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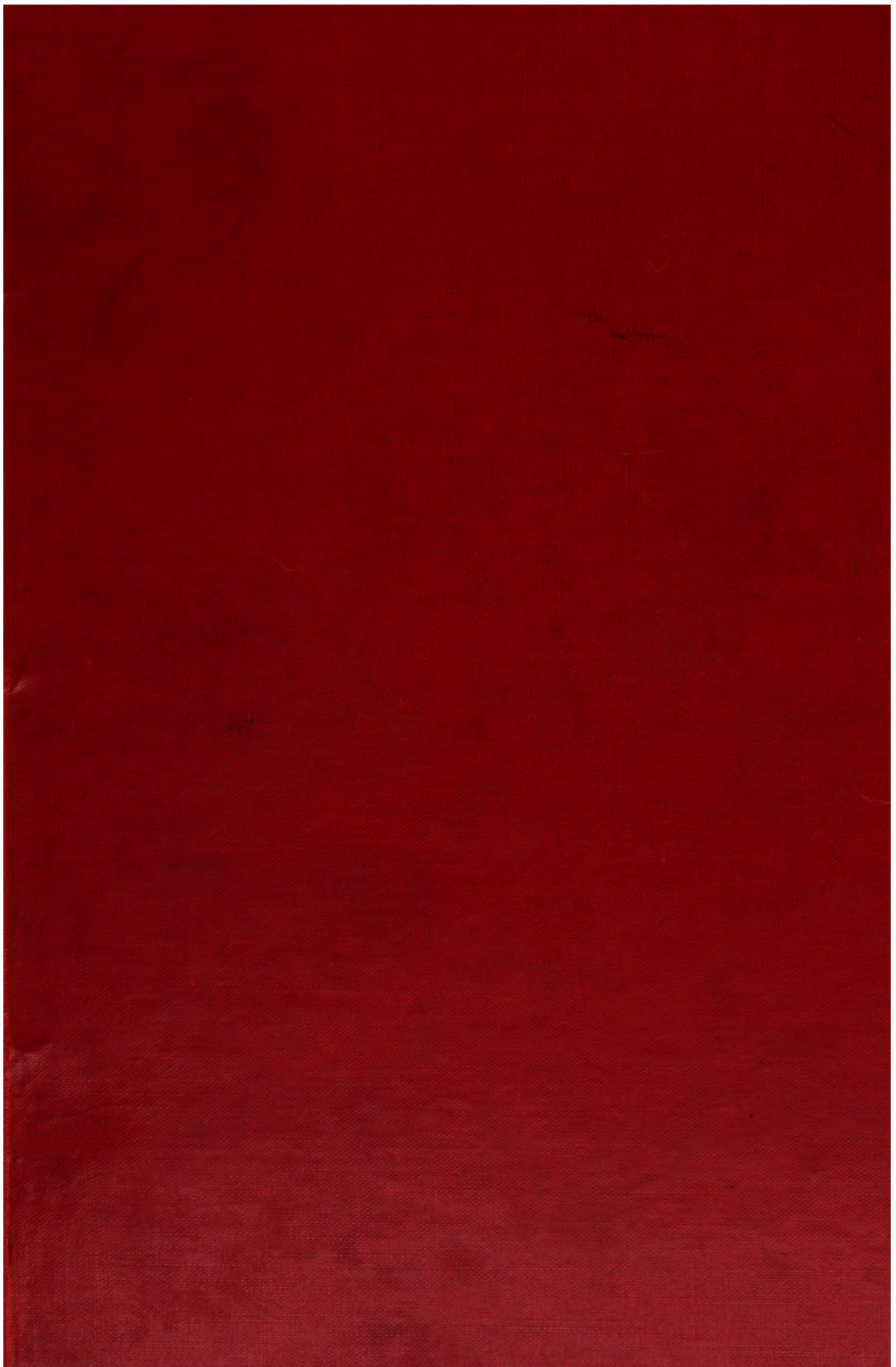
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BOROUGH OF



BIRMINGHAM.

A

SHORT HISTORY

OF THE PASSING OF THE

Birmingham (Corporation) Gas Act,

AND THE

Birmingham (Corporation) Water Act;

33

WITH THE

SPEECHES OF THE MAYOR,

(JOSEPH CHAMBERLAIN, ESQ.,)

IN SUPPORT OF THESE MEASURES,

AND ALSO

IN FAVOUR OF THE ADOPTION OF THE

Artizans' and Labourers' Dwellings Improvement Act.

PRINTED BY ORDER OF THE GENERAL PURPOSES COMMITTEE.

1875.

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THE PURCHASE OF THE UNDERTAKINGS

OF THE

Birmingham Gas-Light & Coke Company

AND THE

Birmingham & Staffordshire Gas-Light
Company,

BY

THE MAYOR, ALDERMEN, & BURGESSES

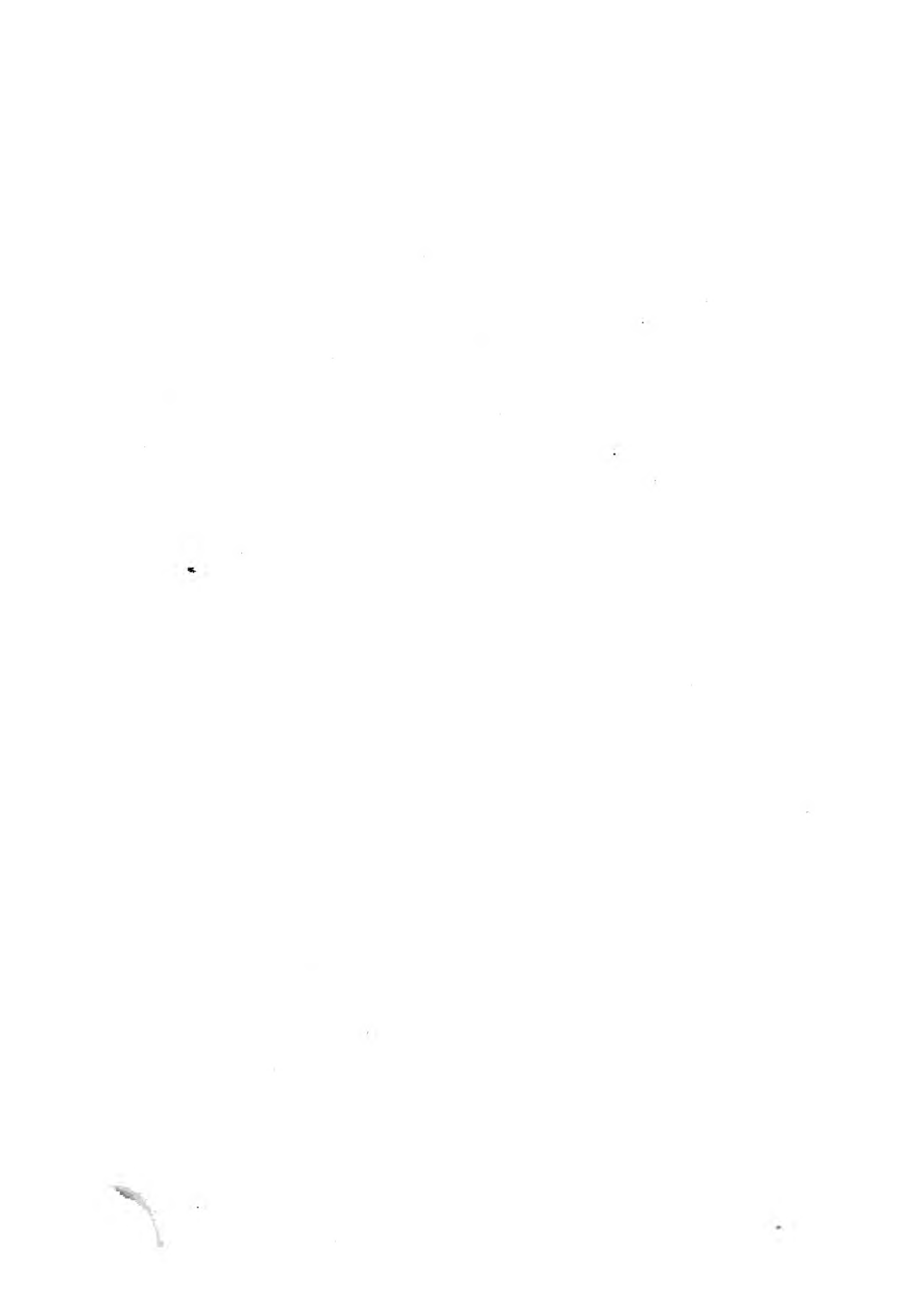
OF THE

BOROUGH OF BIRMINGHAM.



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The Purchase of the Undertakings of the
BIRMINGHAM GAS-LIGHT & COKE COMPANY
AND THE
BIRMINGHAM AND STAFFORDSHIRE
GAS-LIGHT COMPANY,
BY
*THE MAYOR, ALDERMEN, AND BURGESSES OF THE
BOROUGH OF BIRMINGHAM.*

At a Meeting of the Council held January 13th, 1874, the
Mayor moved :—

“That, in the opinion of this Council, it is desirable that the manufacture, supply, and sale of Gas in the Borough should be under the control of the Corporation, and that the General Purposes Committee be authorised and instructed to negotiate terms for the purchase of the Undertakings of the Birmingham Gas-light and Coke Company, and the Birmingham and Staffordshire Gas Company, and to employ such professional and other assistance as they may deem necessary, and to report the result for the approval of the Council ; and generally to report upon the subject.” He said, I have always entertained and have always expressed, a very high opinion of Municipal Institutions, and of the advantages to be derived from local self-government, and in moving the Resolution which I have laid before the Council, I am giving the most practical evidence of the sincerity of my convictions in this respect. I do not pretend to say that even the Birmingham Town Council is an absolutely perfect human institution. Perhaps like other lesser bodies, we have our defects ; and if we do not know our faults, at all events it is not for the want of many self-appointed censors, and more or less disinterested critics. But I claim as a characteristic of the Birmingham Town Council, in common with other great Corporations in this kingdom with which I am acquainted,

that it does possess a considerable amount of business ability and commercial experience, and that its members are, without exception, animated by perfect disinterestedness in their services to the town. I have never imputed, and have never seen the slightest cause to impute, to any member of the Council a desire to postpone the public good or the public service to his own pecuniary and personal advantage. It is only because I am convinced of this that I have the boldness to lay before the Council this momentous proposition, involving as it does, if carried out to its legitimate conclusion, an enormous increase in the patronage and influence of the Council, a great aggrandisement of its power, its responsibilities, and its duties. The few facts which I may lay before you will give an idea of the importance of this question. At present I believe the debt of the Council is somewhere about half a million sterling; but should this Resolution, as I hope it will, eventually result in the transfer to the Corporation of the Undertakings to which I refer, our debt, at a stroke, will rise to two and a half millions. We often boast that we have the revenues of a small Continental State, although our whole expenditure at the present time is less than a quarter of a million; but should this transfer be made our annual expenditure will increase from that day to something like three-quarters of a million sterling per annum. I do not know whether this will be a recommendation of the proposal in your eyes, but I may remind you that there is every reason to suppose that the income of the Corporation will increase in a still larger ratio. To day I only ask the Council to pronounce a preliminary judgment on the matter. I ask you to constitute yourselves a grand jury, and to say whether you find a true bill on the statement I lay before you, whether I have made out a *primâ facie* case for further negotiations; then in due time the exact terms of the negotiations will be submitted for your final approval or rejection. With me this matter is not at all a new question. Almost as soon as I had a seat in this Chamber I believed in the possibility of making a bargain with these private Companies, which might be mutually advantageous—the only kind of bargain, in fact, which it is worth any one's while to make; and as soon as the Council were good enough to place me in my present position, I

determined to use whatever influence I thus obtained in order to carry out this idea to a successful issue.

Before proceeding further, I will endeavour to carry the Council with me in two principles on which I think their decision should be based. In the first place, I distinctly hold that all monopolies which are sustained in any way by the State ought to be in the hands of the representatives of the people—by the representative authority should they be administered, and to them should their profits go, and not to private speculators. In the second place, as I have already said, I am always inclined to magnify my office; I am inclined to increase the duties and responsibilities of the local authority, in whom I have myself so great a confidence, and will do everything in my power to constitute these local authorities real local parliaments, supreme in their special jurisdiction. I am aware it has been said that these Undertakings are rather in the nature of Undertakings which should be left to private enterprise and energy; but I would reply, in passing, that John Stuart Mill, the greatest political thinker of his age, always asserted, and has written in his book on political economy, that such Undertakings as those to which my Resolution refers, should be excluded from the rule to which they constitute a legitimate exception, and should be placed in the hands of the local authority.

There is another consideration which should have important influence in determining the action of the Council. I have been struck with the inadequate means of the Council for the responsible work placed upon them. If we propose to recompense the faithful service of an officer of the Corporation, or if we propose to increase our own duties and responsibilities, we are met with a chorus of opposition from the ratepayers who are unwilling to do justice because their means are insufficient. A notice has been placed on the paper by Mr. White, calling attention to the state of the streets, and though I believe that something more than what we are doing might be done with our actual means, yet without anticipating the answer which will be given to Mr. White, I am sure, at all events, that this will be said—that no satisfactory conclusion upon the whole matter can be arrived at until the Public Works Committee has larger funds at its disposal.

The Council are aware that on a previous occasion no less a sum than £30,000 was struck off the estimate made by the Committee as necessary for the performance of its duties, and if the income is reduced it is quite impossible that our public work can be satisfactorily performed; and this difficulty is continually increasing, because every day new duties are being imposed upon the Corporation. For instance, there is the great business of the sewage at Saltley—business to which I hope, we at least begin to see a satisfactory conclusion, but not without a very large and continually increasing expenditure. We have no choice in that matter. Under the pressure of injunctions and lawsuits it is absolutely necessary that the Council should deal with that great nuisance, but the cost is overwhelming and alarming. Then very recently we were called upon to take advantage of the Sanitary Act. That has already involved the Council in a large expenditure, and must involve it in a still larger expenditure in the future. Here, again, I do not consider that the Council has any choice in the matter. Birmingham has unfortunately fallen from its high position, and is no longer the healthiest town in the kingdom; it has become one of the most unhealthy of the large cities and boroughs in the country. Under these circumstances it was absolutely necessary that we should devote our attention to the sanitary condition of the town. I need not allude to other matters except to remind you that only at the last Meeting of the Council the new duty was thrown upon us of protecting property from fire. All these duties involve a largely increased expenditure, and I believe that the pressure of the rates will become intolerable unless some compensation can be found by some proposal, such as the one I now lay before you. That compensation is secured in the case of other large towns. I do not know a large town which is so badly off as Birmingham. Every penny of our expenditure has to be raised by direct taxation of the ratepayers, and I do not think there is another Corporation of which such a thing can be said. In Manchester the Corporation possess the Gas and Water Works, and they have secured an enormous profit from these undertakings. I am told that at the present time the amount is something like

a million sterling, with which they have been able to erect those Corporate Buildings, which are the glory of the town. In Liverpool they have the advantage of dock dues, and other towns have landed property, which is continually advancing in value, and forms a large source of the income of the Corporations. Birmingham alone appears to be reduced to direct taxation.

It has been said, "Granting the desirability of possessing such undertakings as these, why not devote your attention to the Water Works first?" To that, I reply, let us take advantage of the present opportunity. I am as alive to the importance of acquiring the Water Works as any Member of the Council—and hope the time is not distant when I shall bring before the Council a proposition with regard to that great undertaking, similar to the one I now propose with regard to the Gas Works. If the Council are met by the Directors of the Water Works in the same spirit and temper as they have been met by the Directors of the Gas Companies, I think such a conclusion is extremely probable. But in the meantime I hope the Council will deal with the bird in the hand without waiting to consider the prospect of obtaining the bird in the bush. There are some important differences as well as some things in common with reference to the two questions. The main difference is this—that when the purchase of the Water Works comes before you, it will be a question concerning the health of the town—the acquisition of the Gas Works concerns the profits of the town and its financial resources. In some respects, however, these two questions stand on very much the same footing. In the first place, the Gas and the Water are, to my mind at all events, both matters of absolute public necessity. I do not think that our modern civilisation can any more afford to do without Gas than it can afford to do without Water. The great terror into which the metropolis was thrown some time ago, and during the paroxysm of which it forgot all considerations of justice, arising from the supposed probability that it would be in darkness for a day or two, must convince Members of the Council of the importance of this question. At any rate, Gas and Water are matters of public necessity of the same kind, if not of the same degree. But there is another great point. The privileges of the Gas Companies, just in

the same way as the privileges of the Water Works Company, conflict with the authority of the Council. The Council, I contend, should be supreme within its own jurisdiction. It is intolerable that streets, for which we are responsible, should be liable to be torn up at any moment at the pleasure of a private Company. On that ground alone I would advocate this transfer, even if I did not see my way to any further advantage or profit. Holding this opinion, very shortly after accepting my present office, I ventured to communicate—of course, on my own responsibility, and not in the slightest degree committing my colleagues in the Council—with the Boards of the two Companies; and submitted the result of my communication to the General Purposes Committee, and from that time I have proceeded with their knowledge, sanction, and approval. I think I ought to acknowledge, in the first place, the courtesy and consideration with which all my representations were met by the Directors of both Gas Companies. I found in those gentlemen what I expected to find in men of business—a full sense of the value of their property, and a determination not to neglect the interests of their shareholders. I also found that they were prepared to consider this matter in a broad and catholic spirit, and to make a fair bargain, which should have its advantages for the Council as well as for themselves, and not to extort the last jot of the pound of flesh to which they might be legally entitled. On my own part, I hope I met the Companies in a similar spirit. I am not now permitted to state to the Council the exact terms which will form the basis of future negotiations, and for the natural reason that further progress in the matter depends upon the confirmation of the favourable opinion which I have formed, and of the statements which have been made to me by the Boards of the two Companies. Should it turn out on examination that I have taken too sanguine a view of the question, or have been in any way incorrectly informed, the matter will drop through. Under these circumstances the Directors naturally thought it was undesirable that the exact nature of the negotiations should publicly transpire. And further, I feel a difficulty in stating the general effect of these negotiations, because if I say that I have made a bargain which is extremely profitable to the town, I could understand the Share-

holders of the Companies thinking that their interests had not been properly taken care of; while, if I said the Shareholders had every reason to rejoice, some members of the Council might think that I had forgotten the interests of the town. I will only say now that the bargain is one which offers every hope of advantage to both parties to it, and I will just point out what there is in the nature of the circumstances which renders it possible for such a mutually profitable bargain to be made, and why the Gas Works in the hands of the Corporation will be worth more to them than they can be to the Shareholders as long as they remain under their private control and management. In the first place, the Corporation, if it becomes the proprietor of those Companies, will not have to fear the opposition of the Town Council. That in itself is a very considerable advantage in regard to the prospects of the undertakings. In past times those Companies have been harassed and hampered, and put to considerable expense by the differences, which I fear will always exist between them and the Local Authority of the town. Then, so long as they remain private Companies they are always subject to the threat of further competition. They were very nearly being subjected to further competition a few years ago, and a few years hence it is quite possible that that scheme, or a similar one, will be revived. In the second place, an immense advantage will accrue by the amalgamation of the two Companies. It will be seen that under various heads there will be a saving, as for instance in the staff, the directors' remuneration, and the management expenses. There will also be an important saving, the exact extent of which it is difficult to estimate, in the absence of the continued necessity for a double service of mains. I believe we might gradually dispense with that double service, or at all events in future extensions a single service would be sufficient. Again, we shall have an advantage in the collection of the gas rents. At present two staffs are employed, involving double risks, and I should imagine that some arrangement might be made for the collection of the rents at the same time as the rates, thus making a saving in that respect. In the last place, we shall have the advantage of the difference between the dividend which the Companies would pay and the rate at which the Corpora-

tion can raise money upon all further extensions, and upon all fresh capital. At the present moment the Birmingham Gas Company are applying to Parliament to be permitted to raise £300,000 fresh capital, upon which they propose to pay a maximum dividend of 7 per cent. I believe there is every prospect, in the course of time, that they will be able to get out the whole of that capital and pay 7 per cent. as the maximum dividend. The Council can at once raise the same amount for £9,000 a year less than it will cost the town if the Company are allowed to raise it. Speaking on the whole subject, I may say that the terms upon which the negotiations are based are such that I believe the Council may enter upon the acquisition of this great property at once, without the slightest additional increase to the rates of the Borough, and with the absolute certainty in a short time of receiving considerable sums in relief of the taxation. Looking back to the past, I find that if this matter had only been before the Council on similar terms and in the same shape fifteen years ago, at this moment we should be saving £15,000 a year, to say the least. I see no reason for supposing that fifteen years hence we may not have to congratulate ourselves upon a like or even a greater saving. This is not a new question in the country. You must bear in mind that this favourable experience which I anticipate for Birmingham has been the ruling experience of other towns. I believe that no less than fifty cities, boroughs, and towns in England and Scotland are already in possession of their own Gas Works. Amongst others, Birkenhead, Burnley, Bury, Bradford, Carlisle, Doncaster, Halifax, Leeds, Manchester, Liverpool, Salford, Stockport, Walsall, Glasgow, Dundee, Perth, Paisley, Greenock, and Aberdeen. So far as my information goes, in no one of those instances has there been cause to regret the negotiations which led to the transference of the works; while in some cases the terms have been much less favourable than those which I shall have the honour subsequently to submit to the Council. The Resolution asks you to refer the matter to the General Purposes Committee, and I have selected that Committee, because every Committee is represented upon it by its Chairman. If the Resolution is passed, the first duty of the Committee will be to confer with the Boards of the two

Companies, to obtain from them an official confirmation of the negotiations which have already taken place. Then I assume the Committee will appoint an Accountant to examine the facts, and see whether or no the basis upon which those negotiations have proceeded, and which I have stated to the Council, is confirmed by the accounts of the Companies. The terms will then be submitted in detail to the Council, with the Report of the General Purposes Committee in connection with the whole subject. I cannot believe, if the Report should confirm the expectation which I confidently entertain, that the Council will hesitate for a moment—and it will be supported by the town in its action—to approve a measure which will secure and extend its authority, which will confirm its privileges and power, and which at the same time will help to relieve the rate-payers of burdens which they are every day finding more onerous and oppressive.

The Resolution was seconded by Mr. Alderman Biggs, and carried.

A poll having been demanded, the votes were as follows:—

FOR THE RESOLUTION, (54.)

The Mayor, Aldermen Avery, Biggs, Brinsley, Goodrick, Hawkes, Lloyd, Manton, Osborne, Prime, Sadler, Sturge; Councillors Arculus, Aston, Austin, George Baker, J. E. Baker, Barker, Barratt, Barrow, Carter, Arthur Chamberlain, William Clements, John Clements, Collings, Cook, Cox, Davis, Derrington, Deykin, Downing, Ellaway, Gooch, Heaton, Heyden, Hinks, Lewis, Morley, Nock, Parry, Payton, Perkins, Pollock, Rolason, Sarsons, Shammon, Startin, Stone, Stubbs, Taylor, Thomason, Webster, Whateley, White.

AGAINST THE RESOLUTION, (2.)

Alderman Ryland and Councillor Lowe.

Alderman Holland did not vote.

At a Meeting of the Council, held March 24th, 1874—

The General Purposes Committee presented the several Reports of Messrs. Carter and Carter, and Mr. John Percivall,

Accountants appointed to examine the accounts of the Birmingham Gas Company and the Birmingham and Staffordshire Gas Company respectively; and of Mr. Robert Jones, C.E., appointed to inspect and report on the state of the Works and Plant of the two Companies. The General Purposes Committee also submitted the proposed terms for the sale of the two undertakings to the Corporation, and recommended that the same be approved by the Council.

On the motion of the Mayor, the Report of the General Purposes Committee was taken as read.

The Mayor then moved, on behalf of the General Purposes Committee, the following Resolution:—

“That the following terms of arrangement for the purchase by the Mayor, Aldermen, and Burgesses of this Borough, of the undertakings of the Birmingham Gas-light and Coke Company, and the Birmingham and Staffordshire Gas-light Company, be, and the same are hereby approved, that is to say:—

[Here follow the terms, as subsequently embodied in Agreements scheduled in the Bill.]

“That the General Purposes Committee be, and they are hereby authorised and instructed, in the name and on behalf of the Council, and under the corporate common seal, to do the following acts, namely—to enter into agreements for the sale and purchase with the said Companies respectively on the basis of the foregoing terms of arrangement respectively; to cause to be stated at a Meeting of the Ratepayers of the Borough, to be held in the Town Hall on some convenient day to be fixed by the Mayor, the objects of an intended application to Parliament for the confirmation and carrying out of the said agreements respectively; in case the Ratepayers so authorise, to procure the amendment of the Bill of the Birmingham Gas-light and Coke Company now before Parliament, or to make an application or support any other application to Parliament they (the said Committee) may deem necessary or expedient for the completion of the purchase of the said undertakings respectively; and for conferring on the Mayor, Aldermen, and Burgesses all usual and necessary powers in relation thereto.”

The Mayor said: I do not think that it is necessary to dwell to-day on the vast importance of the matter which is submitted for your consideration. I believe that, should the negotiations proceed to a successful issue, they will be perfectly unparalleled in the history of provincial Corporations. I can only hope that their success will be as exceptional as their magnitude and importance. Fortunately, the issues upon which the Council will be called upon to decide are really extremely simple, and I believe free from all complications. I do not think it is necessary to say anything on the present occasion in favour of the principle upon which these negotiations have proceeded. That, I imagine, has been conceded in the resolution which was passed by the Council on the 13th January last, when the Council decided, by a very large majority, that in its opinion it was desirable that the manufacture, supply, and sale of Gas in the Borough should be under the control of the Corporation. I will only remind you that, in addition to any direct pecuniary advantage which the Corporation and the Ratepayers may derive from the transfer, the Council will obtain the control of a service of public utility, I may say, of public necessity, and they will also secure a more complete and independent jurisdiction over the streets of the Borough. The importance of these considerations, I am sure, will be fully appreciated by the Council. In the remarks which I intend to make on the present occasion, I shall confine myself to the question whether the terms arranged by the Committee offer sufficient inducements for you to assume this new and important responsibility. I hope the discussion will be confined exclusively to this point, and that we shall not stray into collateral issues, such as whether we are not, in benefiting ourselves, also benefiting the shareholders of the Companies. That is a matter for the chairmen of the two Companies, who at the present moment are no doubt addressing their respective shareholders, and dilating upon the enormous advantages that they have secured. I do not mind, however, saying that, in making such a statement, those gentlemen will be perfectly justified. I believe that the terms the shareholders will receive are such as must be eminently satisfactory to them, and, therefore, parodying the celebrated state-

ment, "If I were not Alexander I would be Diogenes," I may say that if I had not the honour to be Mayor of this Corporation, I should be delighted to be a large investor in the shares of either of the Companies who supply Gas to the Borough. I hope, however, to show that the position of the Corporation is that of a man who, having purchased a property, say for a thousand pounds, finds the moment that it is in his hands it has risen in value 25 or 50 per cent. That being the case, I do not think the Council need concern themselves because the parties from whom they have made their purchase have also benefited by the negotiation. I will ask the Council to go back with me to the 13th January last, when I first introduced this matter. They will remember that I said that the basis upon which I asked the Council to enter into negotiations was such that I believed the Council might enter upon the acquisition of that great property at once, without the slightest additional increase to the rates of the Borough, and with the absolute certainty in a short time of receiving considerable sums in relief of the taxation. Looking back to the past, I said that I found that if this matter had only been before the Council on similar terms and in the same shape fifteen years ago, at this moment they would be saving £15,000 a year, to say the least. I saw no reason for supposing that fifteen years hence they might not have to congratulate themselves upon a like saving. I now ask you to consider how far my expectations have been fulfilled. As I pointed out would be necessary, the General Purposes Committee have called in the services of an accountant to enquire into the facts of the case, and to see how far the statements which I originally made were justified by the accounts of the Companies. The General Purposes Committee appointed Messrs. Carter and Carter and Mr. Percivall to examine respectively the accounts of the Birmingham Gas Company and the Birmingham and Staffordshire Gas Company, and they also thought it wise to appoint Mr. Jones to make an exact report on the mechanical condition of the various undertakings and on the state of their works. These Reports have now been placed before the Council, and there are several statements of fact contained therein

to which I desire specially to direct your attention at the present stage of the enquiry, as affording a basis for your decision on the question of the advisability of accepting the proposed transfer. I will, in the first place, call your attention to the report of Mr. Jones, the engineer, who was requested specially to report upon the state of the Works, because, although the Works were in profitable operation at the present time, it might have happened that they were so nearly worked out that they had but a limited existence—the Companies might have been killing the goose that was laying the golden eggs by working to death the undertakings under their care, or it might have happened that the properties were so old-fashioned and so little equal to the requirements of the day, that as soon as the Corporation acquired them they would have had to spend large sums of money in bringing them up to the proper standard. That is not merely an imaginary possibility, for it actually happened in a somewhat similar transfer to the Leeds Corporation, who found the condition of the Works transferred to them so bad that all the profits they expected were for the first few years swallowed up in the repairs which had to be made. Upon this matter I venture to say that the Report of Mr. Jones is perfectly satisfactory. That gentleman speaks in high terms of praise of all the Works, with the exception of those in Fazeley street, which are probably the least important, and the abandonment of which Mr. Jones thinks it would be to the interest of the Council to consider in the event of the negotiations being carried through. On page 23 of the Report, with reference to the Saltley Works, Mr. Jones says, “These Works are well planned, containing machinery of the most modern and best approved description, having an ample margin of surplus power. * * * The means of transport are admirably adapted.” With regard to the Adderley street station, he says, “The whole of the machinery, though of older date than that at Saltley station, is equally well designed, being duly proportioned in every detail, and in good repair and efficient working condition.” With regard to the Swan Village station, Mr. Jones says, “The machinery is well designed, of modern construction, and in the best working condition and

repair." Then, with regard to the Windsor street station, he states that alterations have been made, and the Works much improved and kept up in full efficiency, equal to the requirements of the day. Lastly, with regard to the Fazeley street Works, he says, "Much of the plant is old, and shows a good deal of wear and tear, although kept up in working order." On page 23 of the Report, speaking of the distributing system of the Old Company, Mr. Jones says, "It has lately been very largely added to and improved, and is now in a condition of considerable efficiency, as is evidenced by the fact that the pressure required for the maximum supply is much less than it was two years ago, whilst the leakage is considerably reduced." Then, speaking of the distributing system of the Birmingham and Staffordshire Company, he says, "The mains and distributing plant generally of this Company appear to be in good condition, and of fair capacity, judging by what could be ascertained of the pressure exerted and the leakage resulting on them." Finally, at the end of his Report, he says, "It will thus be seen that I give an economical future [meaning capability of extension] of about three years to the Windsor street Works, of from twelve to fifteen years to the Saltley Station, and to the Westbromwich Station a considerable future. In one set of hands these advantages might be combined, and so used as to prevent the necessity of adopting another site for the erection of Works, as proposed by the Bill of the Birmingham Gas-light Company, now before Parliament."

I have before me a private letter from Mr. Jones to the Town Clerk, in which the former says that a judicious combination of the distributing systems will be needed, and the bracing together of the leading mains will require skilful handling with regard to uniform pressure. If this is well done, he does not hesitate to repeat that the Corporation will possess one of the best Gas properties in the country. Proceeding with our enquiry, I think Mr. Jones's estimate as to the state of repair and general efficiency of the Works is confirmed by the Report of Mr. Percivall, from which it appears that the amounts charged to revenue for repairs in the accounts of the Birmingham and Staffordshire Company have for the two years 1872-73 amounted to £42,371,

or at the rate of £21,000 per annum. It is perfectly certain that there has been no sparing under this head, and I may say that Mr. Percivall, having carried his enquiries further back for a period of ten years, has discovered that during that time no less a sum than £184,782 has been written off for repairs to the Works, so as to keep them in a state of efficiency. Not only that, but during the same period sums amounting to £71,291 have been written off for depreciation of the property. Altogether a sum exceeding a quarter of a million has been written off, or at the rate of £25,000 per annum. In reference to the Old Company, Messrs. Carter state that the amounts charged to revenue for improvements to plant and for plant abandoned have been for the half-year ended December 31, 1872, £3,208 15s. 6d.; for the half-year ended June 30, 1873, £2,861 11s. 11d.; and for the half-year ended December 31, 1873, £2,601 14s. 2d.; and they report that in their opinion such large sums half-yearly will probably not continue. They consider that in the case of this Company also larger amounts have recently been written off than were really necessary for prudent management. On the whole, I venture to say that on this part of the case the Council may enter on the negotiations with the most perfect confidence in the substantial and *bona fide* character of the undertakings. There is one other matter of some importance which the accountants were asked to report upon, namely, whether there were on the part of either Company any liabilities of an embarrassing character. The Corporation are to take to the assets and all the liabilities of the Companies. I find with reference to the Old Company, as regards contracts, that there is one for ammoniacal liquor, which will expire at Michaelmas, 1881. I believe that the terms on which this contract is taken are perfectly satisfactory, and in any case the amount of this residual is very small in comparison with other items, and the Council need be under no apprehension with respect to it. The other contracts will all expire with the transfer of the undertakings to the Corporation. There is also a liability as to two lawsuits. The Council on previous occasions have burned their hands with reference to lawsuits, and I confess that the paragraph in Messrs. Carter's report at first seemed to me a very ominous one,

and I therefore requested the Town Clerk to report upon it. That gentleman has handed to me a letter which he has received from the solicitors of the Birmingham Gas Company (Messrs. Tyndall, Johnson, and Tyndall), in which those gentlemen state that the litigation between the company and Dr. Wrightson is in respect of a balance of £175 0s. 2d. due to them under the doctor's contract for purifying gas, and there was a cross action brought by Dr. Wrightson for damages for his not having received the full benefit of his purifying process. With respect to the Water Works Company, the solicitors say there must have been some misunderstanding, as there is no suit between that Company and the Gas Company, but between them and the owner of a certain well which has been contaminated by their gas, and in respect of which the Gas Company have to pay £11 a year. It does not appear that either of these lawsuits are likely to have any embarrassing consequence to the Corporation. Then, as regards pensions, Messrs. Carter and Carter report that they are altogether less than £200 per annum. As regards the Birmingham and Staffordshire Company, members of the Council will find on page 20 of the Committee's report that there is a long contract for ammoniacal liquor expiring in 1880. It is very difficult to compare the price of that residual, because I am informed that the strength of the liquor varies, and the price varies with it; but, *primâ facie*, the price which the Birmingham and Staffordshire Company are obtaining is less favourable than that obtained by the other Company; but, at the same time, the amount of the sale of this residual is really of small importance in comparison with the other portions of the business of the Company. As regards the tar contracts, advantageous contracts have just been concluded at a time of high prices, which extend for a considerable period in advance. The pensions in connection with the same Company amount only to an allowance of 10s. per week to two old servants of the Company. There is nothing else calling for remark in the reports of the accountants excepting their calculations as to the future profits, to which I shall ask the attention of the Council, in connection with the terms which have been suggested as between the two Companies and the Committee. I am bound to

say, with regard to these terms, that they are submitted to the absolute discretion of the Council. The Council may reject them or refuse them, but I do not think the Directors will be willing to submit any important modification of them to their shareholders. As regards the Birmingham and Staffordshire Company, which I will take first, the Council is aware that this Company has for many years past paid its maximum dividend. There is no doubt about it having made its maximum dividend, because Mr. Percivall reports that he finds in the accounts the traces of the actual payment in cash of the maximum dividend for a period of at least ten years, so that it is not an illusory profit, but it is an actual one paid to the shareholders in cash. The terms which are proposed to the Corporation are these—that they shall take the whole undertaking just as it stands, guaranteeing in perpetuity the maximum dividend on the present authorised capital of the Company. The Company will retain for itself its reserve fund, which, is, in fact, its surplus of undivided profit. It also claims to retain the sum of £10,906, which appears in the accounts as capital not bearing dividend. I am informed that some time ago shares were issued at a premium, and the sum I have mentioned is the product of the premiums on the issue of those shares, and it appears to me that the Directors are perfectly entitled to have that amount repaid to them for the benefit of their shareholders. In the first instance, the Birmingham and Staffordshire Company also asked that the Corporation should guarantee the income tax upon their annuities, they having paid their dividend up to the present time free of that charge. The General Purposes Committee, however, took very strong objection to any such payment, and I am glad to say that the demand has been entirely withdrawn. The Council will observe that in this negotiation no money passes between the Company and the Corporation, and they need be in no fear that the credit of the Corporation will suffer by an unavailing attempt to raise $1\frac{1}{2}$ millions of money, as was suggested on a previous occasion. The whole transaction consists in the Corporation guaranteeing the maximum dividend, and taking for the town any surplus profits which there may be after paying those sums. What

does that liability amount to? The authorised capital of the Company is £670,400, which is made up in this way—£320,400 is capital bearing a maximum dividend of 10 per cent., which produces, therefore, to the shareholders £32,040 per annum; and there is also the sum of £350,000, bearing a maximum dividend of $7\frac{1}{2}$ per cent., the annual payment upon which, therefore, is £26,250. Adding these two sums together, the Council gets its liability as £58,290 per annum. That is what the Corporation undertakes to pay for the property of the Birmingham and Staffordshire Gas-light Company. Now, what do they receive? I am going to assume in all my calculations that the present price of coal will continue, and that the present price of gas will continue, or that they will only vary proportionately—that is, that if the price of coal decreases the Corporation will give the consumers the advantage of such reduction. It would be perfectly absurd for me to take credit for any imaginary profit only made by taking out of the pockets of the ratepayers as gas consumers what is to be given back to them as ratepayers. I assume that the Corporation will act in the future, if it obtains possession of these Companies, precisely as the Companies themselves would act if they continued the working of the concerns under their statutory obligations. I find that, upon this assumption, Mr. Percivall states that he estimates the future profits of the Staffordshire Company at £63,983 per annum. Deducting from that the liability of the Corporation—namely, £58,290—and you will have the immediate profit to the Corporation of £5,693 per annum. Then, however, there are the directors' fees. Unfortunately, the Corporation does not receive those little douceurs for the labour that it bestows upon the work of the town. We only obtain our reward in the respect and esteem which are bestowed on every member of the Corporation by the ratepayers generally. We shall, therefore, transact the business of those Companies, I hope, as efficiently as it is already transacted by their directors, and we shall not charge £1,200 a year for our services in so doing. I add that £1,200 to the £5,693, and obtain £6,893 as profit accruing to the Corporation. But that is not all: we have to pay the maximum dividend on the authorised capital, of which the sum of £50,000

remains not called. That will be called up, and will be taken to by the Corporation as part of the assets of the Company, but we have to pay out a sum of £10,906 which is capital not bearing interest—capital, however, which helps the Companies to earn their dividends. Deduct that £10,000—to put it in round numbers—from the £50,000 which we are to receive, and the Corporation will receive in cash £40,000, which will relieve them of the necessity of raising £40,000 by loan, upon which the Companies are now paying four per cent. interest. We shall therefore save four per cent. interest on £40,000, which, for the purpose of the present estimate, I will take at £1,500. That raises the profit of the Corporation to £8,393 per annum. I have still a little nest-egg in the shape of the income tax, which, having been charged by the Company as part of the cost of the manufacture of gas, will now have to be paid by the shareholders as a necessary tax upon their annuity from the Corporation. Assuming that the tax remains at 3d. in the pound, it will amount to £728 per annum; but, for the sake of getting even figures, I will put it down at £607 per annum. Add that sum to £8,393, and we get a final total of £9,000 per annum as the profit obtainable by the Corporation from the transfer, on the terms made, of the concern of the Birmingham and Staffordshire Company, in the first year after the transfer.

The negotiations with regard to the other Company have been conducted upon a different basis altogether. Instead of guaranteeing any annuity, we have in this case agreed to pay a sum down for what is called the stock, lock, and barrel of the undertaking. The Corporation are to purchase the concern, and the sum agreed to be paid is £450,000. There happens to be, in the case of this Company, a small reserve fund, an unconsidered trifle of about £6,000, which the Directors were extremely anxious to secure for their shareholders. To all their entreaties, however, the Committee turned the deafest of ears, and refused to let the Directors have that little property, and accordingly it is understood that it will be taken to by the Corporation. Practically, therefore, the sum the Corporation will have to pay is £444,000. It is for the Council to consider on what terms they can raise that sum. My opinion is that they

will have no difficulty in raising it at 4 per cent. I have not the slightest doubt they can get a million of money in a short time at 4 per cent., but I will take 4 per cent. as one basis, and 5 per cent., which is the uttermost extreme, as the other basis. Assuming that the Council paid 5 per cent., this purchase would cost them £22,200 per annum. As to the profits to be expected in return, it will be seen from page 9 of the report that Messrs. Carter and Carter consider the profit may be safely estimated at £28,000 per annum. Subtracting the one amount from the other, there will be a clear profit to the Corporation of £5,800 per annum. Supposing, however, that they had only to pay 4 per cent. for the purchase-money, the profit would then be increased to £10,240. Putting the two Companies together, the Council will see that, if the Corporation borrowed the money at 5 per cent., the total profit on the two transactions would be, in the first year, £14,800, and in the event of their only paying 4 per cent., the total profit would be £19,240. But there are still some other items the Council have yet to take into account. In the figures which I have laid before you, I have not taken into account the saving which the Corporation will make in the collection of the rents. The sum at present expended by the two Companies amounts to something over £4,000 per annum, and a large proportion of that sum, at all events, may safely be added to the estimate of profit which I have already given. Then, there is an unknown, but still very important, saving in the cessation of the necessity for a double service throughout the town. The Corporation will in all new extensions be satisfied with the single service instead of the two sets of mains at present put down through all the principal thoroughfares. And, lastly, there must be considered the saving in the salaries, which are necessarily larger in a double staff than in a single one. As to that, the accountants in both instances were desirous of estimating it in their calculations, but I asked them not to put anything to the credit of their calculations for such an item, because I did not like to ask the Council to consider purely speculative items, and also because I believe that if the negotiation is to be completed, the Council must make up their mind to employ, at the best possible price, the best possible assistance for the management of the under-

taking. Unless the Council is prepared to deal most liberally with the servants whom it may employ for the management of this undertaking, I earnestly advise them to have nothing whatever to do with it. It can only be successfully conducted by men of great experience, of great practical ability, and that experience and ability have a market value which is much higher than anything we have hitherto put upon the service of any servant of the Corporation; and unless the Council feel it to be its truest economy to give sufficient remuneration to those whom it may employ, in connection with these undertakings, the less they have to do with it the better. Reviewing the whole matter once more, I consider that without these speculative items, the Corporation may rely upon making £15,000 to £20,000 the first year, and in a few years it must of necessity make something like £25,000 per annum, even supposing that there is no increase in the sale of gas. And now I ask your consideration to the increase in the sale of gas. I find from the reports of the Birmingham and Staffordshire Company, that the sale of gas by that company has for the past ten years increased at the rate of 5 per cent. compound, or in other words, that it has doubled itself in fourteen years. In the case of the Birmingham Company the sale of gas has increased nearly 6 per cent. compound. Assuming that the sale of gas from the whole town proceeds in the future at the rate of 5 per cent. compound, then in fourteen years hence the companies will be able to pay their maximum dividend on double their present amount of capital. Their present amount of capital is a million, as nearly as possible. Assuming that their maximum dividend for the future is confined to 7 per cent., which is less than anything they pay at present, they will be able to distribute in fourteen years £70,000 per annum additional profits. But for the Corporation to obtain that £70,000 a year, it will only be necessary to borrow that million of money at 4 per cent. The difference between what we shall pay and what the companies would charge, will amount to £30,000 per annum. Whilst therefore, there is an immediate gain of £20,000 a year, there will be a gain in fourteen years from the present time of £50,000

per annum, without in the slightest degree increasing the cost of gas to the consumer more than would have been the case had not the Corporation taken the concern. There were only two facts which militate against us in these negotiations. In the first place, the Corporation will have to pay the costs of the transfer. The Town Clerk informs me that the stamp duty alone will be of very considerable amount. Then the second fact is that Parliament may impose upon us the institution of a sinking fund. Supposing that they do so, and that it amounts to 1 per cent., there will be a sum of something like £10,000 a year which we shall have to deduct from our profits for the benefit of future generations, but the town will have the advantage of the sum, only our successors will profit instead of the present generation. It may be remarked, however, that we may not find it necessary in strict book-keeping to carry such large sums to revenue account for repairs and depreciation as have been carried by the companies, who have had special reasons for not appearing to make a larger profit. This, then, is the proposition I have to put before you for your consideration. I do not desire to urge the Council to anything hasty or inconsiderate, but at the same time I am bound to point out that if the negotiation appears to you as it does to me—one upon which it is possible to come to a speedy determination—such promptitude will be exceedingly desirable. I am informed by the solicitors to the company, and by the Town Clerk, that if the resolution be immediately adopted it may be possible to get through the present session of Parliament a bill confirming the agreement. In that case we may enter immediately upon the occupation of the property of the Birmingham Gas Company, and we shall be in a position to enter upon the occupation of the Birmingham and Staffordshire Company on the 1st January next year. In that way not only shall we secure an early possession of the advantages which I anticipate for the town, but we shall also avoid those difficulties which generally arise when one party is carrying on business for its successors, whom it expects almost momentarily to step into its shoes. I have very carefully examined the statements I have made to-day,

and the facts prove, as I think, that I was not over sanguine in my first statements. I hope that will lead the Council to believe that I am not now over sanguine in my anticipations of the results which I am convinced must be realised with ordinary capacity and honesty of management. As I do not for a moment doubt the possession of these two necessary elements by the Corporation of Birmingham, I feel perfectly safe in any predictions I have had the honour to make. In any event, I hope that the facts I have laid before you justify me in submitting the resolution to the Council.

The Resolution was seconded by Alderman Hawkes and supported by Aldermen Manton, Osborne, Biggs, and Avery, and Councillor Barrow.

It was opposed by Alderman Cornforth and Councillor Lowe, and carried by 46 votes to 1.

A poll having been demanded, the votes were as follows :—

FOR THE RESOLUTION (46).

The Mayor, Aldermen Avery, Biggs, Brinsley, Goodrick, Hawkes, Manton, Osborne, Phillips, Sadler; Councillors Arculus, Aston, Austin, George Baker, J. E. Baker, Barker, Barratt, Barrow, Carter, Arthur Chamberlain, William Clements, Cook, Cox, Davis, Derrington, Deykin, Downing, Ellaway, Gooch, Heaton, Heyden, Lewis, Morley, Nock, Payton, Perkins, Pollock, Rolason, Sarsons, Shammon, Startin, Stone, Stubbs, Thomason, Whateley, and White.

AGAINST THE RESOLUTION (1).

Councillor Lowe.

On April 13, 1874, a meeting of ratepayers was held in the Town Hall, when the Mayor, who presided, explained the object of the Bill, and moved a Resolution approving the same.

After some discussion the Resolution was carried by a large majority. A poll was demanded and held on the three following days.

The result was announced in the Town Hall on the 17th April, as follows :—That 2,567 votes had been recorded in favour of the Resolution and 1,264 against it, leaving a majority of 1,303 votes in favour of the Resolution. The number of individual ratepayers who voted in favour of the Resolution being 1,219 and against it 683.

On April 21, 1874, the General Purposes Committee reported the execution of the agreements and asked authority to take up the Bill of the Birmingham Gas Company, then before Parliament, and to amend the same by the insertion of clauses to carry out the agreements with the two Companies.

The Report was approved, and in this way it was hoped that delay would be avoided, as the time had passed for giving notice for a new Bill on behalf of the Corporation.

On May 5th, 1874, the General Purposes Committee reported that the Standing Orders Committee of the House of Commons had refused to allow the Standing Orders to be dispensed with and the Bill of the Birmingham Gas Company to be amended in the way suggested. The General Purposes Committee therefore asked the authority of the Council to prepare a Bill to be introduced into the next Session of Parliament. The report was approved.

On October 6, 1874, Alderman Sadler called the attention of the Council to the published accounts of the Companies for the half year ended June 30, 1874, by which it appeared that the profits for that period were not sufficient to pay the dividends, and moved that the General Purposes Committee should be instructed to examine and report on these accounts, and also to report to the Council whether it was desirable to take any steps for rescinding the agreements entered into with the two Companies. The Resolution was carried unanimously.

On December 8th, the General Purposes Committee brought up reports from Messrs. Carter and Carter and J. Percivall, public accountants, who had been instructed to examine the balance sheets of the two Companies, and who reported as the result of their further examination that they were confirmed in the opinions already expressed of the advantages likely to result from a transfer to the Corporation.

The General Purposes Committee reported that it was undesirable to take any steps for rescinding the agreements, and submitted a Draft Bill for carrying them into effect.

The Chairman, Alderman Hawkes, moved that the Council go into Committee to consider the Bill.

Mr. Councillor Beard opposed the Resolution and moved an amendment to refer the matter back to the Committee.

The amendment was rejected by 44 to 4, and a poll having been demanded the votes were as follows:—

FOR THE AMENDMENT, (4).

Aldermen Brinsley, Cornforth, Sadler; Councillor Beard.

AGAINST THE AMENDMENT, (44).

The Mayor, Aldermen Avery, Baker, Biggs, Goodrick, Hawkes, Manton, Osborne, Prime, Sturge, Taylor; Councillors Arculus, Austin, Baker, Barker, Barrow, Carter, Arthur Chamberlain, Richard Chamberlain, Clements, Collings, Cook, Davis, Derrington, Deykin, Downing, Samuel Edwards, Ellaway, Gooch, Heaton, Hinks, Holden, Kneebone, Morley, Parry, Payton, Perkins, Pollock, Sarsons, Shammon, Thomason, Whateley, White, Wright.

The Draft Bill was then considered and approved.

The Bill came before a Special Committee of the House of Commons, consisting of Mr. Cowper Temple, Chairman, Mr. W. H. Gladstone, Mr. Errington, and Mr. Whitelaw, on April 15th, when the Corporation were represented by Sir Edmund Beckett, Q.C., Mr. Michael, and Mr. Dugdale.

Before the committal of the Bill the promoters added a clause binding the Corporation to supply gas at the same rate outside as within the borough; and another clause requiring the Corporation to sell to the Local Boards jointly the West Bromwich Works and Mains with the supply to their several districts.

The *locus standi* of the Railway Companies, and of the consumers outside the Borough, having been disallowed, the preamble was opposed by the Local Boards of Aston, Handsworth, Tipton, Oldbury, and Smethwick, the Commissioners of West Bromwich, the Corporation of Walsall, and certain Birmingham consumers.

The General Purposes Committee agreed with the Corporation of Walsall to sell to them that portion of the undertaking within their district for the sum of £1,300 per annum in perpetual annuities.

The witnesses called for the Corporation were—the Mayor, Messrs. J. T. Collins, W. Evans, S. Walsh, Henry Hack, Richard

Williams, S. Briggs, Robert Jones, C.E., Thomas Griffiths, J. S. Wright, Sir Joseph Heron, J. A. Kenrick, E. Peyton, and the Town Clerk.

After speeches by counsel on both sides the preamble was declared to be proved, the Corporation undertaking to insert a clause enabling each of the Local Boards to purchase at any time their respective portions of the undertaking, without the West Bromwich Works, the price being calculated on the amount paid by the Corporation and a deduction of one-fifth allowed for the value of the works and land.

This clause was substituted for the one allowing the Local Boards jointly to purchase the West Bromwich Works and the mains and supply of their respective districts.

The whole of the clauses and alterations proposed on behalf of the Birmingham consumers were rejected, but the illuminating power of the gas supplied was, with the consent of the promoters, altered to fifteen candles tested by Sugg's London Argand burner.

These proceedings, with the amended Bill, were submitted to the Council on May 4, 1875, by the General Purposes Committee, whose report was approved.

On June 14, 1875, the General Purposes Committee again reported.

On this occasion Alderman Baker enquired what action the Committee had taken to meet the opposition of the Local Boards. The Mayor, in reply, said :—

With regard to the question put by Alderman Baker, he could hardly hope there would be much good, and yet he could not think there was any harm, in speaking frankly with reference to the opposition of the Local Boards. In the negotiations which had been conducted, from first to last there had been on the part of the representatives of the Council the most earnest desire to deal liberally and fairly with those gentlemen. They had felt altogether differently in this matter to what they would have felt if it had been a private concern of their own. They felt that while something was due to them as a great public Corporation, the others were public and equally representative bodies, and they had, there-

fore, been most scrupulously conciliatory in their negotiations. From first to last, however, their efforts seemed to have been mis-appreciated, mis-represented, and certainly unsuccessful. They had been quite at a loss to understand the position which had been occupied by the representatives of the Local Boards. The non-settlement of this matter was a much more serious matter to those Local Boards and their constituents than to the Council. They were a great Corporation, and however much they might regret the loss of a few thousand pounds, it would not make much difference in their budget at the end of the year, but when these Local Boards came to discover the exact amount of the expense which had been needlessly incurred, he could not help thinking, if their constituents had anything like the activity of the constituents of the Town Council, that they would have rather a warm time of it. At Balsall Heath, the other day, £200 was asked for expenses, although the petition had been withdrawn, and the Clerk told his Board that if they had opposed at least £1,000 would have been required. At Handsworth £650 was asked on account of the expenses already incurred with respect of the Gas and Water Bills. With regard to the Water Bill, however, an arrangement had been come to, so that the expense in that matter could not have been great. £650 was therefore asked for on account of the opposition to the Gas Bill in the House of Commons. He would be surprised if one of those Local Boards got out of the matter for less than £2,000, and that, to their ratepayers, would be a very serious thing. He should not say anything about the expense if he believed that any object would be obtained by it. If those gentlemen had any claim upon the Corporation which the latter refused to satisfy, and which was worth the money spent, he should say they were right enough in continuing their opposition, but what grieved him in this matter was that both parties were spending without anything to fight for. Upon his honour, he did not know what those Local Boards wanted, and he did not know, therefore, whether the Corporation could not give it them if they said what they wanted. Again and again they had appealed to those gentlemen, and said, "Tell us what you want, and we will try and give it you;" but from first to last they

had refused to state definitely their demands. What had the Corporation done to give proof of their willingness to meet the opposition? When they went to the House of Commons in the first instance, they gave concessions to the Local Boards which had never been given in similar transactions to persons situated as they were. In the first place, a clause was inserted providing that other districts should be always supplied on as favourable terms as the Borough itself. In Manchester, Glasgow, and other large cities, an extra price had always been allowed as against the out-districts. He confessed he did not think it would be fair to ask that in this particular case, and he was glad to say that the General Purposes Committee had always accepted that view. They put in a clause which prohibited them from asking more than was paid within their own limits. Then, early in the proceedings, those Local Boards came up in a body, and told them in writing that they desired to purchase, on fair terms, the West Bromwich works, and the supply to their own districts. Accordingly, a clause was inserted giving the power they requested in the exact proportion of the supply they bought to the supply the Corporation bought; that was to say, if the Corporation paid a shilling for the purchase, and the Local Boards wanted a fourth, they would have had to pay threepence. They had hoped that this would have satisfied all complaints, but they still found the Local Boards opposing before the Commons, and on instructing counsel to ask what they wanted in addition, they altogether declined to say. In the course of the examination of the promoters' witnesses, it came out, however, that the opponents considered that a joint purchase would be impossible. He supposed that those unfortunate Local Boards, perfect as they were in many ways, could not agree among themselves when they came to settle the terms of division. To the request that power should be given them to severally purchase the supply in their districts, there seemed at first sight to be a very grave objection, and on behalf of the Corporation he (the Mayor) opposed it, as he did not see how the undertaking could be cut to pieces. After further consideration, and on consulting with the engineer, and above all, after receiving a suggestion from the Committee that they thought this

demand should, if possible, be complied with, the representatives of the Corporation in London arranged a clause giving the Local Boards power to buy their several supplies separately—doing away altogether with the joint application—on the same terms, and at the same price, as those on which the Corporation had bought, as near as they were able to calculate. That was the intention of the Corporation, and if that intention had not been carried out, let the Local Boards tell them where it failed, and they should be glad to alter it. If the Corporation had made a good bargain, as they thought they had, the Local Boards should have the opportunity of getting a slice of it on the same terms. Whatever the Local Boards might think—and he hoped their constituents would see the report of his speech—he asserted on his honour that that clause was a *bonâ fide* endeavour to meet the wishes they had indicated but not expressed, because those gentlemen seemed denied the gift of articulate speech. What had been the result of these several concessions one after another to the Local Boards? Why, he found that up to Saturday last six of the Boards which had opposed the Bill in the House of Commons were prepared to oppose it in the House of Lords. Well, he really had submitted in dealing with those Local Boards to humiliation, which, if it had been his own private business, he would not have stood for one moment. He did so, however, because he thought the interest of the public was superior to personal considerations. With the assent and advice of the General Purposes Committee, he determined to make one further effort, and he therefore caused a letter to be written to the chairmen and the clerks of the several Local Boards—a letter which he begged to say was most conciliatory and courteous in tone—pointing out that they had to the best of their ability satisfied every desire they had known them to express; and if they had failed to meet their wishes, the Committee wished to know what they further desired, and, above all things, the Committee invited them to a conference, to talk over the matter in an amicable manner, and to see if any arrangement could be come to to spare both sides this unnecessary expense. The chairmen and the clerks of the Handsworth and Aston Local Boards met the Sub-committee on Saturday, and after a few minutes of amicable and friendly conversation, misapprehensions which undoubtedly did exist were

entirely removed. Concessions were asked on the one side, and most readily and willingly conceded on the other. The whole difficulty disappeared, and as far as those two Boards were concerned the matter was at an end; and they had undertaken to withdraw their petition—at least the representatives had undertaken to recommend their Boards to do so—and the Committee, on their part, had undertaken to recommend the Council to give the concessions asked. In this there was no loss of dignity on the other side, and there was no injury on theirs; there was merely an explanation and a slight alteration of plans, which had satisfied both parties. What a pity it was that while those two Boards had taken that course, and with the result he had mentioned, the other four Boards had caused letters to be written generally discourteous and offensive in their tone, all of them declining to meet the representatives of the Corporation of Birmingham. To complete the statement, he ought to say that those four Boards asked for certain information which they said they required before they would even consent to meet the Corporation. They had not, however, that information in their possession; it was information in the possession of the Birmingham and Staffordshire Gas Company, and they had informed the Boards that while they did not think they were entitled to the information, or that it was relevant information, yet they did not presume to dictate to the company what it should do, and so far as they (the Corporation) were concerned, they left it entirely to the discretion of the Company whether they supplied the information or not. What they had asked those four Boards all along to do was to accept the principle which they (the Corporation) had laid down—namely, that they should buy any proportion of the undertaking they wanted at a proportionate price. That principle once granted, they had said they were willing to discuss any of the details the Boards might like to raise. That morning he received a letter from the clerk of one of those four Boards, stating that a meeting had been called of the opposing Boards, at which, as he understood it, his own communication and that from the Town Clerk would be more fully considered, and he could only hope that after they had been made aware of the feeling of the Birmingham Town Council, as he ventured to say he had now expressed it—a feeling, that was, of conciliation and of friendship—they would no longer refuse

to meet the Corporation in the same spirit, and to put a stop to this annoying, irritating, and unnecessary litigation.

The report was approved, and the Bill came before a special Committee of the House of Lords, consisting of Lord Penrhyn (Chairman), the Duke of Grafton, Lords Raglan, Castlemaine, and Greville, on 21st June, 1875, when the same Counsel appeared for the Corporation.

An arrangement was made with the Railway Companies to allow them the usual rating exemptions in case of any deficiency, and to carry the profits to the Improvement Fund and Rate, whereupon their petitions were withdrawn.

An agreement having been made giving to Handsworth and Aston the power to purchase their right of supply and the mains in their district for a price proportionate to the whole price paid by the Corporation for the Staffordshire Company's works, less the value of the Works as standing in the Company's books, and an alteration having been made in the Bill limiting the Reserve Fund to £50,000 for ten years, the opposition of the Handsworth and Aston Local Boards was withdrawn.

The Local Boards of Tipton, Oldbury, and Smethwick, and the Commissioners of West Bromwich continued to offer opposition, and were represented by Counsel.

The witnesses called for the Corporation were—the Mayor, Messrs. J. T. Collins, Henry Parry, George Heaton, Robert Jones, C.E., and the Town Clerk.

The following witnesses were examined on behalf of the Local Boards :—Messrs. F. J. Bramwell, C.E., G. W. Stevenson, C.E., and R. Farley.

By the desire of the Committee, the clause empowering the Local Boards to purchase at any time, on a fixed principle, their proportion of the undertaking, was altered, and the time of option of purchase was reduced to two years, while the price was left to be determined by arbitration.

The Bill then passed through Committee, and was read a third time on 15th July, 1875, in spite of the efforts made by Mr. Blyth, one of the agents of the Local Boards, to get the Bill recommitted in order to secure a more favourable purchasing clause.

At a meeting of the Council, held July 27, 1875, the General Purposes Committee submitted the Bill as finally amended, with a report of the proceedings; and the Mayor then moved the following Resolution:—

“That a Gas Committee be appointed to make the necessary arrangements for the completion of the transfer of the Undertakings of the two Gas Companies to the Corporation, and to conduct and manage the said Undertakings; and also to provide for an Arbitration in the event of the Local Authorities in any of the outlying Districts determining to purchase that portion of the Gas Works within their jurisdiction; with all the powers that may be conferred upon this Council by ‘The Birmingham (Corporation) Gas Act, 1875,’ reporting to the Council from time to time thereon.”

The Mayor said:—I think, before dealing with the special question raised by the resolution I have just read, I am entitled very cordially to congratulate the Council upon the great success which has attended these Parliamentary proceedings. I believe there is no instance on record of a Corporation seeking in a single Session such extensive powers; I am quite certain that there is no instance in which a Corporation has been equally successful. We have passed two important measures, and if the Council should endorse and approve the recommendations which I shall have to submit to it, I believe that as regards the Gas Bill, we shall have secured a business eminently profitable to the ratepayers of the town, which will lead at no distant date to a very considerable reduction in the taxation which now presses so hardly upon them, especially upon the poorer classes amongst them; and in the Water Bill we shall have secured a measure which will do more than anything else I can conceive of to add to the health, and consequently to the comfort and happiness of the people of Birmingham. Before I go further, one duty I feel I have to fulfil, and that is to tender my individual thanks, and to ask you to support me in so doing, to those officers of the Corporation who have given more than common service, and to whom more than ordinary praise is due for their exertions in connection with our Parliamentary proceedings. In the first place, I wish to say how much I owe to the Town Clerk for his indefatigable assistance and support in this matter. Looking back upon

our proceedings, I really do not see any way now in which our case could have been presented more efficiently or more satisfactorily, and that is the best testimony I can offer to the services of our Town Clerk. I am bound also to remind the Council that work of this kind involves an immense deal of extraordinary labour which is hardly provided for in the ordinary terms of service between ourselves and our officers. This extraordinary labour has been readily performed, and I believe there is no one—not even myself—who more rejoiced in our success than did the Town Clerk when the announcement was made that the Water Bill had passed. The Borough Surveyor and the Medical Officer of Health gave us valuable assistance; the Medical Officer of Health especially gave most important evidence, and, as far as I could see, that evidence was not touched in the slightest degree by the very severe cross-examination to which Dr. Hill was exposed. Not only to the officers directly concerned, whose names come before the public, do I tender my thanks, but also to those behind them who have had thrown upon them a great deal of extra work in connection with these proceedings. To Mr. Ball, and to the other clerks in the office, who have without the slightest complaint most ungrudgingly given all the extra work which these very important measures have entailed upon them, I do say our hearty thanks are cordially due.

Now, coming to my resolution, I will remind you that the report which I have read states that the Bill is substantially the same as it was when first presented to this Council. I will go further, and say that the amendments are, generally speaking, very greatly to the advantage of the Corporation and the town which it represents. I propose to consider these amendments pretty much in the order in which they have been made, and to direct your attention to the changes and to their probable effects. In the first place, you will recollect that we proposed that all money raised for the purpose of this undertaking should be repaid in 100 years, but you were informed we should have to go before Lord Redesdale, and we feared his assent might not be obtained for such a proposition. Well, we did not find Lord Redesdale quite so black as he was painted to us. He accorded to us a term of 85 years in the case of the gas, and 95 years in the case of the water, and as the difference between that and the original proposition

would only involve a fractional difference of charge, we had no hesitation in gratefully accepting his Lordship's amendments. The charge for repayment is a very proper charge upon the Corporation with regard to all of its debts, and in the present instance it certainly will not be too onerous to the present generation of ratepayers. Then, in the next place, the bills have been very largely increased in bulk by the number of provisions and amendments which have been inserted at the instigation of the Companies. They do not affect the Corporation to any important extent; they provide for the distribution of the money, and contain the arrangements as between the Directors of the Companies and their shareholders. With that we have really nothing to do. Then I come to several amendments, introduced thanks principally to the philanthropic interference of the railway companies. I don't think this Council has hitherto been accustomed to regard the great railways as benefactors to their species, but in the present instance I am bound to say we are greatly indebted to them. The Council will recollect that, having a great distrust—a natural distrust—of the improvement rate, the incidence of which is unfair, in arranging the bills originally we threw the charges on, and gave the profit in both cases to the Borough Rate. The railway companies becoming aware of this, required that they should be allowed a drawback of three-fourths in respect to their assessment, whenever, or if ever, any loss accrues on these undertakings. We suggested to them that it was a case for a compromise, and we offered to put the Gas undertaking on the Improvement Rate, if they would give up any claims in the case of the water. They accepted that insidious proposal, the result of which is that they will have a fourth of the advantage in the case of the undertaking upon which we expect to make a large profit, and they will pay the whole of their proportion of charges on the undertaking in which we may possibly at times make a considerable loss. I beg, as a member of the Corporation to congratulate you on this result, and I hope in return you will condole with me as a shareholder in some of these Railways.

The next amendment to which I shall call your attention is the clause introduced at the instigation of and in consequence of the agreement with the Corporation of Walsall. The Corporation of Walsall stand in an exceptional position, for they were wise enough to

get possession of their Gas Works many years ago. They are managed by Gas Commissioners, but I believe now the Corporation will absorb the Gas Commissioners; and the authorities of the town having obtained possession of the Gas Works at a very early period, they have made large profits; they have been able to write off almost the whole of the purchase money, and they have supplied gas at a cheaper rate than any Corporation or Company within the United Kingdom, which is the result of good corporate management under favourable circumstances. One indirect result of this is that the Birmingham and Staffordshire Company have had in competition with the Walsall Corporation to supply gas at a lower rate in Walsall than in Birmingham. To their smaller consumption in Walsall they actually supply gas at 9d. per 1,000 feet less than they are able to supply it to Birmingham. On that ground, and because we did not like the notion of one Corporation going into competition with another, we were very anxious by amicable agreement to dispose of that part of our business to the Corporation of Walsall, so that they might be supreme within their own jurisdiction, leaving to us the rest of the undertaking. It was shown to us that the actual profit from the sale of gas in the district of the Gas Commissioners of Walsall was not more than £800 per annum, and that sum was accordingly offered us in perpetuity by the Commissioners; but we represented that the state of affairs was abnormal and exceptional at the present time, and we should hope to make larger sums in future. Consequently we asked £1,500 a-year to leave the place, and finally, after very amicable interviews with the Mayor and the Chairman of the Gas Commissioners of Walsall, we settled on a sum of £1,300 per annum, payable by perpetual annuities. That, I think, is a very admirable arrangement for the Corporation of Birmingham, and at the same time I have no doubt it will be profitable and satisfactory to the Corporation of Walsall. That it is a good and fair arrangement is shown, I think conclusively, by the fact that no sooner had we completed it than the Birmingham and Staffordshire Company immediately adopted it, and agreed, in case our bill failed, that they would sell their property to the Corporation for the same sum as we had previously arranged. Of course, no one can know better its value than the Company, and the fact that they were ready to adopt our bargain shows it was not a bad one.

And now I come to the opposition of the Local Boards. What shall I say of this opposition? I say it was a foolish opposition; I say it was a factious opposition; I say it was a futile opposition. I say it was an opposition which was ignorant in its commencement, ridiculous in its conduct, and impotent in its conclusion. The other day, when I spoke to the Council upon this subject, I said that the Local Boards did not know what they wanted, nor what they objected to. I now add to my statement. I say they never have known what they wanted, and they do not know what they have got. They never have, from the first to the last, been able to agree amongst themselves what they should ask, and they would have got more by amicable arrangement than they have obtained by fierce opposition. At the same time, if I am to blame anyone, I ought to blame the ratepayers who have allowed their representatives to spend their money without inquiring into the circumstances of the case. Perhaps, however, on a review of the whole subject, we can afford to say little. We have won a victory, and it is a good rule not to hit a man when he is down; and, therefore, with your permission, I shall be as considerate with these local authorities as the interests of truth will permit. There are degrees in local authorities, and if I were writing a history of species, and the natural history of local boards, I should discriminate them into several classes. For instance, there are in our neighbourhood the Local Boards of Darlaston, Wednesbury, Balsall Heath, and Harborne, for whom I have the highest respect, who have shown their good sense by placing confidence in the Corporation of Birmingham, who have not wasted a penny of their money in these proceedings, and have consequently got without fighting all that the other people have got after their opposition. In fact they have got something more, for in future negotiations I think the Corporation will be inclined to meet them more generously and liberally than they would feel it necessary to do with the other authorities concerned. Then there are the Local Boards of Handsworth and Aston. They stand in a sort of intermediate position. They repented after a somewhat long delay; they fought us in the Commons and they retired in the Lords. I don't feel inclined to be hard upon them. Handsworth and Aston are parts of Birmingham to all intents and purposes; members of this Corporation sit upon their

Local Boards, and we are supposed to infuse part of the intelligence of the Birmingham Corporation into their ranks. Our ratepayers are, many of them, ratepayers in Handsworth and Aston, and therefore, when I heard that they were going to oppose us, I made exceptional endeavours to come to a practical understanding with them. I am very glad to say that at last we succeeded. We had, as I think I have told you, a friendly interview before the Bill went into Committee of the Lords, and we settled everything in a way which, I believe, was satisfactory to both parties. With reference to that, what has been my astonishment in perusing the proceedings of the Oldbury Local Board of Health to find the Clerk saying that "by the opposition the Oldbury Local Board had offered to the Bill they had placed themselves in an infinitely better position than the Handsworth and Aston Local Boards, who had agreed to the Mayor's proposal as to the basis of purchase, and were now sorry that they had done so." I have reason to believe that the Handsworth and Aston Boards are not sorry that they agreed to the Mayor's proposal, but I am quite certain this statement of the Oldbury Clerk is a wrong statement. In the Bill there is nothing about Oldbury, or Handsworth, or Aston. Whatever provisions apply to any of the Local Authorities apply to all. Whatever Oldbury has got, Aston and Handsworth have got, and they have something in addition which Oldbury has not. They have got this concession to which Oldbury attaches so much importance, and they have something beyond—they have got an alternative agreement which I think they will consider, as I consider it, infinitely preferable. That agreement is to the following effect, and I shall have to ask the Council at a later period formally to confirm and approve it. It is a personal agreement between the Chairmen of these Boards and myself, and I have undertaken to do my best to recommend it to the Council. The agreement purports that if these Local Boards of Handsworth and Aston shall at any time desire to purchase their portion of the undertaking, they shall be able to do so on paying a proportionate price of what we have paid for the whole undertaking—an offer which, in the first instance, I made to all these several Boards. Handsworth and Aston alone have accepted it, and the benefit is reserved solely for them. We have also, in deference to a wish expressed by the Handsworth and Aston Local

Boards, inserted a provision restricting the reserve fund to £50,000 for the first ten years. That will be ample for the present, and the objection taken to the £100,000, as being excessive, is got rid of. I come now to consider the results which have been gained by the four Local Boards who continued their opposition through the Lords. In the first place, they say they have obtained a provision which gives to them and to all the Local Authorities the right at all times to have their gas at the same price as the Birmingham people have it. I see upon that subject the Chairman of the Oldbury Board said, "If the Board had not taken the course it had pursued, they would not now be in such a good position, as they would have had no security against the price of Gas being raised to an unreasonable extent." I find the Chairman of the West Bromwich Commissioners saying, "If the Commissioners failed to purchase in a specific period, this advantage had been gained by opposition, namely, that outlying districts were now in a position to have Gas supplied to them at the same rate as Birmingham." You find these gentlemen, who are supposed to be acquainted with the history of these transactions, telling these innocent ratepayers of theirs in the Black Country that they have gained this important clause—by what? By their protracted opposition in the House of Commons and the House of Lords. In April, 1874, before either of these Bills were drawn, or before either House, I had an interview on behalf of the General Purposes Committee with these very Local Authorities, represented by their Chairmen and their Clerks, and among other things I stated this:—"That the Corporation would be willing to guarantee that the districts around should be supplied at least as favourably as if the undertaking continued in the hands of the present Company." And on the 30th May, 1874, in a memorandum of the interview I had with the Chairman of the United Committee, I find these words: "The Mayor assured Mr. Bennett that the Corporation would be ready to guarantee that the inhabitants of the districts outside the borough supplied with Gas from the West Bromwich works should be placed in at least as favourable a position as is now held by them under the Birmingham and Staffordshire Company." The position held by them under the Company was that they were supplied on the same terms as the Borough of Birmingham, and from the first to

the last I voluntarily offered to put in the Bill a clause definitely pledging the Corporation to supply the districts represented by these Local Authorities with Gas at the same rate as charged at Birmingham. These Local Authorities must have been perfectly well aware of the fact. It was repeated in evidence before the House of Commons' Committee, again before the Lords' Committee, and yet these gentlemen have gone back to their Boards to say that they have obtained this concession solely in consequence of their opposition. So much for the first concession which has been obtained by the Local Boards. Now I come to the second. They say that they have obtained a clause, a valuable clause, giving them power to purchase by arbitration. Let me remind you of the history of this clause. When the Birmingham Bill was first conceived of, these Boards came to me at the interview of which I have just spoken, in April, 1874, and they themselves declared what their wishes at that time were, namely, that they should be allowed to purchase the West Bromwich works and the supply of Gas in the districts supplied from West Bromwich, at a proportionate part of the whole price we had paid for the undertaking, and very shortly after that they were told that the Corporation would be recommended to give the power asked for. A clause to that effect was contained in the Bill presented to the Committee of the House of Commons. But by that time these Local Boards discovered they could not agree among themselves. A pretty happy family they seem to be, for they never did agree from first to last, and accordingly they then suggested that what they ought to have was the power to buy separately their several businesses within their district, and not the works, which they said would be too large for any one of the Boards concerned. Partly by our consent and partly on the suggestion of the House of Commons' Committee, a clause was introduced giving them that power, but fixing the price at the same proportion as we had paid ourselves, which we urged upon them was fair and right for both parties. They were told if they objected to the terms of the clause, we would endeavour to meet them, and make an arrangement. Well, they did object to it, and accordingly there has been substituted an alternative clause that they might buy what we have got to sell by arbitration. I say, in the first place, that they might have got this

without fighting. I have had representatives from every one of these Local Boards, and met them privately, and I have told them, and authorised them to communicate the information to their Boards, that if they insisted upon arbitration—although I thought it was not to their interest, and a most undesirable method of procedure—I would recommend the Council to give what they asked. I told them frankly I thought we ought to have some fixed principle, and not submit ourselves to the risk of an arbitration. But in the second place, I say that however it has or might have been obtained, this clause is not an advantageous one for the Local Boards. It substitutes the chances of arbitration for the certainty which we offered them, and it reduces the time of option to two years instead of leaving the opportunity always open, as we originally proposed.

The sole result of all this expensive opposition is that the Local Boards have gained a loss; and although I do not venture to predict what will be the exact result of an arbitration, yet I am personally very confident that the Local Boards will have to pay very much more than we were willing to have accepted in order to avoid litigation. We believed, and still believe, that we have made a very good bargain, and we offered a share of it to these gentlemen without asking anything for our profit or trouble. Now, however, if they want it, they must pay us a fair consideration for the thing we have to sell—a thing which has become much more valuable in our hands than it was in the hands of the Staffordshire Company, since we have the power to make and divide larger profits than the private undertaking could ever have gained or distributed. The arbitrator will not have to consider what we may have paid for this property, but simply what we can prove to be its value to us at the time that the transfer is sought to be effected. I confess my own opinion is that if ever any of these Boards attempt to obtain the manufacture and sale of gas under this clause, they will have just cause to regret their determination.

There is still one alternative open to them. At the last moment, and before the third reading, we inserted, of our own accord, a clause empowering us to make agreements for the sale to any of the Local Boards of such portion of the undertaking as may be within their district. If they are very anxious to have the control of this business, and

are not content to be the customers of the Corporation of Birmingham, after having been the willing customers for so long of a private Company, let them approach us in a friendly spirit and we will still see if it be not possible to meet them. We are no longer willing to sell on the terms we originally offered—we shall want, as I have said, some fair remuneration for ourselves before we surrender any part of our property, but we may still be ready to take less than we are likely to get by arbitration, in order to avoid a conflict between neighbouring authorities, and in order to release unwilling customers.

The only other matter to which I will direct your attention is the question of the date at which we shall get possession of our property. The greatest and indeed the only injury the Local Boards have done us by their opposition is the delay which their vexatious proceedings have caused.

In the case of the old Company, we have power to take possession on giving notice at any time after the Royal assent. There are, however, many preliminary arrangements to be made, and as the Directors have dealt with us throughout in a most honourable and liberal spirit, I think we may well meet their wishes and postpone taking actual possession till the 1st of September, paying to the Company one-third of the profits of the half-year now current.

The agreement with the Birmingham and Staffordshire Company was that possession should be obtained on the 1st of January or 1st July after the passing of the Act. It is doubtful whether we have any legal claim to take possession before the 1st January. At the same time the Council will see it is of the utmost importance we should have as early possession as possible, and commence at once to amalgamate the concerns. It is evidently a matter for amicable arrangement and compromise. I have had an interview recently with the Chairman of the Company, and I hope we have seen our way, as far as we personally are concerned, and shall be able to recommend to our respective constituents a satisfactory arrangement by which we may have early possession dating, in fact, from the 1st July last, of these works also. As to the cost of these Parliamentary proceedings, we have not made up our bills at present. We have paid our debts as regards the Commons, but the cost of the still more expensive proceedings in the Lords has yet to

be ascertained ; I believe, however, that the cost of passing the two Bills through both Houses will be less than the sum which the Corporation has before now paid for promoting a single Bill in the House of Commons. In conclusion, I have only to say that, bearing in mind the speech which I made to the Council on this subject when it was first introduced, and having had ample time to reconsider the opinions I then expressed, and having had my calculations submitted to an almost exhaustive criticism, I can find nothing which induces me to question the substantial accuracy of the statements which I have made to the Council, and I am convinced that with proper management very large profits will accrue to the town, and the Council will ultimately be enabled to effect a considerable reduction in the taxation of the Borough.

The Resolution was seconded by Alderman Avery, and supported by Alderman Manton, and Councillor Kenrick, and carried unanimously.

The following gentlemen were then elected members of the Gas Committee :—Alderman Biggs ; Councillors Baker, Richard Chamberlain, Hadley, Heaton, Holden, Marris, and Wright.

The Act received the Royal Assent on the 2nd August, 1875.

THE PURCHASE OF THE UNDERTAKING

OF THE

Birmingham Water Works Company

BY

THE MAYOR, ALDERMEN, & BURGESSES

OF THE

BOROUGH OF BIRMINGHAM.

The Purchase of the Undertaking of the
BIRMINGHAM WATERWORKS COMPANY,
BY
*THE MAYOR, ALDERMEN, AND BURGESSES OF THE
BOROUGH OF BIRMINGHAM.*

At a Meeting of the Council, held on the 4th December,
1874, the Mayor moved the following Resolution:—

“That the General Purposes Committee be authorised and instructed to prepare a Bill for the transfer, by agreement, or for the compulsory purchase, of the undertaking of the Company of Proprietors of the Birmingham Water Works, and to deposit the same in Parliament on or before the 17th December, 1874 (being the last day allowed by the Lords’ Standing Orders), reporting the Bill to the Council for approval or amendment before any further proceedings are taken with reference thereto. And that the said Committee be authorised and instructed to negotiate terms for the purchase of the said undertaking, and to employ such professional or other assistance as they may deem necessary; and to report the result for the approval of the Council, and generally to report on the subject.

He said, “It will be in the recollection of some Members of the Council that about twelve months ago, when I had the honour of introducing a Resolution on the subject of the acquisition of the undertakings of the Gas Companies, I said that I hoped the time would come when I should be enabled to make to them a similar proposition with regard to the still more important question of the supply of Water to the town. I am pleased that, by the kindness of my colleagues in again electing me as Mayor, I am enabled to fulfil that hope, and to lay before you the result of the initiatory enquiries which, with your concurrence, I have been making, and to propose

Resolutions which, I am sanguine enough to believe, will lead to the result we all desire—to the amicable transfer, on equitable terms, of the undertaking of the Water Works to the Corporation of the town. On that occasion I said—what subsequent information has only confirmed—that, whilst the Council would properly consider the question of the Gas chiefly on financial grounds, and would accept or reject the proposition I made just as it believed that profit or loss would accrue to the Borough thereby, when we came to consider the Water Works it would be rather on sanitary than on financial grounds.

We have recently been told that we are in some danger of going sanitary mad and of legislating in a panic. I, for myself, and I think I can say for my colleagues, altogether repudiate such a notion. There is no measure of sanitary reform, which I have supported, which I have not thought right at all times, and not merely a necessity owing to exceptional circumstances. It is a fact that the death-rate of Birmingham has gone up to 28 or 29 per 1,000, and we are no longer one of the healthiest towns in England. Granting that that state of things is due to exceptional circumstances, and supposing the death-rate to be reduced to its normal state—22 in the 1,000, still there is not one single measure which, in the interests of sanitary reform, the Council has recently been asked to approve which, under those more favourable circumstances, it would not be equally justified in adopting. For we must remember that, when the death-rate was only 22 in the 1,000, and this town was considered one of the healthiest in the country, we did not sufficiently take account of the exceptionally favourable circumstances in which we found ourselves. We did not keep before us the fact that the death-rate was even then too high, since a great proportion of the mortality was due to preventible diseases.

Going back again to the discussion on the Gas Works, I would briefly remind you that there are certain general observations applicable to both undertakings. I do not propose to dwell on them now, I only ask you to bear them in mind. In the first place, it is true of both these undertakings, or at all events, it is a sound principle, that all monopolies, regulated monopolies, sustained by the

State in the interests of the inhabitants generally, should be controlled by the representatives of the people, and should not be left in the hands of private speculators. In the second place, I hold that local authorities should be supreme in their own jurisdiction. I hold that it is intolerable that our streets and municipal arrangements should be continually at the mercy of private companies. And, lastly, I believe it is a fact that the control of any service, which is a public necessity—and I hold that both Gas and Water are public necessities—should be in the hands of a popular representative body.

But now, to-day, in dealing with the Water Works I am going further than these general considerations, and I am going to lay down three propositions, which I hope to be able to sustain to the satisfaction of the Council. I am going to say, in the first place, that the health of large towns and the liability to disease of their population are intimately connected with the Water supply; I am going to say, in the second place, that there are special reasons why the supply of Water to all communities should be in the hands of local representative authorities, and not in the hands of those private speculators to whom pecuniary profit must necessarily be the first consideration; and lastly, I am going to urge upon the Council that the time has come—I believe it came a long time ago—when the most strenuous exertions should be made to overcome every obstacle in the way, and by hook or by crook to obtain possession of this undertaking.

In the first place, with regard to the connection between the supply of Water and the health of large communities, I am going to call your attention to one or two significant facts in reference to special diseases, to those diseases to which, either in their more severe or less severe form, this town is peculiarly subjected. It is only within the last 20 years that this connection has been established with anything like scientific accuracy. Within this period facts have come to the knowledge of medical men, investigations have been made by Government authorities, which conclusively establish the proposition I have laid down.

Take the case of cholera in the first place. This disease seems to be limited in some mysterious way by the height above the sea

level, and owing to our peculiar position Birmingham has never been visited by the disease in that form, but there are many kindred diseases which are peculiarly epidemic in Birmingham. I will call your attention, in the first place, to the outbreak, in 1854, of cholera in London, especially in Golden Square. The panic was tremendous; it was not known to what the spread of the disease was due, but nearly everybody in that district was attacked with cholera, and after the disease had passed away an investigation was made, which gave this singular result—out of 73 persons who died, 61 were proved to have drunk the water from a particular well, which subsequent analysis showed to be affected with sewage.

A still more instructive fact was that, at Hampstead, a very elevated spot, where there was no general outbreak, but only two cases, a lady and her niece, it was clearly proved that both had been accustomed to send for their drinking water from this same well which was contaminated with sewage, but which, like many waters in a similar condition, was bright and sparkling to the eye.

Another case, extending over a larger area, was that of East London, which was supplied by the Lambeth and Southwark Waterworks Companies. These Companies, in 1849, derived their supply of water from the lower part of the river Thames, which was impregnated with sewage to a very large extent. Between 1849 and 1854 the Lambeth Company changed its source of supply, and in 1854 there were no cases of cholera from their district. Between 1854 and 1866 the Southwark Company changed its source of supply, and the epidemic of 1866 did not invade that district. Well, you have this singular result: in 1849, when both the Companies drew their supply from impure sources, cholera was rife in both districts, and an enormous number of deaths took place. In 1854, when the Lambeth Waterworks Company had changed its source of supply, there was no epidemic of cholera within its district, while cholera continued as rife as before in the Southwark district; and in 1866, when both Companies had changed their sources of supply, cholera ceased to be rife at all, and there were only a few cases in those districts.

The next disease I would call the attention of the Council to is

diarrhœa. Diarrhœa is of singular importance in considering the health of Birmingham, because it is the most fatal of all zymotic diseases prevalent in the town. The connection between diarrhœa and bad water is shown by the outbreak of this disease which took place in Salford Gaol, in 1859. Out of 466 prisoners in the gaol, 266 were attacked by this disease, and what was curious was that there was no outbreak of the disease in the neighbourhood at the time, and the officers of the prison, who were 53 in number, did not have a single case of the disease amongst them. It was proved in evidence that the officers of the prison derived their supply of water from a different cistern from that which supplied the prisoners, and the cistern which supplied the prisoners was found to be in connection with the sewers by an outlet which was out of order; and when the water was analysed it was found to be most seriously contaminated.

The last disease to which I would call the attention of the Council is typhoid fever—another disease which is permanently prevalent in our midst, and to which a large number of the deaths which we so much lament are annually due. Now, in 1867, there was a most extraordinary pestilence of typhoid fever in the town of Guildford. In 30 days the cases, which were ordinarily about 10, rose from 10 to 250, and the disease was of a very virulent kind. It was discovered that the disease was exactly co-terminous in its incidence with the supply of water from a new well, which had just been made available, and which, on examination, was found to receive the soakings of the sewers.

I think the members of the Council will feel with me that it is impossible to resist the conclusion from such facts as these. It may be asked—it has frequently crossed my mind—how is it that pestilence is not perpetually with us? how is it we are not all of us continually subject to attacks of these zymotic diseases? The answer, generally, may be said to be this,—although medical science at present does not know everything—although it has not been able to point with absolute certainty to the causes of disease, yet it tells us at all events there is a probability, as the result of the investigations and inquiries which have been made, that these diseases are

propagated by germs or fungi or animalculæ, or something or another of that kind, which for a very long period may remain latent, but which under certain conditions of the atmosphere, or certain chemical conditions which we do not thoroughly understand, suddenly become active and virulent; and we may consequently drink sewage water for years and not necessarily suffer from active disease. But during that period we are liable at any moment to an attack. At any moment these germs of which I have spoken may become active, and an outbreak of pestilence will be the result; and it must be borne in mind that even when active disease does not follow, the medical evidence shows fully that the result of drinking sewage water is a permanent deterioration of the constitution; it leaves it open readily to attacks from these or other diseases.

Well, now, coming to Birmingham, I find that last quarter the death-rate in the town was nearly 28 per 1,000, and out of that number 11 per 1,000 were due to zymotic and preventible diseases. I do not mean to say that all those deaths are due to bad water. Sewage-poisoned air is quite as efficient an instrument for the propagation of these diseases as sewage-poisoned water, and it must not be supposed that if we can purify all the water in the town at a stroke, we should necessarily have removed every cause of disease. But as long as we are drinking this impure water, we can put our fingers upon one cause of disease—it may be the cause of all these preventible diseases.

This figure of 11 per 1,000 represents an item of 1,014 deaths per quarter, 4,000 deaths in the year, 80 deaths in the week, 10 deaths a day—of people who are slaughtered as distinctly and directly by our ignorance, our indifference, our want of proper precaution, as if we were deliberately to poison them by the administration of so much arsenic.

In view of the statement I am now making to the Council, I asked Dr. Hill to give me his opinion specially with regard to the water supply of the town. I received from him last night a letter, which I will read to the Council. He says: "I have the pleasure to hand you herewith the results of my analysis of the water of 65 Birmingham wells, all examined within the last two years, and

generally associated with preventible disease. Out of all those examined scarcely one is free from contamination of a positively injurious kind. The best parts of the town"—it is worth while, I think, that the dwellers in Edgbaston, who sometimes in this Council are considered so fortunate, should be aware of this fact—"the best parts of the town, *e.g.*, Edgbaston, are no better in this respect than the worst, as for instance, Hagley road and Augustus road. The well-water of the town is, as a rule, greatly contaminated by animal and, doubtless, excrementitious impurity; it is nowhere safe; typhoid, diarrhoea, scarlatina, &c., occur commonly, and are as universal as impure wells. They are not confined to the crowded, poor, and dirty districts. There is only one safe course, and that is to abandon the use of all town surface wells for domestic purposes. Some children persisted in drinking from the pump in Spring vale, Miles street, which on account of its evident impurity was not used by the tenants. Several of them died of typhoid, and their deaths were attributed to the use of this water. The water in some wells is so sensibly bad that the tenants refuse to use it, and they steal from some neighbouring well or tap. I have found soap-suds in well-water, and repeatedly seen a direct communication between drains and wells, and such connection has been found between wells and drains where I have predicted it from the chemical character of the water, which till then was considered pure. The use of such wells in other towns has been proved over and over again to be the cause of zymotic disease, particularly typhoid fever and cholera. I append, for the purpose of comparison, the results of my analysis of the Waterworks water and of Birmingham sewage collected at the outlet."

To this letter is appended lengthy tables, showing the result of the analysis of these 65 wells. I do not propose to trouble the Council with all these details, but I should like to call their attention to one or two of the instances given. Here, for example:—34 court, Bellbarn road, the total solid impurity is 242 grains per gallon. Now medical authorities say that the maximum of impurity which should be allowed in a gallon of water is 35 grains. In this well there were 242 grains. Is the Council surprised to hear

that Dr. Hill appends to that report that there is much fever in the vicinity? At 115, Staniforth street, 228 grains of solid impurity was found in the water, the nitrogen, as nitrates and nitrites, which indicates the presence of organic impurity, being immense, and there is much illness in the vicinity. In 43 court, Bellbarn road, 170 grains of solid impurity in the water, and much fever in the neighbourhood. In back of 15, Lower Hospital street, where there is fever, the proportion of organic impurity is very large. In 4, Ashley place, Nechells Park road, where there is scarlatina, the same result. Back of 4, Bracebridge street, fever, the well analysis showing that the water is as bad as town sewage in some respects. At 11, Heath street, the solid impurity in the well was 139 grains, and in the column which gives the previous contamination, it is shown that the water is to town sewage as 41 is to 100—that was to say it was 4-10ths as bad as actual town sewage at the outlet. At 108 and 109, Herbert road, where there is fever, the solid impurity is 251 grains to the gallon of water. At Small Heath there is a well which contains more ammonia than town sewage. At 7 court, Lower Windsor street, where there is small-pox, the water contained 241 grains of solid impurity, and the previous sewage contamination column shows that the water of this well is half as bad again as town sewage. The previous contamination is 150,000.

I daresay the Council recollects that Alderman Avery has from time to time brought up bottles of stuff, which he has exhibited to the Council as the result of those proceedings which he has conducted with so much ability at the outfall. I do not think Mr. Alderman Avery has ever suggested that those bottles, even after the clarification to which these liquids were subjected, contained potable water; but what do you think of the inhabitants of this court being compelled to drink water which is as bad again as the sewage before the clarification? I go on with the list. I won't read the particulars of the analysis any more, I will only call attention to the remarks.

(Having read over a long list of wells examined, to each of which was appended a remark such as "small-pox," "fever," the

Mayor proceeded:) To my mind this is as horrible as it is instructive. It seems to me that, without any fear whatever of being told that we are legislating in a panic, we are bound to take such steps as are within our power to prevent the continuance of this most distressing state of things. I think I have sustained the first proposition which I laid down for the consideration of the Council, namely, that the conditions of health of a town are intimately connected with its water supply.

Then I come to the *second* point, that there are special reasons at the present time why the water supply should be in the hands of the Town Council as the representative body in Birmingham. Now I have, in the course of my previous remarks, made use of a statement—a most elaborate statement—which Mr. Alderman Avery prepared some three years ago, I think in 1869, and which, it will be in the recollection of many members of the Council, he then addressed to them on the subject. I am going to make one more quotation from this pamphlet.

Mr. Avery refers to the report of the Royal Commissioners upon the water supply of large towns, and he says that in that report, dated June, 1869, they suggest that a constant service system for all houses is absolutely required for the purpose of cleanliness and health, and they add—“ After mature consideration of this important question, we have come to the conclusion that a constant service system cannot be effectually carried out so long as the supply remains in the hands of private companies. It has been established by law that the supply of water, being a necessary of life, must not be left optional; for though every arrangement may be made for affording a proper supply wherever it is demanded, experience has shown that it is necessary in many cases to enforce this responsibility. We have reason to believe that the Companies honestly do their best to supply the poor, and are inclined to be liberal in their arrangements for this purpose, but they complain of the great difficulties they have to encounter.” In fact, it will be evident to this Council that the only way of securing the interests of the poorer classes of the inhabitants is to take steps to enforce upon all the builders and owners of house property the provision of a satisfactory supply of

water. It will also, I think, be evident to the Council that such a power could not safely be entrusted by the Legislature to private companies who have a distinct pecuniary interest in the water. Such extensive powers can only safely be exercised by public representative bodies.

A very significant remark, which I think is also quoted by Mr. Alderman Avery, is made by Sir John Simon, Medical Officer of Health for London, who says that to leave the power of life and death in commercial hands is a thing without a precedent, and which cannot be tolerated.

There is still another reason why this matter should be considered. In 1870 the Public Works Committee brought up a very admirable and exhaustive report from the celebrated engineer, Mr. Robert Rawlinson. In that report Mr. Rawlinson considered the probabilities of the future with regard to the water supply of this town, and he then stated that while the district from which the Water Works Company draws its supply may be ample for all the wants of Birmingham and immediate neighbourhood for fifty years to come, yet it is at least possible that, inasmuch as the water supply of that district is liable to be polluted by surface drainage, the supply may at some time or another be unfitted for this purpose; and he recommended a gigantic scheme, which involved going to the mountains of Wales for the supply of the town.

It is not my present object to argue whether such a state of things will be necessary or not. It is certain that those who have the interests of the town at heart must carefully consider future probabilities, and make their arrangements in time. But what I want to point out now is this, that until the Corporation have the Water Works Company's undertaking in their own hands, they cannot make any arrangements whatever with regard to the future.

There is another authority to which I would appeal, with regard to the propriety of considering this subject at the present time—an authority to which the members of this Council are willing at all times to refer—I mean our constituents. I ask gentlemen who have recently passed through the fire—who have gone through the delights of a contested election last November—whether they

have not, both in private and public, been continually interrogated by their constituents with respect to this matter—whether they do not think there is a wide-spread desire growing every day amongst the population that this matter should be effectually dealt with by this Corporation. And there is good reason for it. Not merely is the water supply of Birmingham bad in quality, as I have pointed out already, but it is altogether insufficient in many cases. Many of the most experienced magistrates of this town have told me that of all their duties the saddest they have to perform is that of registering convictions against poor people brought up at the instigation of the Water Works Company for stealing that which is one of the first necessities of life. They might almost as well be convicted for stealing air. I have sometimes wondered why the supply of air is not regulated by the Legislature, and handed over to some company with a dividend limited to 10 per cent.

I have been told by one of the oldest magistrates of Birmingham, that within his knowledge courts of houses have been deliberately erected contiguous to each other, one court of which has been supplied with Water Works water, and the next court has been left without any provision at all, the designer deliberately intending that his tenants should steal the water from the other court, which had been provided for. For my part, I hold that it is a positive disgrace to us that such a large proportion of our population should be placed in the alternative of either stealing the pure water or of drinking water which contains the germs of ill-health and of death.

Well, further, there is a pecuniary reason—for although I am considering this question as I said I should, chiefly as it regards the health of the town, I am not going to ignore financial considerations—why this matter should be immediately dealt with. In 1869 Mr. Alderman Avery calculated that 150,000 inhabitants of Birmingham were supplied by well water. Dr. W. Foster, in a paper he presented to the Social Science Association in 1872, estimated that two-fifths of the whole population were so supplied, and that confirms Alderman Avery's estimate. Both are corroborated by another fact, which is, that whereas the water which is distributed by the Water

Works Company amounts to three thousand millions of gallons per annum, the amount which passes the outfall at Saltley in dry weather is at the rate of six thousand five hundred millions of gallons per annum. There is a difference between the two of three thousand five hundred millions of gallons per annum, which must be principally accounted for by the wells and surface springs. It may be possible for the Corporation, under its present powers, to compel the closing of these wells—to shut up this enormous supply of water—and throw the whole business into the hands of the Water Works Company. It is possible, I believe, but the process involves difficulty and delay, and it also involves this, that in seeking to secure the health of the population we are enormously increasing the profits of a private company, which profits we are afterwards expected to buy at an enormous premium. I do not say it may not be our duty to look this matter in the face. If the Corporation should be of opinion that it is undesirable to obtain the Water Works—if they are unwilling to accept that responsibility—I hold that they must close the wells. But let them look the matter in the face, they are immediately raising the value of the property they are wanting to obtain. I say, then, that these constitute reasons—special reasons as it seems to me—which should induce the Corporation seriously to consider the propriety of securing an immediate transfer of the Undertaking.

The *third* proposition to which I shall ask the attention of this Council is this: That the time is come when this transfer should be by some means or another secured. Now, in order to carry you with me in this matter, I shall have to ask you to accompany me in a very brief review of the proceedings of the Council with reference to this question. The first notice of it that I have discovered in the minutes of the Council is in connection with the Bill of 1851. In 1851 the Council took power to buy, and the Water Works Company were authorised to sell their undertaking, and the Council further took power to raise a sum of £250,000 for the purpose of this purchase.

At that time *a quarter of a million sterling* was considered ample by those who knew the whole circumstances of the case for

such a purchase as they and we still desire to make. Now, gentlemen, not a quarter of a million, *nor four times a quarter of a million*, can possibly purchase the Undertaking.

On February 7, 1854, those who were then conducting the affairs of the town—some of them—considered that the time had come when some proceedings should be taken under the provisions of the 1851 Bill, and, accordingly, a resolution was submitted to the Council and carried, that the General Purposes Committee should be instructed to consider the whole subject of the water supply and report to the Council at its next meeting. At the next meeting of the Council the General Purposes Committee made a report, and recommended that notice should be given to the Company of the intention of the Council to purchase their undertaking. In October of the same year a resolution was passed authorising the preparation of a bill, and instructing the General Purposes Committee to call a meeting of the ratepayers, which was necessary under the provisions of the Improvement Act, to ask their assent to the proposition. The minutes of the Council contain, of course, no trace of the arguments which moved gentlemen at that time; and it is to me inexplicable how, having proceeded so far, the Council should have decided, as they did do one month later, on December 5th, that it was inexpedient to proceed any further in the matter. I should say that during the whole of this year—1854—from the traces on the minutes, the Council had continued negotiations with the Company, and I need scarcely say that the invariable and universal result of such negotiations in the past was perpetual opposition to the bills which the Company was promoting at the time.

Now, I ask the Council to go with me into a retrospect and comparison. In 1854, the time of which I am speaking, when the members of the then Town Council of Birmingham resolved that it was inexpedient and undesirable to proceed with the purchase, the capital of the Water Works Company was £120,000. *The capital of the Water Works Company to-day is £621,000.* The maximum dividend was not being paid at that time, but if it had been paid it would have amounted to £9,600 per annum. Supposing at that time any far-seeing and wise Committee had agreed to buy up the

undertaking of the Water Works Company, and given them in perpetuity the maximum dividend on their then capital, what would have been the result? What would have been the annual liability of the Corporation? £9,600 per annum. In addition, we should be paying four per cent. interest upon the increased capital of the Company, which interest amounts to £20,000 per annum. Altogether we should be paying £29,600 per annum, the profits during the last twelve months being £47,000 and upwards. The difference of £17,000 per annum would have been the profit which we, the Corporation of Birmingham, on behalf of the ratepayers, should have been receiving, if our ancestors had only been as wise in 1854 as we are now.

Now, after 1854, there appears to have been a peace in the land—an interval in which no negotiations were conducted; and it is not until 1865, that is, eleven years later, that I find this matter again seriously considered by the Town Council. During the whole of 1865 there were continual reports, and minutes, and references with respect to Parliamentary opposition conducted by the Corporation of Birmingham against the Bill promoted by the Water Works Company. That Bill fell through, I believe, not owing to the opposition of this Corporation, but owing to the operations of the Sutton Corporation.

In 1866 there are again perpetual references to another opposition, promoted at the cost of the ratepayers by the Town Council against a new Bill, which this time was more successful, and passed, and which was promoted by the Birmingham Water Works Company. Now, just one thing, in passing, to which I want to call the attention of the Council. Again and again we have been opposing the Water Works Company, and have secured from time to time certain alterations, the value of which I won't dispute: certain clauses which may or may not have been advantageous to the ratepayers; but at what cost? We expended, I believe, in one year, something like £7,000 in costs of Parliamentary opposition. At all events, we expended some thousands of pounds. In the same year the accounts of the Water Works Company show that they expended over £7,000; and we are

in this position, that we are now called upon to pay the piper in both cases. We have not only to pay our own costs for all this opposition, but we are now called upon, if we deal with the Company, to pay their costs; and not only that, but we have to pay them a heavy premium for the privilege we enjoyed of opposing them.

Well, between 1866 and 1869 there was a lull in these litigious proceedings. On the 23rd November, 1869, the Public Works Committee recommended that they be authorised and instructed to confer with the Water Works Company for the purpose of negotiating with the view of ascertaining whether they were willing to transfer their property, and upon what terms. Now, upon that Mr. Alderman Avery moved an amendment to the effect that a special Committee be appointed to consider and report upon the whole subject. We are coming down now to a time which is in the recollection of almost all of us. I know at that period there were some recriminations as to whether Mr. Alderman Avery or the Public Works Committee had been first in their suggestions. I see no possible profit in reconsidering that matter. I hope that these recriminations will be buried in the past. One thing I say without hesitation, whether it was the recommendation of the Public Works Committee or of Alderman Avery, or which ever recommendation had the honour of precedence, both of them were good. In any case it was desirable to make the enquiry. After considerable discussion on December 14th, 1869, the Public Works Committee were instructed to report generally upon the subject. I may mention incidentally that during the whole of the year 1869 there was further opposition (with its usual results of heavy costs to the Corporation) in Parliament to the Bill prepared by the Water Works Company. On December 5th, 1871—the Public Works Committee having in the meantime presented the report from Mr. Robert Rawlinson, to which I have previously referred—they were, by an almost unanimous resolution of the Council, authorised to confer with the Directors of the Water Works Company, with the view of ascertaining whether, and upon what terms, they were willing to transfer their undertaking. And, gentlemen, it will be interesting to you to know that this resolution was passed almost unanimously. There was only one dissentient, and that was Mr. Councillor Lowe.

Now, in May, 1874—between two and three years later—we find that same gentleman himself proposing the following resolution: —“That, in the opinion of this Council, it is desirable that the supply of water to this Borough should be under the control of the Corporation, and that a Special Committee be appointed to negotiate terms for the purchase of the undertaking of the Birmingham Water Works Company, and to employ such professional and other assistance as they may deem necessary; and report the result for the approval of the Council, and generally to report upon the subject.” Now, that is an instance of sudden conversion, which is as instructive as it is satisfactory. In the short space of two years you find a gentleman who opposed the transfer of the undertakings in 1871 himself proposing a resolution to undertake the negotiations for the purchase in 1874. I say that is instructive. It is also satisfactory, because the same gentleman, in 1874, has been the single member of this Council who was opposed to negotiations for the transfer of the Gas Works undertaking, and if, unfortunately, these negotiations should fall through, we may hope that in 1876 the same gentleman will propose a resolution for negotiating with the Boards of these two Companies. The only thing which is not a matter for congratulation is this, that it will then happen with the two Gas Companies what has happened with the Water Works Company, that the price of the undertaking will have gone up in the interval to the tune of several hundreds of thousands of pounds.

Well, in 1872, the Public Works Committee reported that they had had an interview with the Directors of the Company—they had previously submitted a lengthened correspondence—and in answer to their application the Directors had informed them that they had no desire to part with their property. And so the matter dropped through. I do not know, I am sure, what other reply the innocent members of the Public Works Committee in 1872 expected a prosperous Company, with great prospective advantages in the future, to give; but at all events they seem to have accepted this reply as conclusive, and to have dropped all future proceedings.

Again I ask the Council to bear with me while I invite them to a retrospect and comparison. In 1865, when this second period

of negotiation and opposition commenced, the capital of the Birmingham Water Works Company was £321,000; now, as I have said, it is £621,000. In 1865 the dividend paid was £21,000, and the maximum dividend was £25,608. Can anybody believe that under any conceivable circumstances, by compulsory purchase or agreement, this Council could be made to pay more than the maximum dividend in perpetuity? Had the Council agreed to do that I have reason to believe that the Directors would have jumped at the offer. What would have been the result? The Council would have had a liability at present of £25,608 per annum, and, in addition, would have had to pay 4 per cent. on the increased capital, which amounts to £12,000. Their total expenditure, therefore, would have been £37,608, and this would have left us at this moment—nine years later—a profit of £10,000 per annum, even if we had not increased the supply of water, and taking no account at all of the inestimable sanitary advantages which we should have secured to the town.

Now, gentlemen, I come down to about twelve months ago, when, encouraged by what passed in this Council, and by the assurances which I received from my colleagues, I opened negotiations—or correspondence I may call it—with the Directors of the Water Works Company. I was received, I may say, with an amount of caution which I considered excessive, with an amount of suspicion, which, in my case, I venture to say was absolutely unnecessary. Whether rightly or wrongly I cannot say, but there was no doubt that the Directors of the Company considered that they had been badly treated in past times by the representatives of this Corporation. They also had in view some proceedings which had taken place, I believe, in connection with negotiations in some northern town, where the Corporation having received in the course of the negotiations admissions from the Directors of the Water Works Company, used these admissions in the course of a subsequent Parliamentary inquiry. It was in vain for me to point out that the Corporation of Birmingham could not by any possibility be guilty of such discreditable conduct. I found it was necessary to proceed with considerable circumlocution and with the greatest possible delicacy. However, I did have many conversations with

various members of the Company—large shareholders as well as Directors. The result was not at that time altogether satisfactory to my mind, and I thought it was absolutely necessary, before proceeding any further, that I should make myself acquainted with the result of similar transactions in the case of all other towns in which they had been undertaken. The Council will hardly believe the amount of labour which that has involved, not only to myself, but also to some of the servants of the Corporation, and the numberless inquiries we had to make in order to obtain anything like satisfactory and reliable information. These inquiries were still proceeding when, on May 5th, 1874, Mr. Councillor Lowe sprung his resolution upon the Council. Now, I felt that so long as that resolution was undisposed of, it was simply impossible for me to proceed further. I should have been discredited in the eyes of those with whom we proposed to negotiate, until I was sure of the confidence of my colleagues with respect to the matter; consequently there was an absolute cessation of inquiries between May 5th and July 7th, 1874. On July 7th the resolution was withdrawn, and I may say, in passing, that I do not think that there ever has been so disastrous and so costly a resolution placed upon the notice paper of this Council. On May 5th, 1874, the capital of the Water Works Company was £33,600 less than it was two months later, and in the course of these two months a change of still greater importance had taken place, and the market value of the shares had gone up from £825,600 to £931,200—a difference of £105,600 in the market value of the property. Gentlemen will understand that it is a very different thing to deal with the Company, now that the value of their property has risen in the market to £931,000, from what it was a short time before, when the value of the property was estimated at £825,000. And that is not all, because after July 7th the holidays supervened. It was simply impossible to re-commence the negotiations at the point they left off, and a further delay took place, so that now I find, taking yesterday's market price as the criterion, that the market value of the shares at present is £1,010,400, or £184,800 more than when Mr. Lowe's resolution was first put upon the paper of this Council.

I have now concluded the history of the proceedings of the Council in reference to this matter, and brought them up to the present day. I venture to submit that in doing so I have established the following results. In the first place, that during the whole of this period there has been a general and almost unanimous desire on the part of the Council of Birmingham to obtain these works. We are told sometimes of parties in the Council, but really there is very little trace of party in reference to this matter. The votes on this question have invariably been carried by large majorities. There is no doubt the Council has adequately and properly represented the feeling of its constituents in desiring to obtain this property, only there has been somehow or another a lack of sufficient momentum to enable the Council to overcome the obstacles which from time to time have intervened. In the second place, I have established that the price which will have to be paid for the property, and which is determined in part by the market value of the shares, has been continually and steadily rising year by year, lately at the rate of over £70,000 per annum. That, bear in mind, gentlemen, is the cost of twelve months' delay. Thirdly, I think I have established that, if this property had been bought in the past, at any time you like to name during the preceding twenty years, if the Corporation had paid for it what you would probably consider an extortionate price, and what I should admit to be an extravagant price, still, such has been the extraordinary growth of the town and the increase in the demand for water, that the bargain would have involved large profits to the Corporation, besides the indirect advantages of which I have spoken.

Well now, I have further to ask the attention of the Council to the experience of other towns in reference to this matter. I find, in the first place, that almost every town of importance has already secured its own water supply. For instance, Preston, Leeds, Glasgow, Wolverhampton, Dundee, Cork, Manchester, Edinburgh, Brighton, Rochdale, Huddersfield, Swansea, Bradford, Aberdeen, Belfast, Dublin, Hull, Liverpool, Oldham, Plymouth, Lancaster, Wigan, Cardiff, and other towns, amounting altogether, I believe to between 50 and 60, have secured this advantage. I find in almost

every case the undertakings have resulted either in a large profit to the town, or in considerable reduction of the water rate, or in both. For instance, at Edinburgh the rate has been reduced a penny in the pound, and the works are reported as profitable. At Brighton, where the transfer was made only two years ago, there has been a small profit, but as yet no alteration in the rates. At Rochdale, which is also a recent purchase, there has been no alteration in the rates, but the profits have about paid the annuities. At Swansea the new works pay 5 per cent. to the Corporation. At Aberdeen the rates have been reduced. At Liverpool the rates have been reduced. At Preston they have been reduced a fourth, and the works have been profitable. At Leeds the rates have not been reduced, but the works have been profitable. At Glasgow the rates have been reduced a half. At Wolverhampton there has been no alteration and no profit. At Dundee the rate has been reduced. At Cork the works have been profitable. At Manchester the rate has been reduced and the works have been very profitable. I should also say that, wherever I have been able to obtain it, there is a uniform testimony in favour of such purchases on the part of local authorities. Upon these matters I have in the case of the Water Works, as in the case of the Gas Works, gone invariably to the officials of the Corporations—to the town clerks and others who may be presumed to give an impartial opinion. I don't pay, myself, much attention—I don't attach any considerable value—to the opinions of individual members of the Corporations upon these disputed questions. The only reliable information we can derive as to such matters is to be obtained from facts which are supplied by impartial officials.

I have placed you in possession of information which I think you will find all that is absolutely necessary to enable you to come to a decision upon the resolution which I have submitted to you. The Council will see in this resolution two alternatives are contemplated. In the first place, it is contemplated that an arrangement may be come to by amicable agreement for the transfer of the works to the Corporation. In the second place, failing this, provision is made for getting a *locus standi*, so that if the Council should so

decide, we may proceed afterwards by bill for compulsory purchase. But I want the Council distinctly to understand that I am not asking them to pledge themselves to proceed to compulsory purchase, or to the details of any bill which may be prepared. All that I ask is that we may be authorised to take the necessary formal proceedings to prevent the possible waste of valuable time supposing the negotiations or correspondence which is now in progress should fail of a satisfactory result. I am not in a position to tell this Council that the Directors of the Water Works Company are desirous of parting with their property, for they returned to me the same answer that they returned to the Public Works Committee in 1871. I am not prepared to say that they have fixed the terms upon which they will sell the undertaking to the Corporation, but I am prepared to say that at the present moment I can give a very good guess as to the offer which will be acceptable, and I think there is every probability that an arrangement might be made which will be approved by this Corporation. What I should propose to do, should this resolution be passed, would be to submit my ideas, the result of the interviews and correspondence which I have had with the parties interested, to the General Purposes Committee, and propose then that we should enter upon more formal negotiations than I have been authorised to conduct, and, at a later period, bring up to this Council a statement of the exact terms upon which an arrangement may be made, such statement being for the approval or rejection of this Council. If, however, we should fail to negotiate satisfactory terms, or if the terms which we consider satisfactory should not approve themselves to this Council, then I am bound to strongly urge upon the Council the desirability of proceeding by a Bill for the compulsory purchase of the undertaking.

My own belief is, after a most careful inquiry, that in such a case the interest of the ratepayers will not suffer, and that Parliament will not enforce upon this Corporation an unfair price to be given to the shareholders of the Company.

The principle upon which it seems to me any amicable negotiation must proceed is the principle which has already been adopted in all Parliamentary proceedings in these matters with which I am

acquainted, and the precedent which has been followed in all arbitrations conducted under these circumstances, and that is, that while we must admit the right of the shareholders to be secured in the profits which they have already made, and which they can clearly show are likely to continue under their management, owing to their energy, ability, or skill, those profits which are due to the necessities of this population, to the growth and increase of the town, belong, as I hold, to the ratepayers, and not to these private speculators ;— belong, that is to say, to us from the actual moment that we declare we are willing to accept the responsibility of the supply.

Only one point more in passing. If we come to an amicable agreement with the Company, it is by no means impossible, I believe rather it is probable, that the Council has already sufficient statutory powers for concluding and completing the purchase of the undertaking. I have received a report, and an exhaustive report, from the Town Clerk upon this subject, which, however, it is not desirable to place before the Council at this moment ; and, in any case, should such an agreement be made, the General Purposes Committee would no doubt think it right to take the advice both of Counsel and of the Local Government Board in reference to the matter, and I only mention it now because the Council will see it may affect our subsequent proceedings. If we are going for compulsory purchase, we must go by means of a bill ; if we proceed by amicable agreement, it is probable that no bill will be necessary. In connection with this point, I would ask the Council clearly to understand that, if this resolution is passed by them, they are committed only to this—the general expediency of obtaining a transfer of the Water Works undertaking upon the terms which they deem proper and satisfactory. They are not committed to the principle of compulsory purchase, which will be matter for subsequent deliberation ; they are not committed to the details of any agreement which may, at a subsequent period, be laid before them.

I have only, finally, to thank the Council for the patience with which they have heard me in what has necessarily been a very lengthened, and possibly a diffuse, statement. I thank the Council above all for the confidence which they have always been pleased to

show, and which has encouraged me to undertake this very arduous inquiry, and I venture to hope that that confidence will be continued, and that your support and co-operation will be given to the General Purposes Committee, so that they may be enabled, as I believe they will with your assistance, to mark this year on your municipal annals as the one in which the ratepayers of the town for the first time obtained the control and possession of what we all recognise as the first necessity of civilised and healthful existence.

The resolution was seconded by Alderman Manton, supported by Aldermen Sadler, Taylor, and Biggs, and carried unanimously. The following members were present and voted :—

FOR THE RESOLUTION (47).

The Mayor, Aldermen Avery, Baker, Biggs, Brinsley, Goodrick, Hawkes, Manton, Osborne, Prime, Sadler, Taylor; Councillors Arculus, Austin, Baker, Barratt, Barrow, Beard, Carter, Arthur Chamberlain, Richard Chamberlain, Clements, Collings, Cook, Davis, Derrington, Downing, Samuel Edwards, Ellaway, Gooch, Heaton, Hinks, Holden, Houlston, Kneebone, Lewis, Martineau, Morley, Parry, Payton, Perkins, Pollock, Sarsons, Shammon, Thomason, Whateley, Wright.

AGAINST THE RESOLUTION (none).

The Mayor then endeavoured, with the authority of the General Purposes Committee, to negotiate terms of purchase with the Chairman of the Water Works Company; but he failed in obtaining any offer which could be recommended to the Council.

In reply to a formal application from the General Purposes Committee, the Secretary of the Company stated that the Directors were not prepared to suggest any terms for the transfer of their property to the Corporation.

These proceedings were reported to the Council on February 3, 1875; and a Draft Bill was submitted by the General Purposes Committee for empowering the Corporation to purchase the Undertaking, and requiring the Company to sell the same.

Resolutions were passed unanimously, authorising the General Purposes Committee to promote the said Bill, and requesting the

Mayor to call a Meeting of Ratepayers to consider the intended application to Parliament.

The Meeting of Ratepayers was accordingly held in the Town Hall, on February 26, 1875. The Deputy Mayor (acting during the absence of the Mayor) presided, when Mr. Alderman Hawkes, the Chairman of the General Purposes Committee, and other members of the Council, stated the objects of the intended application to Parliament, and the following Resolution was almost unanimously passed :—

“That the Council of this Borough be authorised and empowered to make an application to Parliament for an Act for empowering the Mayor, Aldermen, and Burgesses of this Borough to purchase the Undertaking of the Company of Proprietors of the Birmingham Water Works, and for other purposes.”

The Bill came before the Committee of the House of Commons, consisting of Mr. W. H. Gladstone (Chairman), Messrs. Whitelaw, Errington, and Grieve, on April 26th.

The Aston and Handsworth Local Boards had petitioned against the Bill, but withdrew from opposition on the Corporation agreeing to sell Water at the same price outside as inside the Borough, and, if required, to supply the Local Boards in bulk for their respective districts at a price to be fixed by arbitration. The *locus standi* of the Railway Companies who had petitioned against the Bill having been disallowed, the only opposition was that of the Water Works Company.

The Corporation was represented by Sir Edmund Beckett, Q.C., Serjeant Sargood, and Mr. Michael; and the Company by Mr. Venables, Q.C., Mr. Granville Somerset, Q.C., and Mr. Saunders.

The witnesses examined for the Corporation were :

The Mayor, the Town Clerk, Mr. Alderman Hawkes, Mr. Alderman Avery, Dr. Hill (Medical Officer of Health), Dr. Frankland, Dr. Gardner, Professor Bischoff, Mr. W. S. Till (the Borough Surveyor), Mr. John Lovell, Sir Joseph Heron, Mr. J. F. Bateman, C.E., and Mr. Edward Easton, C.E.

At the conclusion of the case for the Corporation, Mr. Gray was called on behalf of the Company, but the Committee having

expressed a desire to have evidence on the question of price, the counsel for the Company withdrew from further opposition in the Commons, and the Bill passed through Committee and subsequently was read a third time in the House on May 11th, 1875.

In the original draft of the measure, the price named for the Undertaking was one million sterling, but on the advice of counsel 23 years' purchase of the maximum dividends paid for the half-year ending December 31st, 1874, was substituted before the Bill was committed.

On May 4th, the General Purposes Committee reported proceedings to the Council, and submitted the Bill as amended in Committee.

On June 14th, the General Purposes Committee again reported proceedings to the Council, and on the same day the Bill was opposed on second reading in the House of Lords by Lord Hampton, who moved its rejection on behalf of the Company, on the ground that the 63rd section of the 1851 Improvement Act had not been strictly complied with, inasmuch as the Ratepayers' Meeting was not held till after the Bill had been introduced into Parliament.

The second reading was supported by Lord Aberdare, who undertook the case on behalf of the Corporation at the request of Alderman Hawkes, Chairman of the General Purposes Committee, and the Town Clerk. After some discussion in a full house, and a speech by the Lord Chancellor in favour of the second reading, the Bill was allowed to proceed without a division.

The Bill then came before the Special Committee of the House of Lords, consisting of Lord Penrhyn (Chairman), the Duke of Grafton, Lords Raglan, Castlemaine, and Greville, on the 21st June, when the same Counsel appeared for the parties as in the House of Commons, with the addition of Hon. E. C. Leigh on behalf of the Corporation.

The case of the Corporation was supported by the following witnesses:—the Mayor, the Town Clerk, Mr. W. S. Till (Borough Surveyor), Mr. J. H. Dance, Mr. Alderman Avery, W. H. Hallett, Esq., Dr. Hill (Medical Officer of Health), Dr. Frankland, Professor Bischoff, Mr. J. Lovell, Mr. A. McNeill, Mr. Easton, C.E., P. H. Muntz, Esq., M.P., and Mr. J. F. Bateman, C.E.

The witnesses examined for the Company were—Professor Letheby, Professor Odling, Professor Voelcker, Mr. George Gore, Mr. George Heaton, Mr. Edward Cartwright, Mr. J. W. Gray, C.E., Mr. George Shaw, Mr. T. L. Preston, Mr. J. D. Goodman, Mr. T. Statter, C.E., Mr. W. Pole, Mr. F. J. Bramwell, C.E., and Mr. T. Hawksley, C.E.

At the conclusion of the Company's case the Committee declared the preamble proved.

At the suggestion of the Committee a clause requiring a price to be fixed by agreement, or failing agreement by arbitration, was accepted by the Corporation in lieu of the clause fixing the sum to be paid at 23 years' purchase of the maximum dividends.

The Bill then passed through Committee and was read a third time on the 19th July.

At a Meeting of the Council, held July 27, 1875, the General Purposes Committee submitted the Bill as finally amended with a report of the proceedings, and the Mayor then moved the following Resolution:—

“That a Committee be appointed, to be called the Water Committee, with instructions to make all necessary arrangements for the transfer of the Undertaking of the Water Works Company to the Corporation, whether by arbitration or otherwise, with all the powers that may be conferred upon this Council by the Birmingham (Corporation) Water Act, 1875, and to conduct and manage the said Undertaking, reporting to this Council from time to time thereon.” He said the Bill required very little explanation. In this case they had practically only a single opposition, viz: that of the Directors of the Company itself. He was bound to say they made a very good fight, and he could not blame them for the exertion they made on behalf of the Shareholders. On the whole he did not think that the character of their opposition had been of a kind to destroy any friendly feeling which had hitherto existed between them and the Corporation. With one trifling exception there was certainly nothing in the conduct of the case on the part of the Directors of which the Council had the least right to complain, and he hoped also on their part, there was nothing but that which was fair, frank,

and business-like. The success of the Water Bill had been a great victory, for they had been advised, even by their own counsel, not to be too sanguine of the result. There was no instance in which a Corporation had ever obtained power for compulsorily purchasing the undertaking of a water works company, and although this was not actually a compulsory purchase, at all events it was a purchase which their opponents were very unwilling to let them make, and it partook of the spirit of compulsion, if not of the form. They had, in fact, revived the power which existed in 1851, of purchasing the Undertaking by arbitration under the Lands Clauses Act. Again therefore this great question came before them. Once more they had the opportunity of acquiring the Water Company's works. Would they use it? If they refused, there would be little hope that the chance would ever recur. He did not think they would neglect the present opportunity, but rather that they regretted that their ancestors had not long ago secured this Undertaking. If in 1851 these works had been acquired by the Corporation, they should now be making £17,000 a year for the ratepayers, either in a reduction of the prices of water or of the rates. The Bill allowed them to take the Undertaking by agreement, or, failing that, by arbitration. He must say candidly that he was afraid that agreement, as ordinarily understood, was impossible. In the course of a great number of interviews which he had had with almost every member of the Board, although he had not received any formal proposal from them, he had ascertained their views of the value of their property, and unless these could be changed, they were such as he could not recommend the Council to accept. He was afraid there was nothing for it but to submit to the arbitration of some impartial authority. Arbitration would be enormously expensive, as the arbitrators did not sit *de die in diem*; but as the issue was so simple, and could be so briefly and plainly stated, he thought they might consent to the nomination of some single person of really high position and respectability—he did not care whether he was a lawyer, an engineer, or simply a man of business capacity and high character, to judge what would be a reasonable and fair sum to be paid for the property. Even however, if this were refused, and the most expensive form of

arbitration became necessary, he should still advise the Corporation to take this risk and responsibility, in the confidence that an equitable award would ultimately be made, giving them possession of this great property on terms which would enable them to secure a full supply of pure and wholesome water for the whole of their population, and thus materially to promote the health and happiness of those whose interests they were elected to guard and serve.

Alderman Biggs seconded the motion, which was supported by Alderman Collings, and carried.

A poll having been demanded the votes were taken and were as follows:—

For the Resolution, 50.—The Mayor, Alderman Avery, Baker, Biggs, Collings, Goodrick, Lloyd, Manton, Phillips, Prime, Sturge, Taylor; Councillors Arculus, Austin, Baker, Barratt, Barrow, Beard, Carter, Arthur Chamberlain, Richard Chamberlain, Clements, Cook, Davis, Derrington, Downing, Samuel Edwards, Ellaway, Gooch, Hadley, Heaton, Heyden, Hinks, Holden, Houlston, Kenrick, Knee-bone, Lewis, Marris, Mathews, Perkins, Pollock, Sarsons, Shammon, Brooke Smith, Startin, Thomason, Whateley, White, Wright.

Against the Resolution—None.

Mr. Alderman Brinsley did not vote.

The following gentlemen were then elected members of the Water Committee:—Aldermen Avery, Baker, Osborne; Councillors Beard, Deykin, Samuel Edwards, Matthews, and Shammon.

The Act received the Royal assent on 2nd August, 1875.

THE PROPOSED ADOPTION

OF

“The Artizans’ and Labourers’ Dwellings
Improvement Act, 1875,”

BY

THE TOWN COUNCIL OF BIRMINGHAM.

The Proposed Adoption of
THE ARTIZANS' AND LABOURERS'
DWELLINGS IMPROVEMENT ACT, 1875,
BY
THE TOWN COUNCIL OF BIRMINGHAM.

At a Meeting of the Council, held July 27th, 1875, the Mayor moved the following resolution:—

“That a Committee be appointed to be called the Improvement Committee, whose duty it shall be to receive official representations from the Medical Officer of Health, under the provisions of ‘The Artizans’ and Labourers’ Dwellings Improvement Act, 1875,’ of the unhealthiness of any area or areas within the Borough and to Report thereon ; and to prepare and submit from time to time to the Council for approval a draft scheme or schemes for the improvement of any such area or areas with estimates of the cost, and generally to carry into effect the provisions of the said Act, with authority to employ such professional and other assistance as they may deem necessary.”

He said : The Artizans’ Dwellings Act, which has just received the Royal assent, has been abstracted in the Town Clerk’s office, and a copy of the abstract sent to each member of the Council. The original intention of that measure was to provide means for substituting good and wholesome dwellings for some of the terrible rookeries in which the poor now live ; but as the measure passed through the Houses of Parliament, its scope was somewhat enlarged. Representations were made by a great number of people, amongst others by the Corporation of Birmingham, through their Mayor, to the effect that its object could not be accomplished if it involved too great an expenditure of money ; that there were limits to the power of taxation of representative bodies, and unless the scheme could be so

altered as to reduce the cost to a minimum, and to render the working of it as economical as possible, it was hardly possible for the great corporations to take advantage of it. And, consequently, owing to these suggestions, facilities are now given in the Bill for combining general town improvements with those special sanitary improvements which give the bill its name. As passed in its present form here is another great opportunity which I hope the Council will immediately seize. When I was elected, for the second time, to the honourable position which I now fill, I ventured to invite the co-operation of the Council and the town in efforts to secure some improvement in the sanitary condition of the Borough. That is a matter which I have near at my heart, and which is very near at heart to many of my colleagues here. I acknowledge gratefully that a great deal has been already done. A system of sanitary supervision has been organised under the care of the Sanitary Committee, the members of which have been unsparing of their labour and time. They have made themselves personally acquainted with the districts of which they have charge, and under their care a very remarkable improvement will rapidly be made in the condition of the town. But still, unless we go to the root of the evil, unless we deal with the dwellings themselves, unless we improve some of these dwellings off the face of creation, our arduous work will be useless. As for the labour of the minister of religion, the schoolmaster and philanthropist, it will be thrown away. So long as there is this canker at the root, morality is an empty name, and our civilization is a thing to scoff at. If we are impressed, as I firmly believe this Council is, with the magnitude of these evils, and with the necessity of dealing with them in some radical way, let us see what kind of remedy can be found in this bill. In the first place, the duty is thrown upon the Medical Officer of Health to declare an "unhealthy area" any district coming in his judgment under that designation. He won't have much difficulty here. Unfortunately, his difficulty will be which district to choose. But as an illustration, let us assume that he turns his attention to St. Mary's Ward. He could find, certainly, plenty of courts and alleys in St. Mary's Ward which will constitute an unhealthy area. In fact, Mr. White, who knows every house

within his district, and has personally visited every one of these courts, has told me that he does not know of a house intended for the accommodation of the working classes in that ward, which is really in a thoroughly satisfactory condition. Supposing in such a district a great part of the ward is described as an unhealthy area, the Council will then be called upon to prepare a scheme for its improvement. Under the Act we may combine with the scheme for the improvement of the unhealthy area the necessary approaches to throw it open. We may, for instance, run a great street as broad as a Parisian boulevard from the middle of New Street to Aston Road. We might throw open a street such as Birmingham has not got, and is now stifling for the want of; for our streets are too narrow for an important and growing town like this. We might demolish the houses on each side of this street, and of such cross streets as it may be found necessary to make, and let or sell the new frontages for such improved rents as they will bear, and then build working men's houses behind, taking the utmost advantage of the space, and building in accordance with the latest sanitary knowledge and the requirements of the Medical Officer of Health. Having made a scheme upon such propositions as these, it will then be the Committee's duty to go to the Local Government Board, and the Board will institute an inquiry, and probably approve of the scheme. If they do so they will embody the scheme in a provisional order and lay this upon the table of the House of Commons, and in the latter part of the Session they will carry through Parliament a bill giving the provisional order the force of law.

We shall thus get the advantage of a Private Improvement Act without the responsibility and the cost of it, the responsibility and the cost being thrown upon the Government. The Act having received the Royal Assent, the Council would have the power of compulsory purchase with regard to the whole of the property scheduled, without having to pay an extra price to cover the compulsory sale. This is an important provision. For the first time an English Parliament has recognised the duty of looking after something higher than property—the duty which it owes to the life, health, and the happiness of the people;—and for the first time the

solatinm, as it is called, that landlords have had whenever their property has been taken from them without their full consent is no longer to be allowed, and we are to buy what we require at a fair marketable price without anything being added for compulsory purchase or sale. Having, as I say, got possession of the property, the Council would proceed to lay out the streets, to open up the approaches, and then it would be for us to sell or let the land to builders and others for the erection of buildings under certain conditions. The Act says that the Council shall not, except as a last resort, undertake the rebuilding of houses, but must employ others to carry out the work, which I think is a very wise provision. But another important facility is given to the Council which it has never enjoyed before. We obtain the freehold of the land, and we are not bound to sell what we do not want for our own improvements. We may lease it on long leases of ninety-nine years or otherwise, and consequently we shall secure for future generations advantages which have been hitherto reaped by a few large landowners in the town. We may become our own freeholders, and secure for our successors all the advantages of the increased value of the property at the close of ninety-nine years, or even less time. Altogether we can carry out such a scheme on more favourable conditions than have ever been in our power hitherto.

Then comes the question of expense; we have power to raise loans, and the Treasury can lend us the necessary money at $3\frac{1}{2}$ per cent., repayable in fifty years, and the deficiency, if any there be, as the result of such changes, will be thrown upon the borough rate, a rate to which all the ratepayers proportionately contribute. I do not suppose that such a scheme as I have suggested, even under these favourable circumstances, can be carried out without some expense to the ratepayers, but I believe it will not involve nearly so much, in proportion, as the bit-by-bit improvements which we are daily making in our town and which never repay any of their cost, but which tend chiefly to the advantage of the owners of the adjoining property. We are not, however, without a precedent in this matter. The Corporation of Glasgow, impressed by the great mortality in that city, and the crowded state of some parts, obtained from Parliament, in 1866,

somewhat similar powers to those which are now given by statute to all Corporations. Under this Act, the Corporation of Glasgow have expended more than a million and a half of money. They have laid out forty new streets. They have demolished, or are engaged in demolishing, 10,000 houses, and they have displaced over 50,000 people, or rather they have placed them in more convenient, more decent, and more healthy houses. The Corporation of Glasgow were not able to borrow money so cheaply as Corporations would now be able to borrow, and were compelled to re-pay the cost in a much shorter period. I was informed however very recently by Baillie Morrison, a Member of the Improvement Trust of Glasgow, that when the whole of these improvements were completed, and the whole of the accounts balanced up, it would be found that the Corporation had executed them at a cost not exceeding £50,000. That is to say, they have spent a million and a half of money, they have made gigantic improvements, they have reduced crime, as is proved by their own statistics, and permanently improved the value of the property; and yet the actual ultimate cost will be only £50,000. In view of such a precedent, we may hopefully undertake some such great work as this, and while I do not ask you to pledge yourselves to any such scheme as that I have suggested, I do ask you to appoint a Committee, in order that the matter may be fully inquired into, and, if thought well and desirable a scheme may be subsequently brought before you for your consideration and final approval or rejection.

The Motion was seconded by Alderman Brinsley, supported by Aldermen Manton and Avery, Councillors Kenrick and Whateley, and carried unanimously.

The following gentlemen were then elected to serve on the Committee:—

Alderman Biggs, Councillors Barratt, Barrow, Carter, Cook, Deykin, Martineau, and White.

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