PROOF

Fabian Tract No. 32

The Municipalisation of the Gas Supply.

LIGHTING by gas has become a necessity of the life of a great city; nevertheless some persons who advocate the public supply of water hesitate to apply the principle of municipalisation to their local gasworks. Few of these, however, can be aware of the rapidity with which the public supply of gas is increasing. Already one-half of the gas consumers in the Kingdom burn gas which they themselves as citizens have had made through their local governing bodies; excluding London and its neighborhood, the proportion is, indeed, over two-thirds. The number of local authorities undertaking the gas supply has grown from 148 to 173 in seven years. No public authority in the United Kingdom having once municipalised its gasworks has ever retraced its steps or reversed its action.

But London, along with Liverpool and Dublin, Sheffield and Bristol, and a few other large towns, still leaves this essentially public service in the hands of private speculators.

London's gas supply has now fallen, by successive amalgamations, into the hands of three colossal companies (in 1855 there were 20), whose capital outlay, including past competitive waste and lawyers' bills, exceeds £11,000,000. On this amount they manage to obtain a handsome profit, the annual surplus being over

A MILLION AND A QUARTER,

or over eleven per cent. So abundant, indeed, is the profit that huge salaries and pensions are paid, and unnecessary renewals executed, merely to avoid returning a larger surplus. For, unlike

the water companies, our gas proprietors are "limited" by Act of Parliament as to their dividends, according to a sliding scale (the largest company paid 13 per cent. in 1890), and any excess is now partially devoted to a reduction in the price of gas. The largest company now charges 3/1 per 1,000 feet, as against 5/- in 1874.

Particulars for the years ended 31st December, 1888 and 1889 (Return No. to the House of Commons. Price $3\frac{1}{2}$d.

	Capital.	Receipts.	Expend.	Surplus.
1888.				
Gas Light and Coke	8,405,500	3,148,160	2,038,286	1,109,874
South Metropolitan	2,034,022	927,698	617,747	309,951
Commercial	680,000	321,661	212,460	109,201
Total	11,119,522	4,397,519	2,868,493	1,529,026
1889.				
Gas Light and Coke	8,405,500	3,170,549	2,199,426	971,123
South Metropolitan	2,034,022	911,172	707,217	203,955
Commercial	680,000	321,478	223,137	98,341
Total	11,119,522	4,403,199	3,129,780	1,273,419

Notwithstanding a net profit of nearly a million sterling, the Gas Light and Coke Company raised its price in 1890 by 10 per cent., and in December, 1891, by a further 12 per cent. (from 2/6 to 3/1 per 1,000 feet), in order to maintain a 13 per cent. dividend to its ordinary shareholders. This involved an additional charge upon two-thirds of London amounting to over half a million a year.

Here again there is no legal monopoly; and the County Council can obtain Parliamentary powers to construct a competing supply, unless the companies consent to transfer their works on equitable terms. The London works could undoubtedly now be constructed for much less than the total capital outlay of £11,119,522; but, assuming the whole of this amount to be reimbursed to the share holders, the interest payable by the Council would only be £350,000 a year, as compared with over £1,273,000 now paid to the share and bond holders. The resulting profit of £823,000 annually would cover two-thirds of the net expenditure of the London School Board.

Gas manufacture and works - United Kingdom.

Printed by G. Standring, 7 Finsbury St., E.C., & published by the Fabian Society, 278 Strand.

Manchester, supplying gas at 2/6 per one thousand feet, made £21,994 net profit in 1889-90; Birmingham, with gas at 2/3 per 1,000 feet, made £70,337 profit in the same way; after paying interest on gas loans. Why should not London do the same, and ensure, at the same time, the fair treatment of London's ten thousand gas stokers?

The pecuniary profit to be made by completing the municipalisation of the gas supply is, however, of less importance than obtaining complete control over this essentially public service. At present but little is done to bring the comforts of gas, either for lighting or cooking, within the reach of the poor, and even in London only every other house has gas laid on. Little attention will be paid to lighting the poorer streets, the public stairways, or the slums and alleys of our great cities, so long as every cubit foot of gas is jealously charged for by a capitalist company. Our gas, moreover, is practically our winter sun, and no private considerations ought to be allowed to stand between us and our main source of light. Even the electric light can never replace gas for heating and cooking, for lighting the vast majority of private dwellings, and for many minor public places. We need not fear that our municipal gasworks will become obsolete for many generations to come.

Hence *insist on the Municipalisation of the Gas Supply.*

Printed by R. Stanforth 7 Kingsbury St. E.C. & published by the Fabian Society 276 Strand