

Though there have been very few accidents in the coal-mines of the North Island, yet it is one of those subjects that should most deeply attract the attention of all persons acquainted with or interested in mining, for it must be patent, even to a casual observer, that on the adoption of a proper system of working great interests depend. These affect the mine-owner, the persons engaged in the prosecution of the work, and also the preservation of life and health of the working-miner. It should, therefore, come home to the consideration of every person in the pursuit of any mining industry to ascertain by which of all the known methods a mine ought most properly to be worked. All these considerations and many others are demanded in the proper arrangement of any mine—whether it be extensive or not—and it cannot be denied that scientific knowledge, ability, and extensive practice are required for the well-being and successful issue of such a work.

Towards attaining this end, however, there is another most important factor, viz., that of starting on a sound financial basis. I do not know what is the practice in the South Island, but in the North the unsound principle of erecting works and starting business principally on borrowed money is almost universal. Not to have their capital "called up" may, in the first instance, be a great relief to the shareholders' pockets, but its final effect is most disastrous. Whatever difficulties any enterprise may have to encounter, the heavy interest demanded on borrowed money must be paid. This interest in itself would pay more than good dividends to shareholders, and would put each company in such a flourishing condition that its shares, instead of being valueless, would find a ready market. Can it be expected that, after paying such heavy interest, there will be sufficient profits left to give a dividend to shareholders? There may be hopes of such a thing in a gold-mine, where the stone won to-day may be worth 1oz. and to-morrow 20oz. per ton; but in coal, where the quality in one part of the mine is the same as another, or has so little difference that it makes no change in the market-value, such a thing is not to be expected. When the very limited market and the intense competition of trade in these modern days are taken into consideration, it must be apparent that the enormous profits cannot be realised that will enable double dividends being paid, one to the money-lenders and another to the shareholders.

The effect of this system is that companies are continually in financial difficulties, and, instead of being able to increase business, are most seriously crippled; indeed, the natural outcome of this state of things is a continual cry from secretaries to managers to "keep down expenses," "keep down expenses," and, even should it impair efficient working, the unfortunate managers must do so, or go; and, in the latter case, be replaced generally by cheap, half-skilled, and wholly unscientific management as well as labour. A book might be written on this subject; but, in a report such as this, I can merely point to what I consider the main cause of the failure for many years of nearly all the companies that have been floated in Auckland, namely, the heavy millstone of debt that has been placed round their neck, under which they stagger for a time, and ultimately sink: the end is always the same.

I have, &c.,

JAMES M. MCLAREN,
Inspector of Mines.

The Under-Secretary of Mines, Wellington.

No. 2.

MIDDLE ISLAND.

Mr. Inspector BINNS, F.G.S., to the UNDER-SECRETARY of MINES.

SIR,— Dunedin, 29th March, 1888.

I have the honour, in compliance with section 59 of "The Coal-mines Act, 1886," to make the following report for the information of the Hon. the Minister of Mines: The period dealt with is, as regards the East Coast mines, from the 15th April to the 31st December, 1887; but, as will be seen on reference to last year's departmental publications, a supplementary report on the West Coast collieries was sent in on the 30th September, so that in their case there is a period of only three months to be dealt with. During the whole of the year my time has as usual been devoted to the official duties of my position. Attached are the ordinary tables of statistics and accidents.