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Under Political Uncertainties: Organisational Changes in the Imperial Continental Gas Association, 1824–1987

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Under Political Uncertainties:

Organisational Changes in the Imperial Continental Gas Association, 1824−1987*

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Abstract

This study followed the brief history of a British multinational utility enterprise, Imperial Continental Gas Association (ICGA). The company passed through successive waves of technological and political shocks throughout its life. In particular, political issues such as municipalisation, wars, international taxation and nationalisation had a critical impact on its corporate behaviours. Some political events, such as compulsory liquidation by the German occupation government during the First World War, forced the company to divest its works. The fear of deprivatisation and international double taxation prompted the company to decentralise its corporate structure, whereby ICGA gradually shifted from a company with over-centralism to a pure holding company during the first half of the 20th century. Eventually, the political capabilities nurtured by these experiences contributed to the survival of ICGA for 164 years.

Keywords: Political risk, Political capabilities, Business history, International business, International taxation, Public utility company

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Introduction

Utility companies are incessantly confronted with political uncertainties. Privately owned multinational enterprises, in particular, have been affected by this, as described in a book on the history of global electrification.[1] The assets located in host countries were sometimes confiscated for the sake of their public. Combinations of domestic laws in different countries also caused issues for these companies across multiple jurisdictions. In contrast, most of the enterprises did not give up their businesses even after their overseas business was taken without compensation. This implies that these companies managed to use their remaining resources to survive.

The Imperial Continental Gas Association (ICGA) was established as a gas provider in 1824. The business purpose written on the first prospectus was to provide an 'admirable' English gas system to the principal towns of continental Europe. Then, the Imperial Continental Gas Association Acts legislated by the Parliament restricted its business area to foreign countries. In the late 19th century, the company provided gas service to about 10 major European cities in the Netherlands, Austria, Germany, France and Belgium. However, their bright success was overshadowed by two changes. Technologically, the advent of the electric light reduced the demand for gas for illumination. Politically, municipal authorities in continental Europe began to question the privileged contracts to foreign-owned utility companies. ICGA, as a result, advanced into the electricity business and divested some business areas; however, it endeavoured to minimise the effects of political uncertainties. Such corporate reactions towards changes in the external environment were repeated throughout the company's history. Eventually, ICGA survived as one of the largest energy providers in Belgium and liquefied petroleum gas (LPG) suppliers in the UK until 1987, when the company demerged into two companies, Contibel Holdings and Calor Group.

This study presents a brief history of the ICGA, mainly from the viewpoint of its relationship with political uncertainties such as municipalisation, war, tax and nationalisation. We then analyse how the company dealt with the political environment for 164 years. The materials used in this study are not only a published book on ICGA's history[2] but also two typescript materials[3] and archival sources[4].

Political uncertainties and corporate capabilities

In the field of business history, where the readers of this study probably have an interest, political uncertainties have been treated as a marginal issue.[5] Having said that, it is also true that many business historians have not overlooked the effects of non-market factors on corporate behaviour when describing companies' histories. Whether the descriptions were a tiny part of the body or a footnote, they instinctively attempted to place firm behaviour in a broader framework composed of market and non-market factors.[6] One of the contributions of this study would be to persuade business historians to regard the topic, which seems to be peripheral but non-negligible, as indispensable, although there

are some extant pioneering studies such as Kobrak and Hansen (2004).[7]

In the field of international business studies, consideration of the political environment is traditional but still popular. Hymer (1960) mentioned that firms have a nationality and always attach a risk premium to any investment in a foreign country that they do not attach to domestic investments.[8] Fayerweather (1969) also devoted an entire chapter to analyse conflict with nationalism and national interests.[9] The phrase 'political risk', the originator of which is unknown, has been tried to be (re-)defined by international business theorists.[10] A study published in 1994 sharply pointed out that 'research in international business is much more infused with a consideration of political factors than its domestic counterparts'.[11] Meanwhile, recent studies on political risk management show a growing interest in firm-specific facets to the political environment.[12] Political risk is regarded as not exclusively an exogenous variable but one that is partially, if not completely, endogenous.[13] These studies based on quantitative analysis started to demonstrate that firms with political capabilities handled political risk better. Furthermore, they seem to suppose that the firm's political capabilities are acquired or accumulated by its own organisational experience and learning.

However, the quantitative analysis of political capabilities in international business studies has mainly relied on cross-sectional data; however, this should be complemented with qualitative research. As is well known, statistical studies necessarily leave out many contextual and intervening variables. Qualitative research and case studies can explore causal mechanisms and overlooked factors.[14] Particularly, historical approaches with plentiful insights contribute to 'help us better understand the processes at work in capabilities origins and development over time'.[15] Through an analysis of ICGA's history, we can follow how its corporate experience faced political uncertainties and nurtured its political capabilities. We could also better understand the process of trial-and error history shaped what the strategy of ICGA was.[16]

As theme-specific concerns, the following topics should be mentioned: free-standing companies and international taxation. In so far as we define a free-standing company as a firm 'set up in one country for the purpose of doing business outside that company', ICGA was surely a free-standing company, albeit with over-centralism.[17] In addition, Mollan and Tennet (2015) maintained that in response to international double taxation in the early 1930s, the company became a holding company and made the transition from a free-standing company towards a multidivisional multinational structure. However, their findings about ICGA were supported only by an article in the *Financial Times*. Moreover, it has not been clarified what effects these organisational changes brought. As the authors mentioned, a firm-level investigation of international corporate tax planning and its impacts on corporate behaviours would be of great value.[18] For this reason, one section in this study focuses on how the free-standing company with over-centralism changed its corporate structure and management in the face of international double taxation.

Heyday and decline as a gas company (late 19th century−1913)

After it was formed in 1824, ICGA steadily expanded its operations into continental Europe.[19] The first operation was started in Ghent, where ICGA agents reported to headquarters that a numberless crowd celebrated the bright gas light and praised the company on the commencement date. By 1828, ICGA was supplying 6,000 lights through four undertakings: Ghent, Berlin, Hanover and Rotterdam. The company successfully concluded new contracts with about 10 city authorities from the 1830s to 1840s, extending its business area to Austria and France. There was little resistance from city authorities to the idea of awarding contracts for lighting to a British company.[20]

However, these favourable conditions were not perpetuated mainly because local authorities wanted to pressure the company to reduce the gas price or just end the contracts. The company lost contracts with seven major cities between the 1850s and 1880s. In the case of the Rotterdam contract, the company had to concede to substantial price reductions at the time of renewal in 1859 as the contract was put up for public tender. Moreover, the city authority had extensive powers of requiring additional lighting and reserved the right to cancel the contract after five years on payment of compensation. Eventually, the city council decided to form a municipal undertaking in 1883. Although ICGA was permitted to continue its business until the municipal undertakings were in operation, it had to withdraw from the business in May 1887. The city did not purchase any assets of ICGA or pay compensation.[21]

Meanwhile, ICGA was able to exploit the existing contracts and conclude new contracts with smaller towns, at least until the early 1890s. It also acquired gas undertakings from other companies or even municipalities (e.g. Nancy, Flushing). By 1875, over one million lights on the continent were supplied by ICGA. Furthermore, in 1897, the company achieved the supply of 2,669,624 lights in 12 major European cities and 29 small towns. It received 41.4% of its trading profits from Austria−Hungary, 29.4% from Germany, 13.7% from the Netherlands, 9.0% from France, 6.1% from Belgium[22].

In hindsight, the year 1897 signalled the climax of ICGA as a gas provider. The waves of electrification and municipalisation demolished the company's gas business. Against the technological transition of street lighting, the company started to provide gas services for other uses such as gas ovens. The effort was partially rewarded as we can see from the historical trend of the gas industry. In parallel with the enlargement of its old business, ICGA entered into the electricity business. While it is unknown whether this change was caused by entrepreneurial motivation, the company gradually and steadily moved in this new direction.

Unlike the technological climate, ICGA was undoubtedly forced to cope with the political environment. Under the intention of forming municipally owned utility companies, the authorities of Amsterdam and Vienna terminated contracts in 1898 and 1899, respectively. Although the company succeeded in renewing the Amsterdam contract for another 35 years in 1883, the city authorities gave

notice of termination of the contract in August 1897. ICGA received £1,385,000 for the sale of its establishment in Amsterdam.[23] In Vienna, a new mayor, Karl Leuger, determined the fate of ICGA's Vienna business. The man who won the 1895 election as a leader of the Christian Social Party but did not obtain approval as the mayor from the Prime Minister and the Emperor until April 1897, had a long-standing plan. Even while still a member of the city council, he criticised ICGA for not providing reasonable price and quality, questioning the fact that a British company monopolised gas services. Right after his inauguration, he decided to take over the gas plants when the contract expired in 1899. The lengthy negotiation of sale price, which included mediation by the Prime Minister of Austria, was ultimately in vain. The mayor decided to construct a brand new gas establishment.[24] Naturally, ICGA did not get any compensation from the Viennese authorities as with the case of Rotterdam.

The loss of undertakings in Amsterdam and Vienna quickly deteriorated ICGA's financial condition as its overall trading profits slumped from £781,000 in 1897 to £483,000 in 1900. The breakdown shows that profits from Austria−Hungary decreased from £323,000 in 1897 to £52,000 in 1900 and the profits from the Netherlands decreased from £107,000 to £17,000.[25] The yearly dividend rate also reduced from 12% in 1895 to 10% in 1897 and further to 8% in 1909[26], though ICGA was still one of the leading companies in the UK.[27]

Furthermore, ICGA endeavoured to adopt a change of political environment and shifted its investment policy. This meant that the company started to review its reliance on directly controlled branches. In 1900, the company purchased 75% of the shares in a Hungarian company. After 1908, the Frankfurt business was operated by a German company in which ICGA had a major interest. More importantly, in 1907, it established a French subsidiary, Compagnie Continentale du Gaz, which grouped all the small French works acquired by the company many years ago. The wholly owned company was registered under French law with a fixed capital of 10 million francs.[28] It appears that over-centralisation, as summarised by a company historian as characteristic of the ICGA until 1900, started to weaken from the turn of the 20th century. e[29] Nonetheless, the Directors of ICGA and Compagnie Continentale du Gaz were common to both.[30] The effective control of the French company had been grasped by the parent company. At any rate, change of the company's management was interrupted or accelerated by the following event.

World War I and compulsory liquidation (1914−1924)

The beginning of the 165th half-yearly Ordinary General Meeting held on 3 November 1914 must have surprised ICGA shareholders. The Chairman, Charles J. Jessel stated that the company could not report 'any half-yearly accounts, nor a scheme for the division of profits'.

After the outbreak of the First World War, it not only became impossible for ICGA to communicate with its stations on the continent but also became impermissible to have intercourse with these stations.[31] Therefore, 91% of its revenue (65% from Germany, 20% from Belgium and 6% from

France) was immediately cut and the vast majority of the revenue sources fell into belligerent hands.[32] The Chairman ended up not declaring dividends due to the lack of a balance sheet. Meanwhile, the company appeased its shareholders who were concerned about the news that the German government might take over the English gas works. He explained that there were no such facts as far as their staff saw in German newspapers.

As the war dragged on, information on the situation in the continental gradually reached the headquarters. The Chairman in the 166th meeting reported that the company could grasp the picture of French undertakings. As of May 1915, despite the fact that the cities (e.g. Lille, Nancy) suffered German bombardment, the factories and gas lines in France were nearly intact. The company also announced that information on the Berlin station and German circumstances was brought through the Netherlands, which had proclaimed neutrality. A secretary of ICGA was despatched to Amsterdam to communicate with the Agent and Chief Engineer at Berlin. It was revealed that business in Germany had carried on as usual under state control with great civility. The report of the Chief Engineer, Herr Ernst Körting, the third generation to serve the ICGA, satisfied the company: 'Not one single personal complaint came to my ears either by letter, world of mouth, or through the newspapers against any officer of the Association—German or English'.[33] The Chairman could anticipate a future 'no less satisfactory and no less creditable than had been the past'.[34]

Arguably, ICGA was content with its method of withdrawal until 1916. In 1915, the company successfully sold the whole of its interest in the Frankfurt business to the local authority. The deal was profitable. The total sum paid to ICGA was £941,320, whereas the value of the shares on the books of the company stood at around £465,650.[35] In addition, the Flushing station, the sole remaining undertaking under the control of the headquarters, was a small but brilliant earner of profits. The company was able to employ neutral steamers, mainly Dutch, to export coal from the UK to Flushing.[36]

However, the situation changed on 31 July 1916 when the German government established the compulsory registration of enemy property and inaugurated the liquidation of British enemy property.[37] A year later, ICGA was ordered to liquidate its undertakings in Hanover and Berlin.[38] The former business was knocked down for 6 million marks (£300,000) by the sole bidder, the town of Hanover. The company not only lost the contract till 1950 but also received less than its total past investment of 10 million marks. The latter work was sold for 85.2 million marks to the County Council, which set up a company operating its gas service and appointed Körting as the manager. In 1918, the Belgian undertakings, about which little information was provided to shareholders during the first half of the war, were also liquidated. However, in the case of Belgium, King Albert I signed a decree making all such enemy orders since 4 August 1914 null and void.[39]

Eventually, by 1925, ICGA received £7,376,807 from the Enemy Debts Clearing Office as compensation for the confiscated properties.[40] This was the result of the company repeatedly lodging

claims for reparations with the Foreign Office during and after the war. Nevertheless, the compensation did not match the original claims in 1916 of £15,713,949 or the amended claims in 1920 of £13,134,214 (Germany: £10,869,473; Belgium: £1,773,599; Austria: £491,141).[41] At last, in 1921, the company resumed dividend payments at 10% per annum. Besides regular dividends, ICGA could declare special dividends paid from the German money.[42]

After the First World War, ICGA's remaining business area was mainly limited to France and Belgium. As for the French business, the company realised that at least until 1918 its works would not be run as before. Gas lines in the towns of Armentières and Estairs were completely destroyed. The up-to-date electrical equipment in Lille was also stripped by the Germans. Moreover, the bombardment between both camps greatly damaged the Nancy undertaking.[43] In 1920, the company consolidated all its interests in France into a subsidiary, Compagnie Continentale du Gaz.[44] Although it was uncertain whether headquarters gave the subsidiary more leeway than before, the management was probably affected by the memory of disconnection during the war. In contrast, the Belgian stations returned to ICGA were deployed as directly owned branches as before. However, another factor produced by domestic and international politics encouraged the company to alter the management style of its Belgian business.

International taxation and holding company (1925−1939)

The effort of ICGA to keep up with the times continued into the late 1920s and 1930s. Technologically, the business portfolio was increasingly inclined towards electricity. A newspaper reported, 'the present title of the Imperial Continental Gas Association is something of a misnomer, for nowadays this old but virile undertaking is deeply engaged also in the supply of electrical energy'.[45] Faced with a political situation, the company went for small undertakings in Essegg (1926), Flushing (1934), Prague (1935) and Graslitz (1938).[46]

However, the major concern of ICGA at that time must have been its Belgian business and international double taxation. At the annual meeting in 1931, the company called itself 'one of the most unfortunate victims of double taxation'. For example, Belgian taxation authorities deducted 22% from the gross amounts of its dividends, and British authorities deducted 22.5% from the remainder. The reason ICGA suffered from this severe tax burden was due to inadequate international double taxation relief in the UK. Despite the fact that corporate income tax rates in many countries skyrocketed and remained high since 1914 (UK: 5.8% in 1913, 30% in 1918, 22.5% in 1931; US: 1% in 1913, 12.5% in 1918, 12% in 1931), the British government did not legislate any foreign tax relief towards anywhere else other than the Empire.[47] Although the authority virtually provided a foreign tax deduction relief outside the Empire, the rule was inferior to other foreign tax relief systems such as foreign tax credit or extraterritorial income exclusion.[48]

In fact, ICGA had already taken two measures to alleviate double taxation by the day of its

annual meeting in 1931. First, four years before the official exposure of complaint on international taxation, the company, in 1927, launched a private British financial company called the Utility Loan Company (ULC). ULC's purpose was to be the channel through which the company financed its associated companies for the very good reason that ICGA sought to 'avoid a large part of the foreign taxation which would otherwise be borne'.[49] The tax planning was to take advantage of differences in the taxation of dividends and interest. Belgian law defined companies without offices or permanent establishments in Belgium as foreign companies and taxed interest paid to foreign companies at the reduced rate of 5%. Therefore, ICGA established ULC to lend money to its Belgian subsidiaries.[50] In 1927, when ULC revenue was not reflected, interest revenue from Belgium was only £518. However, this amount increased to £13,824 in 1928. The percentage of Belgian total revenue was approximately 25% at its peak in 1933 when interest revenue was £101,941.[51]

ICGA's second action was to convert branch offices in Belgium into Belgian subsidiaries in 1930. International double taxation arose when overseas subsidiaries remitted dividends; however, no tax was applied when subsidiaries retained their profits. In contrast, after 1914, the British authorities taxed the profits of overseas branches, whether remitted or not. Therefore, by converting its branches into subsidiaries, ICGA could retain profits in Belgium. The company decided 'not to press the subsidiary companies for dividends in excess of the sum required to yield a reasonable rate of dividend'. Under the policy that encouraged subsidiary and associated companies to build up internal reserve.[52]

More importantly, ICGA's 1930 reorganisation propelled the decentralisation of management. As evidence that it was not ostensible, the intention was publicly announced by the Chairman in the 1929 Annual Meeting, where he stated that 'direct branch establishments of an English Company had become an anachronism'. He subsequently said 'local capital and local interest ought to be given the opportunity to associate themselves with our undertakings'. He also reminded shareholders that in the past the company had owned some foreign companies in Hungary, France and Germany.[53] Furthermore, ICGA created a new Belgian position of 'Liaison Officer for ICGA and its Associated Companies' and appointed a Belgian, Maurice Périer, in December 1930.[54] The 'effective management' rule, which the British tax authority adopted, must have influenced the decision. The British Multinationals could not escape their potential income tax liability based on their profits unless all their activities, management, and control occurred abroad.[55]

Eventually, decentralism and personnel reshuffle along with corporate reorganisation brought great success to ICGA in the 1930s. When the company renegotiated its contract with communes in Antwerp in 1931, Périer and his young and capable staff in a new, small office found that the taxes on profits and dividends would be extremely low if the gas or electricity distribution subsidiaries of ICGA formed profit-sharing joint associations with the communes. The later-termed 'intercommunale' system was implemented immediately and was concluded between a Belgian

subsidiary, Antwerpsche Gsmaatschappij, and the communes of Antwerp in 1932. In the case of the subsidiary, the dividend tax was 22% in 1930, 5% in the contract year 1932 and nil in 1935.[56] The system, which also protected the interests of both ICGA and local authorities, ended up being applied to all former concessions by 1936. The company, released from the pressure of a heavy tax burden and contract termination, formed a holding company in Belgium called Compagnie Belge et Continentale de Gaz et d'Electricité (Contibel) in 1933.[57] It goes without saying that Perier was appointed the Managing Director of Contibel.[58]

Additionally, the review in the 1930s was not limited to its old management style. The company was able to extend its operations to the United Kingdom because the request to amend the Imperial Continental Gas Association Act was passed in 1936.[59] In the same year, the company acquired a 28% share in Edmundsons Electricity Corporation, which was repatriated from a U.S. multinational utility company, Utilities Power and Light Corporation, and had substantial interests in electricity production and distribution mainly in the Midlands, East Anglia, the West Country and South Wales. In 1938, the company raised 59.3% of its gross revenue in Belgium, 24.2% in France and 16.5% in the UK.[60] As a pure holding company of gas and electricity in Europe, it appeared that ICGA had started to step into a new era.

War, nationalisation and new ventures (1940−ca. 1987)

ICGA's new start in the 1930s was stopped yet again by other political uncertainties in the 1940s. In May 1940, German troops invaded and occupied Belgium, forcing down France the following month. Direct communication with Belgium ceased abruptly on the day of the German attack, and for news, the headquarters had to rely on reports from personnel of subsidiary companies who had come to the UK.[61] Headquarters received a letter dated 5 July 1941 from the Foreign Office informing that the Belgian companies were 'not under sequestration and continued their activity'. The letter further stated, 'only the management of the ICGA's participation in the Companies is entrusted to the care of a German Administrator' who 'is regarded as a member of the Board of Directors'. The Administrator also 'checked any documents handed to the members of the Board'.[62] With regards to the French situation, it appears more difficult to access the information. The Chairman at the 1942 meeting only mentioned that the situation seemed to be the same in France. Of course, dividends were 'out of question' under the circumstances.[63]

On the other hand, the German occupational administration during the Second World War did not bring serious changes to the ways of ICGA. Unlike during the First World War, practically all the company's interests in Belgium and France were in the form of investments in local companies. Therefore, those companies were left comparatively unmolested by the Germans.[64] On the contrary, sales of gas and electricity in Belgium recovered to their pre-war levels in 1942 and increased until the beginning of 1944. Sales of gas in France also increased by 69% during the war.

Rather, new threats arose after peace. The French and British governments legislated the nationalisation of gas and electricity between 1946 and 1949. All the company could do was to receive £6.5 million in compensation for shares of Compagnie Continentale du Gaz and Edmundsons Electricity, though the company negotiated with the French government over the amount of compensation. The fear of nationalisation in Belgium made ICGA launch a new company in 1947, the Société Italo-Belge Pour le Commerce et l'Industrie (Belcomin), to which were transferred all non-nationalisable assets.[65]

Finally, the compensation received for nationalisation reshaped the ICGA's activities. The company diversified into new markets and business areas in the 1950s. The company invested in water heaters, paints, catering equipment and even sewing machines. Furthermore, it acquired Canadian utility companies Gatineau Power (£1.5 million) and Calgary Power (£0.5 million). By 1960, 71% of its income came from Belgium while 12% and 17% came from North America and the UK, respectively. However, the 1960s saw the company retreat from most businesses it had invested in the 1950s. The money from their profits and Belgian–Anglo business was poured into more promising businesses: oil and gas business in the North Sea and LPG sales in the UK. As an around 10% shareholder of Petrofina, an oil and gas company as well as one of the largest corporations in Belgium, ICGA enjoyed unprecedented economic success along with the exploitation of oil and gas in the North Sea. In addition, the company took over all the shares of the Calor Gas Group in 1969, which was also one of the largest LPG suppliers in the UK.[66] Happily, the company was selected as an original member of the FTSE 100 Index in 1984. Then, ICGA brought down the curtain in 1987 by splitting itself into a Belgian energy company (Contibel Holdings) and a British LPG supplier (Calor Group). These companies are now owned by SHV and Tractebel, respectively.[67]

Summary and discussion

This study followed the brief history of a British multinational enterprise whose original business was as a gas provider for continental Europe. As we saw, the company, Imperial Continental Gas Association, passed through successive waves of technical and political changes throughout its life.

In particular, political uncertainties, such as municipalisation, wars, international taxation and nationalisation, had a critical impact on its corporate decisions. Some political events seen in the Netherlands (Rotterdam, 1887; Amsterdam, 1898), Austria (Vienna, 1899), Germany (Berlin and Hanover, 1916), France (1946) and the UK (1948–1949) directly forced the company to divest its works. The fear of deprivatisation and international double taxation prompted the company to reorganise its corporate structure whereby ICGA gradually shifted from a company with over-centralism to a pure holding company with decentralism during the first half of the 20th century. Arguably, the political capabilities of ICGA nurtured by these experiences contributed to the survival of its Belgian business. The fructified, intercommunal system prevented not only

(wholly-)deprivatisation but also serious tax burdens. Thanks to its reliable stronghold in Belgium, ICGA could succeed in investing in oil and gas business in the 1960s and 1970s. Nevertheless, it should be pointed out that ICGA's business scope often remained relevant to 'gas utility' and Europe. The limitation or discretion on investment mitigated political uncertainties and supported decisions regarding technological selection. In other words, the political capabilities of a firm should be placed in the context of industrial characteristics, geographical peculiarities, corporate strategy and business policy.

Naturally, this study has limitations. First, the cognitive perspective of managers was not analysed. The entrepreneurial activities of top or middle management are known to be key to better understand the firm's ability to sense and seize opportunities as well as to reconfigure when change occurs.[68] Second, this study scarcely mentioned competitors' behaviour. Third, it rarely described the political actions of ICGA to change political institutions or situations themselves. In spite of these notes and the limited use of historical records, 164 years of history of ICGA shows a robust spirit not easily defeated by political uncertainties.

Notes

[1] Hausman, Herterner and Wilkins, 2008.

[2] Anon, 1974. According to the Forward by an anonymous writer of the ICGA official history, the small book was based on the works referenced in footnote 3.

[3] Hill, 1950; Bourne-Paterson, 1970.

[4] Historical materials of the ICGA are held at the London Metropolitan Archives (LMA).

[5] Forbes, Kurosawa, Wubs, 2016.

[6] Wilson, 1995.

[7] Kobrak and Hansen, 2004.

[8] Hymer, 1960, 28.

[9] Fayerweather, 1969.

[10] See, Robock, 1971; Kobrin, 1979.

[11] Boddewyn and Brewer, 1994, 119.

[12] See, Holburn and Zelner, 2010; Blake and Moschieri, 2017.

[13] Jiménez, Luis-Rico and Benito-Osorio, 2014.

[14] George and Bennett, 2005, 21.

[15] Jones and Wadhwani, 2016, 23.

[16] Whittington, 2001.

[17] Wilkins, 1998, 3. Wilkins (1988) mentioned that 'fundamental to free-standing company was its inherently weak managerial structure at origin, causing it to depend on outside providers of services'. The finding appears to make Jones (1986), who relied on the embryonic ideas of Wilkins and the official ICGA's history book, write that before 1914 ICGA was 'a vigorous "free-standing" venture' but had 'many features of a modern multinational'. At least in 1900, all decisions and ICGA's day-to-day administration were carried out by its London office under the guidance of the Board of Directors. See, Wilkins, 1988, 279; Wilkins 1998, 45; Jones, 1986.

[18] Mollan and Tennet, 2015, 1063, 1069.

[19] The Association was promoted in 1824 by William Congreve, who was the inventor of Congreve rockets. The Imperial Continental Gas Association Act was firstly legislated in 1833. Subsequently, the Act was supplemented and amended by the Acts, 1836, 1843, 1845, 1847, 1851, 1853, 1870, 1878, 1879, 1884, 1893, 1916, 1929 and 1936. See, CLC/B/122/MS23323: Acts of Parliament, LMA, 1916, 1.

[20] Anon, 1-8.

[21] Hill, 119, 173-174.

[22] Anon, 12, 14-15; Hill, 205.

[23] Anon, 15; Hill, 172-173, 195-196.

[24] Geehr, 1990, 55. Furthermore, Leuger pushed municipalisation of electricity work and public

transport systems. As a social reformer, the battle with ICGA was a battle that could not be lost.

[25] Hill, 219.

[26] *The Financial Times*, 25 Aug. 1910, 31.

[27] The share capital value on the London Stock Exchange was £7,524,000 in 1900. While it should be noted that ICGA was a utility company, the value easily meets the definition of big business as suggested by Youssff Casis: a yardstick of 10,000 employees and/or a share capital of £2 million before 1914. See, Cassis, 2008.

[28] Anon, 25-26.

[29] Hill, 229.

[30] Anon, 22.

[31] Report of the proceedings at the 165th half-yearly Ordinary General Meeting of proprietors held 3 November 1914, in CLC/B/122/MS23344/003: Circulars to shareholders. Include annual reports and accounts for the years 1900-1914, 2.

[32] Anon, 23-24.

[33] Report of the 166th meeting, 11 May 1915, CLC/B/122/MS23344/003, 4.

[34] Report of the 167th meeting, 11 Nov. 1915, in CLC/B/122/MS23344/004: Circulars to shareholders. Include annual reports and accounts for the years 1915-1927, 8.

[35] Anon, 17.

[36] Report of the 168th meeting, 24 May 1916, CLC/B/122/MS23344/004, 4.

[37] Caglioti, 2014, 6.

[38] Report of the 169th meeting, 1 May 1917, CLC/B/122/MS23344/004, 7-8.

[39] Report of the 170th meeting, 7 May 1918, CLC/B/122/MS23344/004, 4-8.

[40] Anon, 25-26.

[41] Report of the 172nd meeting, 5 May 1920, CLC/B/122/MS23344/004, 10. The claims on Belgium were modified by the return of the works and immovable properties in Brussels and Antwerp. The company claimed for materials, stocks and cash confiscated by the Germans. ICGA also claimed for 'the cash assets invested by the Austrian Government, and for a loan to the Central Gas Company of Budapest' (172nd, 10).

[42] *The Financial Times*, 15 April 1924.

[43] Report of the 171st meeting, 6 May 1919, CLC/B/122/MS23344/004, 12.

[44] 172nd, 7.

[45] *The Financial Times*, 7 May 1931.

[46] Anon, 30.

[47] Avery-Jones, 2013. Only within the British Empire, Article 27 of the Finance Act 1920 provided foreign tax credit and limited it to a maximum half credit.

[48] For example, let the income of a corporation of Nation A earned in Nation B be 100 and let A's tax

rate be 20% and B's tax rate be 10%. Under the foreign tax credit, income after tax = 100 − (100 × 0.1) − {100 × (0.2 − 0.1)} = 80. Under foreign tax deduction, income after tax = 100 − (100 × 0.1) − {(100 − 100 × 0.1) × 0.2} = 72.

[49] Proceedings at the 183rd Ordinary General Meeting of the Proprietors of the Association, 20 May 1931, in CLC/B/122/MS23344/005: Circulars to shareholders. Include annual reports and accounts for the years 1931-1937, 11. ö

[50] Bourne-Paterson, 155. The financial company could sometimes charge higher rates than were politically possible for ICGA.

[51] Bourne-Paterson, 1970, Appendix 3a.1. The Belgian revenues were £326,203 (total revenue of ICGA: £499,126) in 1927, £410,791 (£755,631) in 1931 and £387,645 (£748,940) in 1933.

[52] Proceedings at the 184th Meeting, 25 May 1932, CLC/B/122/MS23344/006, 11. The amount placed in Belgium was Frs. 67,759,225 (approximately £500,000) during 1936-1940 (Bourne-Paterson, 232).

[53] Proceedings at the 181st Meeting, 29 May 1929, in CLC/B/122/MS23344/005: Circulars to shareholders. Include annual reports and accounts for the years 1931-1937, 8-9.

[54] Bourne-Paterson, 192.

[55] Picciotto, 1992, 7-9.

[56] Bourne-Paterson, 190,210.

[57] Anon, 32-33.

[58] Bourne-Paterson, 231.

[59] Anon, 34.

[60] Bourne-Paterson, Appendix 4a.1.

[61] Proceedings at the 192nd meeting, 7 June 1940, CLC/B/122/MS23344/006, 1.

[62] Minutes of the Board of Direction held on Friday, the 25th July, 1941, in CLC/B/122/MS23327/061: Board of directors' minute book, Apr. 1938 – Dec. 1952, 993.

[63] Proceedings at the 194th meeting, 12 June 1942, CLC/B/122/MS23344/006, 1-2.

[64] Proceedings at the 197th meeting, 15 June 1945, CLC/B/122/MS23344/006, 2. The ICGA's shareholding itself was regarded as enemy property. Then, the dividends were handed over to the German Custodian of Enemy Property during the war. After liberation, the company estimated that the dividends, rents, etc. paid to the German Custodian was B. Frs. 48,600,254 (£274,578). The dividends, interests, etc. less expenses not paid to the Germans was calculated to be B. Frs. 60,399,608 (197th, 2).

[65] Anon, 37-38.

[66] Anon, 39-45.

[67] *The Economist*, 14 March 1987, 84; Moore, J., 'Who's still standing in the FTSE 100 today?', *The Independent*, 3 January 2014, http://www.independent.co.uk/news/business/analysis-and-features/who-s-still-standing-in-the-ftse-100-today-9038180.html, accessed 1 May 2017.

[68] Teece, 2007; Leih and Teece, 2013.

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