

**THE FOUNDATION AND EARLY HISTORY OF CATHOLIC CHURCH
INSURANCES (CCI) 1900-1936**

Submitted by

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STATEMENT OF SOURCES

This thesis contains no material published elsewhere or extracted in whole or part from a thesis by which I have qualified for or been awarded another degree or diploma.

No other person's work has been used without due acknowledgement in the main text of the thesis.

This thesis has not been submitted for the award of any degree or diploma in any other tertiary institution.

Signed _____

Date: 28 November 2015

DEDICATION

To my husband Kevin James Carolan, our children Thomas, Miriam, Ralph and Andrew and our grandchildren, Sophie, Lara, Samuel and Katherine, for their loving patience and support.

Many colleagues and friends provided assistance including Dr. Sophie McGrath rsm, Professor James McLaren and Professor Shurlee Swain of ACU. Wonderful insights and advice were offered by outside academics, Dr Jeff Kildea, Dr Simon Smith and Associate Professor Bronwyn Naylor.

ABSTRACT

In the early twentieth century Cardinal Patrick Moran and others, both clerical and lay, understood that the adolescent Australian Catholic Church needed physical as well as spiritual support. The Church, as trustee, had an economic imperative to care for and maintain its properties. In 1910 Moran asked Hugh Mahon, a feisty Irishman and an Australian federal politician, to establish an Australian Catholic insurance company to achieve this purpose. Moran made it clear that the primary purpose of the company was to protect the assets and properties of the Church and that the company was to serve the Church only.

Mahon took as his model the Irish Catholic Church Property Insurance Company founded in Dublin in 1902 and gathered around him laymen with impeccable Catholic and business connections to support him in the running of this new company. The Irish laity had become prominent as board members and shareholders in the Irish company and the founding board members of the Australian company, with Mahon as Managing Director, were all laymen with Irish backgrounds.

The thesis traces the foundation and early history of this company and analyses those practices that distinguish it from secular insurance companies during the first twenty-fives of operation. The study intertwines many strands: Episcopal vision, Irish heritage, aspirations of the Catholic community for both the religious and the laity and how the spiritual and social services of the Church's mission were evident in the works of this new company and their supporters.

This strongly contextualized thesis demonstrates that, for the period under examination, the company and their supporters were influenced by factors at the local, state, federal and international levels. These included the rapid expansion and development based on the hopes of a newly federated Australia, Mahon's rejection of an existing insurance tariff scheme run by the secular companies, constraints placed on business operations during the First World War and the effects of the downturn in the economy during the depression years of the 1930s. The company

was not founded in opposition to any existing business, but devoted to the interests of one group – the Catholic Church.

The thesis demonstrates how the many challenges that faced the pioneering founders were handled by diplomatic and dedicated laymen, who interceded on behalf of the company in political and economic spheres to ensure that the Church's business activities and mission were dealt with fairly and justly. Success was based on their own style of management, an enthusiasm to assist the Church and their recognition that the most valuable asset was the people of the Church.

It was unusual that laymen with impeccable Catholic and business connections, not clergymen, were chosen by the hierarchy to run and finance this new company. Their mission was far from easy. There were inconveniences and frustrations in dealing with this semi-captive market. The lines of communication between the company's operatives and the Church were not always clear. Not all dioceses or religious institutes joined the company from the outset. Many were not anxious to part with their money, until they could see sustained success. Others left in the pursuit of more favourable insurance rates.

Many benefits flowed to the Catholic community through the Church operating their own insurance company. Dioceses, parishes and religious orders became beneficiaries initially through shares, dividends, bonuses and rebates, and later through loans, the establishment of charitable funds and investment portfolios organised to support sick priests. Mahon's dream of establishing a broader range of insurance policies, not confining the company to fire insurance only and extending policy holdings to include the Catholic laity were not realised, but he left the company firmly established, providing a substantial yearly profit.

It became evident as the thesis investigation unfolded that Hugh Mahon, who came to the company's mission challenge as a successful journalist, politician and patriot, with experience in business, was an impressive man of initiative, generosity, and high ethical standing. His close associates shared these values and they formed a successful Church business. Apart from providing an informative, integrated critical account of the founding and early history of Catholic Church Insurances, this thesis also includes rich resource material concerning the Catholic laity of the time, which can be drawn upon for subsequent in-depth research about the laity in the Australian Catholic Church.

ABBREVIATIONS

ACCA	Australasian Catholic Charities Association
AIBR	Australasian Insurance and Banking Record
BAA	Brisbane Archdiocesan Archives
CCI	Catholic Church Insurances
MDHC	Melbourne Diocesan Historical Commission
NAA	National Archives of Australia
NLA	National Library of Australia
SAA	Sydney Archdiocesan Archives
SGIO	State Government Insurance Office
UCD	University College Dublin
UMI	University of Melbourne Archives

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Chapter 1: *Collaboration between the hierarchy, clergy and laity*

Introduction

The inspiration for this thesis emerged during the researching and writing of a commissioned centenary history of Catholic Church Insurances (CCI).¹ It was a celebratory history and its extensive timeframe did not permit further in-depth reflection and research in connection with the role of the laity in the founding and early period of CCI. A particular aspect of this thesis is its focus on the laity as they collaborated with the hierarchy and clergy in the mission of establishing CCI. This insurance company was to be devoted to the interests of one group – the Catholic Church. The institutional Church, as trustee, had an economic imperative to care for and maintain its buildings. No matter how humble or how remote, preservation of all of its churches, presbyteries and convents was central to its ongoing charitable mission. Hierarchy, clergy and laity were all vital members of this institutional Church and their cooperation was essential to its welfare.

Questions that emerged during the research in connection with the laity included: What was the general profile of the laity to whom the hierarchy turned to for the establishment of CCI? Who were the key lay players in the foundation history and early years? Why did the laity cooperate? What form did that cooperation take? Were they subservient to the hierarchy and clergy? Did they display initiative?

Methodology

A strongly contextual methodology was necessary for this thesis. The history of CCI was played out within the wider Catholic Church history as well as the wider secular history, especially political conflict and the developments in insurance in English speaking countries beyond Australia. The foundation history of CCI began immediately within the context of Australian Church history, within the wider secular Australian history, involving especially the emergence of the Commonwealth and the developing secular insurance initiatives in the country, which would variously both threaten and promote the development of CCI. From the following discussion of sources it is clear that archival research was pivotal to the methodology of this thesis.

¹ Jane Mayo Carolan, *Serving Church: A History of Catholic Church Insurances and Serving Church: The People of Catholic Church Insurances* (Melbourne: Utber & Patullo 2011) 2 volumes

Archival Research

The research for this thesis draws from internal and external archival repositories. Archives are not just made up of records deposited in archival custody but include business records deposited with banks, accountants and legal entities for safe keeping. It has been estimated by archivists that less than 10% of records generated are preserved.² Records of core functions or business activities were considered to be more valuable than housekeeping. The minutes of decision making boards were also considered to be more valuable than internal memos. In a similar vein collecting records of the head office took precedent over those generated by regional offices.

External archival sources, held in private and public repositories, included the correspondence and notes of board members and staff concerning the business. These sources provided a powerful intersection between the factual records of the company and individual responses. Personal doubts and concerns about the company's progress, and frustrations, about delays can be ascertained in their lengthy correspondence. This private correspondence revealed their difficulties in working with the hierarchy and clergy in establishing and running a viable company. The papers of Hugh Mahon, held in the National Archives of Australia, were pivotal in understanding the challenges faced by the laity.

One principal internal source of information for this work was contained in the handwritten minutes of the ninety-two Meetings of the Board of CCI. These were held on an irregular basis from 6 August 1912 to 24 August 1936. There was only one annual meeting from 1912 until 1916 when a second board meeting was introduced. As the company grew the number of board meetings was increased to six in 1931. This indicates that the functioning of CCI had become more complex through establishing loan funds and providing for sick priests. There appears to have been no ruling of a quorum for decisions to be made. Often the Chairman Hugh Mahon, in the presence of one other board member, would make the decisions. Initially these minutes were kept on separate pieces of paper, counter signed and dated by Hugh Mahon. From 19 August 1924 the minutes were entered in a designated book with pages numbered sequentially and kept in a formal standardized manner.

Seventy-seven board meetings were held in Melbourne at the offices of CCI. In addition three were held in private venues in Malvern and Ringwood at Hugh Mahon's residences. An emergency meeting was held in the country, at Daylesford, to assist in settling a fire claim received from a parish priest whose insurance policy was in arrears. Only twelve meetings were held in Sydney. The minutes tabled were entirely

² Judith Ellis (ed), *Keeping Archives* (Melbourne: D W Thorpe 1993) 9

introspective, ranging intermittently from salaries for staff to variations in returns to shareholders. For the first six years discussions took place on investing available funds in government and semi-government stock. From 1918 onwards the board looked at requests for loans from dioceses, parishes and religious orders. There were no references in these board papers to conditions in Ireland, the First World War or the 1930s depression.

CCI Annual Reports from 1912 were printed, but were circulated only to their shareholders. Outside events were mentioned twice briefly as CCI's reason for making conservative investments. In 1914 Hugh Mahon referred to the disturbed conditions arising out of Europe. In 1931 he mentioned the financial position that Australia had drifted into. Connections between these events and CCI occurred only at the personal level and had little impact on the company's progress. The annual reports of CCI provided a lens on the financial status and activity of the company. This data is included in the appendices of the thesis in a series of detailed tables. The tables identify a number of key areas in the history of CCI – Insurance Premiums and Cost of Reinsurance, Revenue and Liabilities, Capital Raising, Profit and Dividends, Fire Claims, Income and Profits and Board Membership, Directors, Secretary and Auditors.

CCI Archives

The CCI Archives are a private collection. During the writing of the commissioned history of CCI, access was generously made available. The permission to use the relevant CCI documents, referred to not only those used in the published history but other key documents forming an integral part of this thesis.³ The CCI archives are not sorted in chronological order, nor indexed, classified or digitised, which made the investigation especially time consuming.

The CCI primary sources for the thesis include general company correspondence (1910-1921), correspondence of the founding director Hugh Mahon (1910-1931); correspondence relating to Sick and Infirm Priests Fund; the Catholic Charities Association Fund; Australasian Catholic Charities Association; the Queensland Insurance Company and the State Government Insurance Office of Queensland (SGIO). Other pivotal resources were the minutes for the annual meetings of shareholders, general meetings and extraordinary meetings, directors' meetings and those of the Sick and Infirm Priests committees, and the Australasian Catholic Charities. Also key documents were the Memorandum of Association & Incorporation for the years of 1911, 1930 and 1936, registers of shareholders (1912-1936), share certificates, scripts and policies and the claims' ledger. The significant

³ Permission approved by CCI Managing Director, Peter Rush, July 6, 2014

sections of these primary documents were contained in the inwards and outwards correspondence. Voluminous share registers show not only financial movements, buying and selling, but enumerate who were the shareholders, as well as showing factors influencing decision making. These documents, although business focused, reflected the ability and values of those involved.

Minutes of the monthly board meetings, the annual general meetings and extraordinary meetings, although formal in presentation, shed light on why and how the company changed directions and who drove the decision making and throwing light on the characters of the participants. Policy holders could only be identified through the claims' books. These were revealing in the nature and extent of claims lodged and the use of reinsurance, which is the additional insurance applied to large risks. These records delineate when policies lapsed or were in arrears and indicate how the company responded with *ex gratia* payments to clients in need. The annual printed reports of the CCI provided a rich repository on developments in any given year and the Managing Director's comments on the insurance climate were frequently insightful. One of the challenges during the CCI research was the apparent absence of the underwriting records, policy renewal letters, supporting correspondence or a central policy register, all of which would have itemised the inward flow of capital. A possible explanation could be that when the Managing Director, Hugh Mahon died in office in 1931, his family or executors may have disposed of these records, but it is more likely that these confidential records were lost during the frequent relocation of the Head Office's premises. Again in many subtle and not so subtle ways the commitment and implicit Catholic values of the laity are evident

The official documents may be termed the public memory of CCI. Within the company's holdings are an important sub-set of documents, which may be classified as the private memory. Alongside the copies of the public memory are drafts and notes compiled by Hugh Mahon, the first Managing Director of the company. These provide the context for the letters sent and reveal additional information that is not included in the correspondence. Apart from the CCI primary sources, there is an extensive collection of papers of Hugh Mahon held in the National Library of Australia in Canberra. These papers include valuable biographical material, correspondence with Catholic intellectuals, Church hierarchy and religious and cover a wide range of Catholic issues, including documents on insurance. These were especially valuable in revealing Hugh Mahon's character, in particular what motivated him to undertake and persevere with the onerous task of establishing CCI.

Overseas Precedents

Central to this history of CCI is an understanding of the history of insurance, especially in relation to Catholic properties in Ireland, the United Kingdom and the United States of America to which Australia is strongly historically connected. An important precedent for CCI was the Irish Catholic Church Property Insurance Company established in 1902 by the Archdiocese of Dublin. An exhaustive examination of key archival documents pertaining to this company became crucial in making distinctions between this Irish initiative and CCI's objectives and operations.

The Irish documents covered the founding of the Irish Catholic Church Property Insurance Company including the certificate and deeds of incorporation, early fire policies and employers' indemnity policies. This material also included three attempts made by secular companies to take over the Irish company during 1911-1913. The documentation covered Irish secular insurance competitors, the Hibernian Fire and General Insurance Company and the Irish National Insurance Company. During a meeting of the researcher in Dublin with Michael Nolan, the Managing Director of Allianz, he explained how the Irish Catholic company was taken over by Church and General Insurance in 1975, which resulted in a significant departure from dealing exclusively with diocesan and religious orders' insurance.⁴ The business was subsequently absorbed by a secular company, Allianz.

There were similar small Church insurance companies established in the United Kingdom, Italy and the United States of America. The Ecclesiastical Insurance Office (for the Church of England) had been founded in the United Kingdom in 1887, Cattolica Insurance (for the Catholic Church) in Italy in 1895 and the Church Mutual in 1897 (for all denominations) in the United States of America. The principle of the separation at law between church and state ensured that religious entities, who were early clients of these companies, were seen as charities and were not required to file tax returns, list assets or disclose basic facts about their finances. All of these companies moved away, from their original charter of dealing directly and solely with church insurance. They entered the commercial sector of reinsurance and financing and subsequently their religious insurance matters were absorbed as sub-sections or subsidiaries of larger secular insurance enterprises. These companies remained religious in name only.

There appears to be no known extant primary documents or analyses of the early operations of Catholic fire insurers for Catholic entities, from either a financial or

⁴ An informal meeting with Michael Nolan, Allianz House, 23 July, 2009, CCI Archives

Catholic perspective.⁵ In 1913 Catholic and General Insurance Association was formed in London for the purpose of securing Catholic Church fire business for churches, convents and colleges. This new company also undertook other insurance lines to cover theft, accident and employers' liability. The London *Evening Post* reported that shares in this company were open to public subscription and secular company financing and only one third of the business, covering fire insurance, was exclusive to Catholics.⁶

CCI remains the only Catholic Church insurance business which adheres to its original charter of exclusively serving the Catholic Church.⁷ In the absence of a critical social or in depth analysis of church insurance companies there is no genre of church insurance histories to draw from. Successful and independent secular companies have commissioned professional historians to write their histories. Several provide excellent background material to understand how the insurance world operated in Australia during the period in which the establishment of CCI was being contemplated and to illuminate where CCI stood in the general insurance scene in its early years of operation.

Insurance histories and related sources

Researching company histories, whether secular or religious, is an uncommon practice for academic historians. Business activities, by their competitive nature, rarely allow an outsider to scrutinise and evaluate operations. Matters of finance and strategies are not generally made available and, not surprisingly, analyses are confined to results without consideration of ethical underpinnings or an investigation into what underlies the decision making. In the main, historians have relied entirely for such research on published annual reports and company releases. Economic historians have based their evaluations on profits, not service. Published works often become marketing tools or resemble hagiography. Representative examples of this sports league-table approach are Thomas Peter's *In Search of Excellence, lessons from America's best-run companies* and Graham Hubbard's

⁵ Jane Mayo Carolan, *Serving Church*, 192

⁶ *Evening Post* December 10, 1913, 4

⁷ This consensus was reached during discussions with Michael Nolan Managing Director of Church & General, in Ireland, Christopher O'Malley, employee of the Hibernian Fire and General insurance and Church & General before CCI, Laurie Rolls, independent consultant, who worked extensively in overseas insurance companies and Peter Rush the current CCI Managing Director, March 26, 2010, CCI Archives.

The First XI: Winning Organisations in Australia.⁸ The titles reveal their main thrust.

Relevant insurance material

Gordon Parry's *Underwriting Adventure, A Centennial History of the National Insurance Company of New Zealand Limited* (which traded in Australia) not only records the fortunes of the company but the decisions which influenced those fortunes.⁹ Commissioned by the company, this book is one of very few published works that takes an honest and balanced approach. Parry acknowledges that the going was not always easy and that wrong decisions were made. He delineates in depth the effects of wrong decisions made and traces the ramifications over time. In carefully outlining contexts, he courageously pinpoints weaknesses in financial and managerial decisions. In a similar vein *From Club to Corporation* charts the story of AAMI Insurance in Victoria.¹⁰ The value of this work for the early history of CCI lies in its frank discussion about a cartel that monopolised the setting of tariff rates that regularised the Australian insurance industry. This subject is discussed in laudatory terms in the history of *The Sun Insurance Office 1710-1960*, a derivative London fire insurance company, that was a participating member in the cartel setting rates to avoid external competition, known in insurance circles as 'the tariff'.¹¹ This thesis examines why and how CCI stood apart from these tariff regulations and illustrates well the business acumen and integrity of the laity involved.

The study *From SGIO to Suncorp* broke new ground in its detailed analysis of the role of government intervention in Queensland insurance.¹² The State General Insurance Office (SGIO) in Queensland came into being to administer the new Workers' Compensation Act of 1916. The act was introduced by the Catholic Labor Premier, Thomas Joseph Ryan. SGIO quickly moved into other areas of general insurance with private companies, including CCI, and dramatically altered church business in Queensland. Apart from highlighting the leadership of Catholic laity in the wider community this source was especially helpful in understanding

⁸ Thomas J Peters, *In Search of Excellence: Lessons from America's Best-Run Companies* (Sydney: Harper & Row Publishers, 1982). Graham Hubbard, *The First XI: Winning Organisations in Australia* (Milton, Queensland: John Wiley & Sons 2007)

⁹ Gordon Parry, *Underwriting Adventure, A Centennial History of The National Insurance Company of New Zealand Limited* (Dunedin: National Insurance Company of New Zealand Limited 1973)

¹⁰ Simon Smith, *From Club to Corporation, Motor Insurance and the Rise of Australian Associated Motor Insurers Ltd* (Melbourne: Australian Associated Motor Insurers 2002)

¹¹ Peter George Muir Dickson, *The Sun Insurance Office, 1710-1960* (London: Oxford University Press 1960)

¹² Malcolm Thomis and Murdoch Wales, *From SGIO to Suncorp* (Queensland: Suncorp Insurance and Finance 1986)

why, from 1917, SGIO's issuing of fire policies to individuals and institutions was seriously undermining the financial viability of CCI. The authors of *From SGIO to Suncorp* wrote:

*That the state became involved beyond the matter of workers' compensation was less a question of planning, ambitious scheming or imperialistic/socialist designs than the product of the dynamic situation which developed as the private companies attempted to thwart the bid of the state government to secure for itself a monopoly in workers' compensation.*¹³

Catholic Church archives

Central to the research were the external sources held in archdiocesan collections. The Sydney Archdiocesan Archives (SAA) is the major repository for Catholic Church affairs in Australia. Patrick O'Farrell was certainly not the first secular historian to recognise the importance of this collection but he was the first to contribute substantially to the reorganising of these archives.¹⁴ SAA holds the correspondence of both Cardinal Moran and Archbishop Kelly with CCI. Similarly the Melbourne Diocesan Historical Commission, Archdiocese of Melbourne (MDHC) holds the correspondence of Archbishop Carr and Archbishop Mannix with CCI. The Brisbane Archdiocesan Archives (BAA) holds a series letters and books of correspondence from Archbishop Duhig to CCI. These cover the period from 1912-1917 when he was Coadjutor Bishop and from 1927-1936 as Archbishop. The correspondence of the Church leaders with CCI, held in these three archives, give an insight into the history of the Church at the time and how the leaders of the Church viewed the formation and the early operations of CCI and their relationship with the laity.

To a lesser extent, the archives in other capital cities and in regional dioceses were helpful. Regional diocesan holdings provided critical records and circulars relating to property, church building, finance and information on previous insurance companies engaged by the Church. Parish records held in diocesan archives were very useful as they included the original insurance policy notices sent to the clients. These policies were retained by the clients and only a brief ledger of each policy was kept at the CCI head office. The parish policies described the buildings, including the exterior and interior, specific features, the furniture and effects and the amount that the property was insured for at a specific date. In addition, the

¹³ Malcolm Thomis and Murdock Wales, *From SGIO to Suncorp*, 7

¹⁴ Patrick Maume 'Patrick O'Farrell reassessed-a view from Ireland' *Australasian Journal of Irish Studies* 13 (2013) 16

parish files held receipts for CCI shares issued and minutes of local discussions about insuring with rival companies.

Religious archival sources

By its very nature this thesis topic covers many dioceses and many religious orders. The researcher drew on those examples which demonstrate an interesting or unusual intersection between key Church bodies and CCI. Representative material from company archives and religious records were used to illustrate particular pivotal cases and intersections. Published Church and religious histories provided an insight into the distinctive ‘charism’ of individual groups of shareholders and policy holders and gave strong evidence of the missions of each. The diocesan archives also include information on parish priests and the religious congregations of priests, brothers and sisters. Of particular value were the various archives of religious orders especially those of the Australian Region of the Society of Catholic Apostolate (the Pallottines) in Perth, Loreto Province Archives in Ballarat, Good Samaritan Archives in Glebe and Mercy Sisters in Singleton. All provided useful contextual information.

Historian Paul Chandler pointed out that:

Religious congregations of their nature are story-telling institutions. They arise from an inspiration embedded in a particular historical moment, and their survival and health require an ability to communicate and adapt their founding inspiration from generation to generation. In order to do so a congregation must find ways to tell its history not only as a record of events but as an expression of the community’s identity and mission and as a way of forging a meaningful spiritual connection between past, present and future.¹⁵

Irish archival sources

The main overseas collection accessed was held in Archdiocesan Archives housed in the Archbishop’s Palace at Drumcondra, Dublin. This archive holds hundreds of documents relating to Archbishop Walsh’s administration. Unfortunately, these files are not indexed, or sorted by subjects, or in a digital format and therefore were not able to be accessed at a distance. Over many days of research, the letters and dossiers about the formation of the Irish Church Property Insurance Company were located and the subsequent correspondence with Australian counterparts about

¹⁵ Paul Chandler, ‘Writing Congregational History: Beyond the Institutional Model’ *Australasian Catholic Record* vol. 83, no2 (2006)186

insurance matters. These formed the basis of an understanding of the how CCI incorporated aspects of its Irish counterpart into its own model of insurance.

In the National Library of Dublin, the focus of the research was on volumes of *Irish Investors' Guardian Banking and Insurance Review* for reports on the progress of the Irish Church Property Insurance Company. Two rare books by Edward Joseph Riordan, *Industry in Relation to National Prosperity* (1906) and *Modern Irish Trade and Industry* (1920) were consulted. These volumes were referred to as precedents by CCI board members when they were planning to effect changes to the share structures and dividends during the 1920s. The holdings of the National Archives of Dublin provided the researcher with material on the Irish company's lay board members through Irish census information, obituaries, parish records and registers, maps of the dioceses of Ireland and commercial directories.

The Kilkenny County Library Local History Collection was consulted for biographical material on lay board members of both the Irish and Australian companies. Through *Old Kilkenny Journal*, *Thom's Official Directories* and *Kilkenny City and Country Guide and Directories* the location and occupations of Irish gentlemen instrumental in the formation of and shareholdings in both the Irish and Australian companies were identified. At Rothe House, the headquarters and repository of the Kilkenny Archaeological Society were accessed and assistance generously given to locate articles in three unindexed local newspapers – *The Moderator*, a Unionist Celtic paper; the *Kilkenny Journal*, a business paper; and *Kilkenny People*, a fiercely nationalist publication. The *Kilkenny People* gave wide coverage to the spread of the United Irish League with reports of their meetings and rallies, with specific mentions of the involvement of the founder of CCI, Hugh Mahon. Church affairs in all three papers were reported on a basis that presumably reflected the readership of the papers. Catholic matters dominated in the *Kilkenny Journal* and *Kilkenny People*, while the news of the Church of Ireland, Presbyterian and Methodist affairs was more prominent in *The Moderator*. However, *The Moderator* contained a supplement on Count Thomas O'Loughlin, a founding CCI board member.

The archives housed in the James Joyce Library of the University College Dublin (UCD) included a collection of the personal papers of James McCann who was the first Chairman of the Irish Catholic Church Property Insurance Company. This collection covered his speeches as a Nationalist member in the House of Commons, delineating his views on the importance of the Irish taking their own economic initiatives, as well as his letters to clergy in Dublin and newspaper cuttings. The

Freeman's Journal (Dublin), a leading Irish Catholic paper of the day, and the early entries in *Irish Dictionary of Biography*, not available in the updated online version, contained information concerning Thomas Sexton, a founder of the Irish company. The repositories helped to provide depth and breadth to the wider context in which CCI evolved.

Australian sources

Conveniently the hard copy volumes (including errata entries) of the national *Australian Dictionary of Biography* compiled by notable and expert historians provided a refereed authoritative, informative source concerning notable citizens connected with CCI.¹⁶ Newspapers and journals tended to function both as primary and secondary sources in research. Articles in the main local insurance journal, the *Australasian Insurance and Banking Record*, were critical in understanding the background and nature of insurance operations in Australia. As was customary, the financial affairs of the Church and CCI were kept private and consequently were not referred to in this journal. Leading daily secular newspapers in capital cities, for example *The Argus* and the *Sydney Morning Herald*, provided additional information on fire events, including the cause of the fire and the extent of the damage, data otherwise unavailable in CCI documentation.

Although CCI maintained a policy of not advertising in Catholic journals or newspapers, in line with Church's policy of confidentiality on financial matters, there are, however, reports on fires and disasters. Many of these journals and newspapers also included biographical details of CCI participants and coverage of major Catholic and Church events, a number of which included insights into Catholic thinking at the time when CCI was developing. The journal, *Austral Light* (Melbourne), featured articles by CCI participants who were recognised as Catholic writers of note, including Hugh Mahon. John Gavan Duffy and Michael Meagher both associated with CCI also contributed to intellectual discussions on Catholic matters particularly in *The Australasian Catholic Record*.

The Freeman's Journal (Sydney), an independent paper and *The Catholic Press* (Sydney) under the hierarchy, enjoyed a healthy rivalry, presenting differing views on political matters. For example, *The Freeman's Journal* enthusiastically supported conscription during the First World War while *The Catholic Press*, under the editorship of two CCI shareholders, (John) Tighe Ryan and Patrick Scott Cleary, ran a forceful opposing argument. *The Advocate* and *The Tribune* in

¹⁶ *Australian Dictionary of Biography* is produced by the National Centre of Biography in Canberra. Between 1966 and 2012 eighteen volumes have been published by Melbourne University Press, and also available in libraries and online.

Melbourne also differed in their approach with *The Advocate* providing extensive coverage on Irish matters while *The Tribune* concentrated on domestic Catholic concerns. All of the Catholic press added valuable context on CCI and its share and policy holders providing evidence of the Church in action, though they did not refer specifically to the company's role in the Church.

The Australasian Catholic Congresses

In particular the proceedings of three Australasian Catholic Congresses held in 1900, 1904 and 1909 highlight the role played by the growing upwardly mobile Catholic laity. Hugh Mahon and the early support people of CCI were an active part of this emerging group. At the 1909 congress, during a discourse presented on the value of Catholic literature and newspapers, Mahon expressed his sense of mission:

And the fact is worthy of recall that it was a Catholic periodical which discovered several foremost Australian authors and orators. From it they received the stimulus and encouragement which carried them forward to the establishment of world-wide reputations. An agency so prescient surely deserves recognition as a worthy auxiliary in the domain of culture. It has fed and kept trimmed the lamp whose glow has enabled us to garner such literary treasure as we possess.¹⁷

Other leading laity presented papers at all of the congresses on Catholic special works, including discourses on cooperative benefit enterprises, the Catholic Guild, the Hibernian Australasian Benefit Society and the Society of St Vincent de Paul, which assisted the less fortunate members of the Church.

Friendly and benefit societies

The first initiative in Australia, involving the cooperation of clergy and laity skills, was the Society of Friendly Brothers. It was modelled on an Irish society known as The Friendly Brothers of St Patrick and was founded in 1845 in Victoria. It was introduced by an Irishman, Rev Patrick Bonaventure Geoghegan, a zealous missionary at St Francis Church, Melbourne. The society operated a charitable fund on a small scale for those in poverty or distress. It met regularly at St Francis and a second branch was opened in 1861 in the Richmond parish.¹⁸ In November 1848 Geoghegan was transferred to Geelong where he established a stronger local branch

¹⁷ Hugh Mahon, 'Church Literature and Newspapers' *Proceedings of the Third Australasian Catholic Congress 1909* (Sydney: William Brooks, 1909) 638-641

¹⁸ Elizabeth Mary Bond *Society of St. Vincent de Paul Victoria* (Armada: The Society of St. Vincent de Paul 1980) 48

of this society. Amongst its good works was the laying of the foundations for the establishment of St Augustine's Orphanage, Geelong.¹⁹

Catholic self-help in Australia was later practised through larger more enduring networks of friendly societies. Operating by the beginning of the second decade of the twentieth century were two significant Catholic benefit societies, the Australasian Holy Catholic Guild of St Mary and St Joseph (Catholic Guild), the Hibernian Australasian Catholic Benefit Society (Hibernians). The economic success, or otherwise, of these co-operative institutions depended greatly on the number of members each branch of the particular society recruited.²⁰

At the Second Plenary Council of the Australasian Catholic Church held in 1895, the hierarchy outlined the need for Catholic workers to combine and encourage the poor to help themselves by mutual cooperation. The bishops stated:

*It appears that the workers should combine amongst themselves for mutual aid; and that they should be guided in their actions by strictly moral principles. We therefore desire that our Catholic people who have to live by their toil should form themselves into such a body, and perhaps it is best they accept and develop those Catholic benefit societies which exist already in these colonies. It must be borne in mind that the members of Catholic benefit societies are bound to comply with the religious ordinances of the Church.*²¹

From the promotional literature on these societies, available in diocesan archives and reports in the Australasian Congress papers, it can be seen that membership of mutual societies provided spiritual and temporal benefits to the Catholic laity. The Catholic Guild was founded in 1845 in Sydney by Australia's first bishop, Archbishop John Bede Polding. In 1868 members of the Catholic Guild established St Joseph's Permanent and Benefit Building Society. Through this society, close links were made with small sections of the Church through the contributions of Catholic lay investors in financing housing and providing cheap rents for the needy with priests and sisters receiving payments from the society on behalf of their orders or institutions. The works of the building society and the Catholic Guild

¹⁹ Denis Francis Bourke, *A History of the Catholic Church in Victoria* (Melbourne: Catholic Bishops of Melbourne 1988) 46

²⁰ William Bray, 'The Advantages of Membership of the Hibernian-Australasian Catholic Benefit Society, from Catholic, National and Benefit Standpoints' Proceedings of the Second Australasian Catholic Congress 1904 Melbourne: St Patrick's Cathedral 1905) 359

²¹ Patrick O'Farrell, *Documents in Australian Catholic History* vol. 2, 160-161

were confined mainly to the inner suburbs of Sydney, but later spread with new branches being formed in Parramatta, Newcastle and West Maitland.²²

The Catholic Guild members were a band of Christian men ‘working hand in hand for the production of good citizens, for carrying out of all matters Catholic and for the social elevation of all.’²³ To be a good guild member a man had to be charitable, provident and a Catholic. In 1875 the Catholic Guild built their own hall financed from member subscriptions and donations. This hall was situated in Castlereagh Street, Sydney, next to St George’s Presbyterian Church. The Catholic Guild Hall became the centre for the Guild’s spiritual and temporal activities. Caring for the sick and the dying was their central fraternal objective. They established their own dispensary and ran a roster of volunteer doctors and chemists. In one sense the guild operated as a miniature health insurance company. Catholic workmen were encouraged to pay a penny a week and in return received free medical help and funeral assistance. When a guild member died, his widow, through continuing to pay a modest annual subscription, could still receive the benefits that had been automatic for the member. The following was one member’s perspective:

*To save the soul, care and attention must also be given to the body, and since self-preservation is the first law of nature, it behoves us to so provide for ourselves and those dependent on us, that in the hour of trouble we will not be compelled to throw ourselves on the bounty of others. And this leads us to the temporal side of our society. From a worldly standpoint the Guild Society is an Insurance Company on a miniature scale, where the workman pays in his weekly pence and in return receives doctor’s attendance and medicine when necessary.*²⁴

The Hibernian Australasian Catholic Benefit Society was a Church sanctioned lay-based support network with branches in the main centres of Australia, offering the privilege of reciprocity of benefits if families moved.²⁵ As the name suggests it appealed to Celtic Australian men. Becoming a member was conditional on the applicant producing a declaration from a Catholic clergyman certifying that he was a practical Catholic. Over the years branches supported Irish Home Rule, the advancement of Irish history and literature and promoted the ideal of uplifting and ennobling Irish-Australian aspirations. These objectives were integral to the background of many involved in the establishment of CCI. When a candidate was

²² Richard d’Apice, *Basics on St Joseph’s* www.sag.org.au/index (accessed May 24, 2011)

²³ ‘The Catholic Guild’ 1900 *Proceedings*, 301

²⁴ ‘The Catholic Guild’ 1900 *Proceedings*, 302

²⁵ John Toohey, ‘The Hibernian-Australasian Catholic Benefit Society (Executive Directory)’ 1904 *Proceedings*, 367

being initiated as a member of the Hibernian Society, the presiding officer required him to promise:

*With fond recollections, ever cherish the memory of Ireland, condoling in her sufferings, rejoicing in her prosperity and happiness and impressing on the minds of the rising generation a love for the noble and devoted race from which they have sprung.*²⁶

The society was founded in 1868 by a Catholic layman with initiative, Mark Young. He was a storekeeper in Ballarat and gathered together a group of other Irish immigrants to form the first branch. Based on similar societies in Ireland, initially they aimed to assist Irish Catholics with funeral and sickness benefits. Later they extended their mission to include unemployment benefits, medical and hospital care. Through the regular contributions by members, the Hibernians provided a form of insurance in time of need. Members were praised for their temperance and prudence. The payment of weekly subscriptions to the society encouraged members to save, to take care of their own health and through the society's benevolent activities attend to others' problems. The Hibernians played an important role in the lives of many Catholic families, helping to cushion them from the effects of economic downturns by providing social support and fraternalism. Like sodalities and guilds, their regular meetings promoted an active spirituality in Catholic society.

As with the Catholic Guild, membership of the Hibernian Society was mainly confined to Catholic men. By 1903 there were twenty-two thousand members across two hundred and sixteen male branches, forty-six female branches and fifteen juvenile branches with an accumulated fund of £128,490.²⁷ The Hibernians sought to distance themselves from freemasonry and the benefit societies connected with them and reiterated that their organisation was a non-political fraternity. At the 1900 Australasian Catholic Congress the Hibernians were described by Cardinal Moran as 'A Society working in the light of day with no secret laws, no secret objects; trying to do all the good that can be done to promote human happiness and progress; a Society that teaches men to be thoughtful of, and considerate of others.'²⁸ The Cardinal also referred to his own building needs:

What an opportune time, too, for the Catholic Societies to combine – if not in reality, at least in spirit – to give a substantial sum to St. Mary's

²⁶ Peter McLachlan, 'The Hibernian-Australasian Catholic Benefit Society' 1904 Proceedings, 369

²⁷ William Bray, 'The Advantages of Membership' 1904 Proceedings, 359

²⁸ (Member of the H.A.C.B.S.), 'The Hibernian Society' 1900 Proceedings, 304-308

*cathedral Fund, and thus show their appreciation of that care extended by the pastors of the Church. A small sacrifice by members would perpetuate the societies of Guilds and Hibernians in a noble edifice.*²⁹

These Church benefit societies addressed various social concerns of their members but did not undertake any property insurance. During the 1904 Catholic Congress in Melbourne, the importance of amalgamating or federating these benefit societies was raised as it was considered that with greater numbers under one umbrella their good works could have a greater impact. Peter McLachlan explained that the societies were competing for membership from the same group of contributors:

*Under the present conditions a considerable amount of overlapping took place. In Victoria there were three societies doing practically the same work and it frequently happened that in one family there might be found representatives of all three.*³⁰

The Catholic Press kept an interested eye on the two benefit societies. In 1913 it reported that both had held their annual district meetings in Sydney within a week of each other. The Catholic Guild was represented by 6,000 members and the Hibernians by 12,000 members. The paper considered that neither society had realised its full potential and that these ‘Great Catholic Armies’ should consider combining forces in order to increase their effectiveness.³¹ Ten years later *The Catholic Press* reported that between the two societies membership numbered 20,000, an increase of only two thousand. The reporter remarked that although they worked with the ‘zeal of insurance agents’, on the basis of Catholic population figures, their rolls should have increased fivefold.³²

There was little synergy between the idea for a Catholic insurance company and the existing benefit and friendly societies, though all were informed by a spirit of cooperation, formed with the blessing of the Church and run by the laity. Disaster planning was an idea for the future. CCI was founded primarily to diminish fire risk and to cut the cost of insurance premiums for Catholic Church buildings and once established, expanded its service to provide a fund for the benefit of sick and invalid priests. At the Second Plenary Council of Archbishops and Bishops held in 1895, Cardinal Moran identified that many priests in rural missions, while their

²⁹ ‘The Hibernian Society’ 1900 Proceedings, 308

³⁰ Peter McLachlan, ‘The Hibernian-Australasian Catholic Benefit Society’ 1904 Proceedings, 371

³¹ *The Catholic Press* April 3, 1913, 27

³² *The Catholic Press* October 25, 1923, 26-27

health and strength lasted, gave freely to the poor and to church buildings but gave little thought to their own future needs.

*We therefore feel bound, in justice to yourselves, Reverend Brethren, and for the sake of removing all excuse for money-making, we feel bound to exhort the ordinaries and clergy of each diocese to take practical measures as soon as possible for establishing a Sustentation Fund for invalided priests; and where such fund is already in existence to bring it up the requirements of the diocese.*³³

Conclusion

The intention of this thesis is not to contribute to the theological, philosophical or biblical knowledge informing the Church in Australia in the early twentieth century, but to explore an unusual business, Catholic Church Property Insurance Company, initiated as a result of the collaboration of the hierarchy, clergy and laity. This history aims to expand and explore the history of the Church's operation in a business climate through using the contextual methodology. It will be seen that the contextual history informing the establishment and operations of CCI is wide ranging and brings together secular and religious organizations, in both the Old and New Worlds. In addition, the extensive archival research highlights the strong bond between the Irish and Australian Catholic Churches. The many primary sources along with the relevant secondary sources will be seen to be imperative in understanding and appreciating the combined efforts of the hierarchy, clergy and laity in cooperating to establish CCI, which in turn provides considerable insights into the quality of the laity and their role in the Church at this time.

³³ Patrick O'Farrell, *Documents in Australian Catholic History* vol 2, 8-9

Chapter 2: *A healthy respect for insurance- the pre-history of CCI*

Introduction

The early history of Catholic Church Insurances (CCI) stands within the history of Australian insurance and is a micro-study of the history of the Catholic Church in Australia. This chapter has a dual purpose: to delineate the Australian insurance scene and to demonstrate how the Catholic Church handled insurance before establishing and owning their own company. It shows how the Australian general insurance market was dominated by large British conglomerates, which were united on price in a rigid tariff agreement. The ensuing discussion highlights key factors that prompted the Catholic Church to enter into the insurance business, specifically, Catholic thinking in the early twentieth century, educational developments, insurance initiatives adopted by other Australian churches and the influence of the 1902 Irish Catholic Church Property Insurance Company on Australian thinking.

Prevailing conditions in Australian insurance

Integral to the phenomenal growth of Australia since first settlement in 1788 has been the comforting, protecting, ever spreading mantle of insurance. This service ranged from protection against bushrangers and claim jumpers on the first gold diggings of the country to protection against fire among the timber built homes of the period and protection of life-giving, Empire building cargoes from the Old Country. Insurance as a business commenced in Australia in the 1830s when marine and fire insurance companies were established. The realities of rapid colonial expansion led to the first calls on insurance which subsequently wove its pattern in the fabric of the financial structure of the new nation.¹

Insurance companies, reinsurance companies, insurance brokers, insurance agents, loss adjusters and fire brigades, which made up the general insurance industry, constituted an important financial service industry in the formation of the Australian economy. Indeed, fires had long been part of the Australian scene. Fires were needed to burst the seed pods for the regeneration of numerous indigenous trees and shrubs. Aboriginals used fires in hunting, both to drive out their immediate quarry and to create new pastures to attract later game. But to the Europeans settlers fires were something to be feared. From European settlement the

¹ William Moffat, *An Historical Review of the Australian Alliance Assurance Company 1862-1962* (Melbourne: Australian Alliance Assurance Company 1962)1-27

cost of fires in lives and property in both the country and cities had been large and all sections of society, including the Catholic Church, suffered great losses.² Amongst the first recorded fires in Australia were Catholic Church buildings and properties. From the tent churches in the bush to the stone cathedrals, Catholic buildings reflected not merely religious aspirations but cultural and racial diversity, material success, social ambitions, style and the scholarship of their religious congregations and communities.³ In particular architect-priest, Rev John Hawes, designed churches and presbyteries in local materials to suit the needs of mining towns, outback communities and indigenous communities as well as cathedrals.⁴

Fire fighting in the fledgling communities around Melbourne and Sydney was haphazard. In 1851 a fire, known as Black Thursday, destroyed much of Victoria. Settlements were destroyed in the Wimmera, Portland, Gippsland, Whittlesea, Westernport, Dandenong and Heidelberg areas. Following this, a group of Melbourne volunteer fire fighters formed the Insurance Companies Brigade in 1853, becoming the first group of professional firemen to serve the city. A similar approach had been adopted in Sydney and this group of volunteers was also named the Insurance Companies Brigade. Upkeep of both brigades was financed by members of insurance companies contributing a fee of fifty guineas to a general fund and paying agreed rates and charges for use of the brigade and equipment.⁵ As their name suggests their priority was looking after those who were insured. This Australian system was drawn from Irish precedents where lustiness and dexterity were not exercised in indiscriminate fire-fighting. Distinctive firemarks were issued by rival insurance companies. If the first fire brigade to arrive on the scene found a firemark of a competitor they would often promptly leave.⁶ By the 1890s both Melbourne and Sydney insurance companies were required by statute to submit returns of fire insurance undertaken by them in each city. Insurance companies were levied on these returns for contributions to the upkeep of the fire brigades.⁷

²Roger Wettenhall, *Bushfire Disaster, An Australian Community in Crisis* (Sydney: Angus & Robertson 1975) 10

³Miles Lewis (ed), *Victorian Churches* (Melbourne: National Trust of Australia, Victoria, 1991), 8

⁴Anthony Hawes *The Conscious Stone* (Melbourne: The Polding Press, 1984, 118-140

⁵E S Innes, *The First Century: the story of the United Insurance Company Limited 1862-1962* (Sydney: Oswald Ziegler Publications, 1963) 35-36

⁶Desmond Rushe, *Church & General Insurance Company Limited 1902-1977* (Dublin: Church & General Insurance Company Limited, 1977) 6

⁷Victoria Fire Brigades Act 1890 Victoria no 1200 & New South Wales Fire Brigades Act 1884 Victoria no 47

There was a weight of responsibility to maintain and preserve the holdings for the Church. Counterbalancing this was the absence of directives from the hierarchy insisting that any or all of Church property needed to be insured. Each parish priest could make his own judgement and choose from any number of companies promoted by local agents who canvassed in their area. In the same way religious orders were free to make their own arrangements. Many who purchased property insurance had neither the time nor the knowledge to investigate the solvency of the multiple companies in the market with whom they proposed to deal, or to distinguish the value of the product on offer from others in the market, or to compare prices in an effective way. At the same time there were few Catholics working in the insurance industry who could advise and service the needs of priests and religious.

In the 1880s there were thirty insurance offices in Sydney. Of these, three were founded by an Irish Catholic, James Patrick Garvan, City Mutual Fire Insurance, City Mutual Life Assurance and Citizens' Life Assurance. These companies concentrated on fire, industrial work place insurance and assurance policies to enable workmen to buy small policies on low premiums. In 1898, a fire agent for Sun Insurance Office, Michael Charles Purtill, who was also a strong supporter of the Catholic Church and a layman of initiative, identified a fundamental weakness. Catholics were not in leadership positions in insurance. Following Garvan's death in 1896, the risk evaluation of the policies of City Mutual Fire Insurance Company, were underwritten by the London and Lancashire Insurance Company. Purtill's concerns were obviously shared by lay Catholic journalists:

It is a well-known fact that the City Mutual Fire Insurance is favoured by seventy-five percent of the Catholic churches, schools, and convents of this colony and only employ, in return for such generosity, the magnificent number of two Catholics in the entire staff. How can we expect other companies to employ us unless we give them a portion of our business? Yet I know Catholics employed in offices in Sydney in which there are no Catholic churches, schools, or convents insured.⁸

Consequently many important church buildings were left uninsured or insured with companies with no Catholic expertise or affiliations. For example, St Mary's Cathedral, Sydney commenced in 1821, was completely destroyed by fire in July 1865. Nothing was insured and the material loss was estimated at about £50,000.⁹

⁸ *Freeman's Journal* (Sydney) February 12, 1898, 7

⁹ Patrick O'Farrell, *The Catholic Church and Community, An Australian History* (Sydney: New South Wales University Press, 1992) 136

Firemen, hampered by poor water supply could only save the outlying buildings. A temporary wooden cathedral was rebuilt on the same site and again destroyed by fires in May 1868, Jan 1869 and October 1876.¹⁰ It was only after the ceremony for dedication of the stone cathedral, which was held during the First Australasian Catholic Congress of 1900, that insurance cover was undertaken by Cardinal Patrick Moran at the instigation of John See, an Anglican politician and director of several secular insurance companies.¹¹

Early influences

The Australian insurance market was modelled on, and for many years dominated by, British insurers with their market practices, law and culture. But it was also subject to several local influences not present in other overseas insurance markets. The majority of early pioneers were British born and many company foundations were derivatives of British companies, taking their forms of insurance from the old world and returning their substantial profits to overseas head offices. The beginnings were modest. The first insurance company established in Australia was the *Alliance British and Foreign Life and Fire Insurance Company* founded in Sydney in 1833. In May 1847 its London board closed the fire branch in Australia as it considered that the low rates of premiums they obtained were too hazardous to secure a profit.¹² Numerous other local insurance branches established by prominent companies operating in the United Kingdom followed with greater success and longevity. These included two companies which exerted significant influence and pressure during the early formation of CCI, the *Sun Insurance Company* founded in London in 1710 and the *General Accident Fire & Life Assurance Corporation* founded in Scotland in 1891.

Rodney Benjamin in his thesis *Private and Public Regulation of the General Insurance Industry in Australia 1897-1992* pointed out that in Australia the general insurance business was not subjected to government interference or statutory regulations for the first century of colonisation.¹³ It was not until after federation, in response to compulsory insurance of workers' compensation, that the states legislated that all insurance companies be registered and regulated. This regulation grew out of a movement within the Australian Labor Party during the early years of

¹⁰ *The First Century* 36

¹¹ Cardinal Moran Correspondence Series 0019/010 E 3525 notes, SAA

¹² *Policy Insurance Weekly* (1953-1954) 18-23

¹³ Rodney Lloyd Benjamin, *Private and Public Regulation of the General Insurance Industry in Australia 1897-1992* (PhD University of Melbourne, 1993) 27-28

the twentieth century.¹⁴ State insurance offices were established in Victoria (1915), Queensland (1916), Tasmania (1919), New South Wales (1926) and Western Australia (1927).¹⁵ The reason for establishing state-owned insurers was to provide the lowest possible premiums. Governments feared that commercial insurers would have overhead costs that would add to the premiums and would be tempted to use compulsory workers' compensation to subsidise other lines of insurance. The second reason was that state offices would provide an insurer of last resort, which would be obliged to accept the worst risks which prudent commercial insurers might want to avoid.¹⁶ The impact of this state legislation is examined in Chapter Seven through a case study of CCI with the Brisbane State Government Insurance Office.

Many industrial buildings and enterprises were uninsured during the severe depression of the 1890s when bank suspensions depleted funds, businesses closed and unemployment was high. In late 1897 the great fire of Melbourne almost totally destroyed the city block bounded by Flinders Street, Flinders Lane, Swanston and Elizabeth Streets which housed most of the city's soft goods warehouse and clothing factories. The claims were of such an unprecedented level that many insurance companies were forced into liquidation. During 1898 a further two thousand buildings, including church properties and homes, were destroyed by a fire blazing in South Gippsland. Only a third of the number of insurance companies in Australia that were trading in 1890 survived the financial crisis of the decade that followed.¹⁷

In the wake of these collapses, a group of major influential British and Scottish insurance companies operating in Australia set up a cartel-like organisation in 1897 under the Fire Underwriters' Association of Victoria and later the Federal Council of Fire and Accident Underwriters. The federal governing body set the underwriting rates and policy terms for the whole country. All of the companies participating were members of the Insurance Institute of Victoria founded in 1884. The purpose of the Insurance Institute was to promote both an educational and social side of the growing Australian insurance sector while reinforcing the interests of the tariff

¹⁴ John R Robertson, 'The Foundations of State Socialism in Western Australia 1911-1916' *Historical Studies Australia and New Zealand* November (1962) 309-326

¹⁵ Victoria Workers' Compensation Act 1914 & 1915, George V no 2496 & no 2750, Queensland Workers' Compensation Act 1916 George V no 35, The Tasmanian Government Insurance Act 1919 George V no 63, New South Wales Workers Compensation Act 1926 George V no 15 and the Western Australian Workers' Compensation Amendment Act 1927 George V no 34

¹⁶ Gwyndd Francis James and Robert Murray, *State Insurance in Victoria: the history of the SIO 1914-1996* (Burwood: Chandos Publishing 1997) 2

¹⁷ Garry Purcell, *The Development of Non-Life Insurance in Australia* (PhD Australian National University, 1964) 162-171

group. By 1904 the institute's membership covered one hundred and fifty-six companies.¹⁸ The institute published for their members updated tariff scales and collected valuable data and statistics on insurance. This material was only available to participating member companies who were also affiliated with underwriting associations. Through an agency network, the member companies controlled distribution networks, inter-company trading rules concerning reinsurance and risk sharing, effectively excluding any opposition.

A major local force in the enduring success of this scheme was the Victoria Insurance Company founded in 1849 in Melbourne. Although listed on the stock exchange, this company had survived the crisis of the 1890s because it was largely controlled by one family both in shareholding and management supervision.¹⁹ The chairman from 1887-1932, Sir Edward Miller, was a son of Henry Miller, the founder of the insurance company and two satellites, Victoria Fire and Marine Insurance and the Victorian Life and General Assurance Company. Edward gained his business experience under his father in the Victoria Insurance Company. He became a member of Legislative Council of Victoria from 1892-1904, a property owner and a man of substance in the insurance scene. He was keen to protect his interests and joined forces with the powerful English and Scottish derivative insurance companies in supporting the tariff cartel. By the turn of the century, the Victoria Insurance Company was the largest indigenous company with branches in each state.²⁰

The pioneer of the Australian tariff scheme was an Englishman, Charles Salter, who was Superintendent of the Royal Insurance Company in Australia from 1873 to 1912. The Royal was a derivative British company that dealt extensively with fire insurance. Salter was a founder of the Insurance Institute of Victoria, as well as a member of the Fire Underwriters of Victoria and was known as the 'Nelson of Insurance'. With a statesmanlike attitude he held the view that in formulating a tariff their own interests would be safeguarded and that each company would share in the advantages secured by all.²¹ A common tactic of managers of newly created branches in Australia was to break into the market by cutting rates and, having established a market share, would then support a new tariff. The concept of private regulation in the insurance industry in Australia was driven by such tactics and derived from its British forebear. An informal British tariff group first emerged in

¹⁸ *The Argus* December 16, 1904, 10

¹⁹ *The Australasian Insurance and Banking Record* October 21, 1932, 864

²⁰ Eleanor Margaret Finlay, 'Miller, Edward (1848-1932)' *Australian Dictionary of Biography*, Volume 10 (Melbourne: Melbourne University Press 1986) 509

²¹ *AIBR* January 22, 1912, 59

the 1860s and was formalised with set rules in 1869. By the time Salter left England there was a growing tendency for individual companies to poach on each other's preserves.²² Salter advocated that private regulation could be successful if it adapted to local economic and geographic conditions in Australia. In Melbourne the majority of British companies maintained their head offices and it was regarded as the insurance capital of Australia. Competition from foreign companies was consequently stronger and more pervasive in Melbourne than in the other Australian capital cities.²³

Salter was instrumental in framing the first complete fire tariff schedule for Victoria which was signed in March 1897 by forty-three fire insurance companies. A similar tariff was introduced in New South Wales in October 1897 and in other colonies soon after. One successful company, an Australian owned and founded company, the United Insurance Company, played a prominent part in the formation of the first Queensland Fire Tariff.²⁴ The largest section of the tariff was devoted to the manner in which fire rates were to be calculated for every building and its contents in the colony. Every city, town and country area was classified by risk according to water supplies, fire fighting capacity and bush fire hazard. The rating of every fire risk was a major departure from the British model which dealt only with a number of specific risks and made no attempt to bring all classes of fire risk within one tariff system.²⁵

The culture of marketing through agency appointments was brought to Australia from Britain together with other aspects of insurance practice. The large insurance companies operated from offices in the capitals of each colony. It was rare for companies to run any offices outside the capital cities. Their sales force consisted of agents appointed in the inner city, the suburbs and in country towns. These agents were paid by commission and often engaged in other local business, in real estate or as solicitors, accountants and storekeepers. They were seen as men of commercial standing in the local community. Within the tariff arrangement was the Discount and Brokerage Agreement. This agreement endeavoured to ensure that no company could obtain an advantage by offering any discount or agency allowance that was

²² Peter Dickson, *The Sun Insurance Office 1710-1960* (London: Oxford University Press 1960) 156-157

²³ Rodney Benjamin, *Private and Public Regulation of the General Insurance Industry in Australia* 50-51

²⁴ *The First Century* 100

²⁵ *Bathurst Free Press and Mining Journal* October 25, 1897, 3 & *The Sydney Morning Herald* October 4, 1897, 4

not available to the other companies who were members of the Insurance Institute of Victoria and the underwriting associations.²⁶

The widespread nature of Australian settlement was ideally suited to an agency system, breaking down the asymmetry between the buyer and seller. The agent in an outer suburb, a country town, or even in the outback, knew the business and honesty of the insurance company's potential clients and whether their business should be accepted or not. If a claim occurred these same agents would know the background to the loss and whether there were any suspicious circumstances. For the potential customer this approach was seen as its strength. Why CCI rejected the successful marketing strategy of using agents and paying commissions and adopted their own tailored rates of insurance is examined in Chapter Five.

Historical context of CCI's founding period

The context of the founding of Catholic Church Insurance can be found in the historical accounts of the development of the Catholic Church in the two largest colonies, New South Wales and Victoria. The New South Wales history written by Cardinal Moran and the Victorian history commissioned by Archbishop Carr were the works of two notable Catholic intellectuals who later became the co-founders of CCI.²⁷ Their histories effectively covered the development of the many individual missions in city, suburban and country locations as well as educational establishments, religious orders and charitable institutions. Both leaders hoped that their publications would not only honour the heroic faith and sterling piety of the pioneering Catholics but would stimulate a taste for colonial ecclesiastical literature and history in their readers. Moran's massive history sought to eulogise and sanctify the historical experience of Irish Catholics in Australia, reflecting a pious and persecuted past. Historian Patrick O'Farrell described this work as a mass of undigested material, gathered by the Cardinal by virtue of his predilections for borrowing and seldom returning, and omitting anything he did not like.²⁸

Although Archbishop Carr declined to be named as the author of the Victorian history, his strong support of the Church's material progress over fifty years is evident. Accompanying the histories of Victoria's one hundred and fifty-three missions are staggering statistics of the amounts expended on buildings in each parish. Carr wrote in his signed preface that the costs were underestimated covering

²⁶ *AIBR* December 13, 1884, 638-639

²⁷ Patrick Francis Moran, *The History of the Catholic Church in Australasia* (Sydney: Oceanic Publishing Co, n.d.)

²⁸ Patrick O'Farrell, *The Catholic Church and Community: An Australian History* 287-289

the foundations only and did not take into account such expenses as repairs and maintenance of schools, churches and religious houses. His was a weighty responsibility.

*But the moral and spiritual condition of the people supplies the most valuable and consoling proof of the Church's advancement. The wild, excited life of the early colonial days has passed away and has been succeeded by an orderly, sober and devout disposition of mind, which promises to make the future of the Church in Victoria a record of marvellous success.*²⁹

The importance of the Australian Church recording its own history was lauded in the officially sanctioned Catholic journal *Austral Light*, of August 1911.³⁰ This monthly journal was co-founded in 1891 by Dean Patrick Phelan with his brother Rev Michael Phelan for the Archdiocese of Melbourne. *Austral Light* was predominantly an intellectual publication with a curious mixture of articles on Australian literature and history alongside accounts of leading Catholic events. It was seen as a journal that married Catholicism to national sentiment and quickly achieved a wide circulation. The Bishop of Bathurst, Joseph Patrick Byrne, wrote 'It is so racy of the soil that it cannot fail to take root and grow strong. Every Catholic in the country ought to take special pleasure in helping to spread everywhere the brilliant *Austral Light*.'³¹

Later, a foundation CCI shareholder and lifetime supporter of the company, Dean Phelan, was asked by the editors of the new *Catholic Encyclopedia* to write a history of the Archdiocese of Melbourne. Now referred to as the *Original or Old Catholic Encyclopedia* it was published in New York between 1907 and 1912 in fifteen volumes.³² In his account Phelan began: 'The history of the development of the Archdiocese of Melbourne is so interwoven with the rise and progress of the State of Victoria that we must keep the latter before our minds if we would accurately measure the former.'³³ He described the economic burdens faced by the first two Archbishops of Melbourne, who were constantly building to supply the needs of the growing Irish Catholic immigrant population.

²⁹ *Some of the fruits of fifty years: ecclesiastical annals of the Archdiocese of Melbourne* (Melbourne: Archdiocese of Melbourne, 1897) This volume was inspired and compiled by Archbishop Thomas Carr

³⁰ *Austral Light* August 1, 1911, 642

³¹ *Austral Light* December 10, 1892, introduction

³² Patrick Phelan, 'Archdiocese of Melbourne' *The Catholic Encyclopedia*: (New York: Robert Appleton Company, 1911) Phelan's entry, available on line, has been considerably altered from how it was first published in *Austral Light* 1911

³³ Patrick Phelan, 'Melbourne Archdiocese of' *Austral Light* August 1 (1911) 641-645

In 1862, an Irishman, Archbishop James Alipius Goold of Melbourne, suggested to the first Synod of Australian Bishops in Sydney that they should obtain information about the subject of general insurance and investigate how to establish a clerical invalid and superannuation scheme for the entire province.³⁴ Goold's position as a pastor was unique in the Australian colonies. In 1851 the Catholic population of Victoria was 18,000.³⁵ Goold witnessed a dramatic growth in his flock during the Victorian gold rushes of 1851-1860. Historians estimated that approximately 100,000 people flocked from Ireland to the Victorian goldfields and their ranks were further augmented by Irish settlers moving from other Australian colonies.³⁶ Of Archbishop Goold, Dean Patrick Phelan wrote:

*The Bishop proclaimed that no matter what the cost, or what the sacrifice involved, the Catholic children of Victoria should be provided with a Catholic education where at all possible. He was an Irishman guiding his fellow countrymen, a people whose thirst for education amounted to a passion and whose memories carried them back to penal days, when satisfying that craving for knowledge branded them as criminals.*³⁷

In 1907 Archbishop Carr requested that Phelan compile official statistics about the growth and progress of the Church from his arrival in 1888 until 1907. This was to form part of his Episcopal Silver Jubilee celebrations. Phelan included a summary of these in his encyclopaedia entry. The number of clergy had increased from 66 to 142, new churches had been built, old churches had been replaced by substantial and stately edifices and existing ones improved in ornamentation and equipment; the number of parishes had risen from 26 to 56. The total cost in the erection of churches, schools, presbyteries, halls, educational and charitable institutions amounted to the sum of £1,272,874, to serve a Catholic population 145,333 in the archdiocese. Phelan concluded his entry with an update of the 1911 figures: 168 secular clergy, 54 religious brothers and 851 sisters served in the archdiocese. Carr's knowledge of the physical and financial status of his archdiocese may well have underlined his strong support in 1911 for the foundation of a Church insurance company. At the end of his discourse Phelan emphasised the importance of Catholic literature in sustaining the Church:

When the Archbishop came to Melbourne (1887), there was only one Catholic paper, The Advocate, in Victoria covering affairs in the Irish

³⁴ Patrick Francis (Cardinal) Moran, *History of the Catholic Church in Australasia*, 768-769

³⁵ Patrick Phelan, 'Melbourne Archdiocese of' 642

³⁶ Neil Coughlin, *The Irish in Victoria* Historical Studies Australia and New Zealand vol12 no 45 1965, 68

³⁷ Patrick Phelan, 'Melbourne Archdiocese of' 642-643

*Catholic Church. Since then a monthly magazine Austral Light under His Grace's direction (1892), a penny weekly paper the Tribune and the Australian Catholic Truth Society (1904) have come into existence, and are doing great apostolic work in the diffusion of Catholic truth.*³⁸

By the time of writing this entry Phelan had become a frequent contributor to *Austral Light* and a noted pamphleteer and executive of the Australian Catholic Truth Society.

Catholic thinking in early 20th century

During the first decade of the new century, three Catholic Congresses were held, in 1900 and 1909 in Sydney and in 1904 in Melbourne. Clergy, religious and laity from all over the newly created Commonwealth, from New Zealand and from the Pacific, met in thousands to discuss common problems. Papers and lectures were delivered by outstanding scholars and public figures, providing an intellectual forum for the Church. The meetings gave a sense of unity and strength to the Church and often paved the way for opening up new vistas in the local apostolate. The published proceedings of these congresses provide useful insights, especially into current religious and social discussions, as lay, as well as clerical scholars, were invited to contribute in the wider Church concerns that prevailed during the founding period of the company.

The breadth of papers presented at the First Australasian Catholic Congress held in Sydney during September 1900 attest to the awareness and interest in the principles set forth in the encyclical letters of Pope Leo XIII. The lectures, and discussions which followed, were aimed to inform both clergy and laity about the intellectual activity and social work of the Church. For example Bishop John Gallagher of Goulburn, later a leading CCI shareholder, emphasised the importance of Catholic societies, using examples of the Catholic Guild, the Hibernian Society and St Vincent de Paul Society, not merely for temporal benefits and ways of dispensing charity, but as a means of safeguarding spiritual lives. He also advocated forming associations for mutual improvement to expand minds through Reading Circles. Gallagher wanted all Catholics to become acquainted with the facts of history, the discoveries of science, the beauties of poetry and the immortal productions of art. Through these disciplines, progress could be made as they were all the handmaids of religion.³⁹

³⁸ Patrick Phelan, 'Melbourne Archdiocese of' 645

³⁹ Bishop John Gallagher, 'How to safeguard Catholic Youth' *Proceedings of the First Australasian Catholic Congress 1900* (Sydney: William Brooks, 1900) 334-342

A visiting Superior of the Patrician Congregation, Brother Alphonsus Delany, through his presentation took the question of educating Catholics one step further. The Patrician Congregation was founded in Ireland to minister to the educational needs of the poor. In 1896 Delany founded Holy Cross College, Ryde. In his discourse Delany identified that there was inadequate provision for the education of the Catholic middle class. He described this group as ‘the intermediate class’ and considered that they were the fulcrum of society, bearing the vicissitudes of the poor who could not support themselves, while the rich were not sufficiently community minded to make significant contributions. He shared with Gallagher the concept of adult education contributing to the ongoing formation of young minds. He suggested reading lists as a way of extending and spreading quality Church literature and moved that a petition be framed and presented to governments whereby appointments and promotion in the Civil Service be based on merit not on family connections or schooling.⁴⁰

Parallel views were expressed in the congress papers of leading Catholics, Melbourne surgeon, Augustus Leo Kenny and Sydney barrister, Richard Edward O’Connor. Both stressed that there was a gap in Catholic education if it stopped at the school gates. Kenny, who worked as the secretary to the Congress, was sincere in his aim to advance the Church. He realised that many young people ceased to practise their religion when they left school. He strongly advocated that at every Australian university or technical school the Church should establish affiliated Catholic residential colleges, along the lines of St John’s College, Sydney.⁴¹ Kenny was conversant with the Melbourne scene where Protestant churches, but not the Catholic Church, had established residential colleges. The idea of establishing tertiary residences in South Australia was not raised until 1910 when a Labor Party politician Thomas Ryan, chaired a select committee, later a royal commission, into the Adelaide University, and strongly recommended the importance of residential life.⁴²

Layman, Richard O’Connor, presented the case that the whole of the Catholic community, not just those with religious vocations, should accept the responsibility of working towards strengthening Catholic Associations. He pointed out that thousands of young Catholics went straight from school into secular work where the influences of their early moral training were not reinforced. He suggested that

⁴⁰ Alphonsus Delany, ‘Intermediate Education’ 1900 Proceedings, 469-473

⁴¹ Augustus Leo Kenny, ‘Protection of the Educated Catholic Youth’ 1900 Proceedings, 343-345

⁴² Thomas Ryan, *Is it well with the child?* (Adelaide: Co-operative Printing and Publishing Company, 1914) 22

companionship and leadership could be provided through Catholic Associations to continue building the character and intellect of young Catholics. These would require benefactors to provide meeting rooms and libraries and lay volunteers to staff them. O'Connor wrote:

*Why should young men combine as Catholics in an association when there are so many associations throughout the country, educational in their scope and purpose, open to all denominations? The answer is, that the Catholic Association and the ordinary Mutual Improvement Association purely secular in its aims, by no means covers the same ground. There is no reason why a Catholic should not belong to both associations, nor is there any reason why the Catholic Association should not give to a young man all the advantages of the ordinary Mutual Improvement Association in addition to its own special advantages.*⁴³

The concept of mutual improvement associations was espoused as a form of sharing both the temporal and physical life of the Australian Church. Underlying this thinking was the concern to combat widespread prejudice against Catholics and a recognised need to promote the obligations of Catholics to society. Catholics needed to be interested in public welfare and knowledgeable about their faith. This was emphasised through the establishment and ongoing support of the work of the Australian Catholic Truth Society, founded in 1904 by Dean Phelan, to disseminate authorised Catholic literature. In 1908 as chairman, Phelan stated that the society had distributed 382,000 pamphlets and 33,437 copies of the *Australian Catholic Prayer Book* in three years. At the same meeting Hugh Mahon, Minister for Home Affairs, spoke and a report of his speech appeared in *The Argus*:

*There were optimists who believed that with an increasing civilisation and the growth of tolerance there would be no need in the future for such a society as theirs. However this might be, there certainly was a need at the present time. There was a great misapprehension amongst non-Catholics about the truths of the Catholic doctrine.*⁴⁴

Educational developments

Between 1872 and 1893 all Australian colonies passed an act ending government aid to church schools. The Catholic hierarchy decided to persevere with a system of church schools independent of the state and, with little money to pay teachers, appealed to religious sisters and brothers in Ireland to send teachers for their

⁴³ Richard O'Connor, 'Scope and Purpose of Catholic Young Men's Societies' 1900 *Proceedings*, 351-354

⁴⁴ *The Argus* November 28, 1906, 6

schools. The arrival of the sisters and brothers further strengthened the Irish church model of establishing local parishes with churches, presbyteries, schools and orphanages in tightly knit urban and rural communities. The national leader of Catholic Church in Australia from 1884 was Cardinal Patrick Francis Moran. He was born in 1830 at Carlow, Ireland. Moran's parents died when he was young and he was cared for by his Cullen cousins. His uncle, Cardinal Paul Cullen, rector of the Pontifical Irish College in Rome was a formative influence in his life directing his education and encouraging his scholarly interests. Moran was an unusual Irish migrant to Australia. Between the ages of twelve and thirty-six he had lived outside the British Empire, in the Papal States, as a student, priest, scholar and administrator. In a real sense, it was in Rome that Moran discovered Australia, as the Irish missionaries to Australia visited Rome to make reports and seek help. In 1884 Moran was appointed Archbishop of Sydney and began his work in Australia on 8 September of that year. In 1885 he was raised to the dignity of Cardinal and, in the same year, appointed Apostolic Delegate to organise and preside over the First Plenary Council of Australasia.⁴⁵

The role of the Plenary Council was to reorganise and determine church structures and discipline and to lay the foundations for a national church. Moran was given similar authority for the second and third councils of 1895 and 1905. In the intervening years, when the council decrees were being processed, Moran occupied a most unusual position as both the senior member of the local hierarchy and the Pope's representative in dealing with that hierarchy. Moran considered that New Zealand was an integral part of the region and visited New Zealand to strengthen the relationships between the two countries. He had welcomed the inclusion of New Zealand and was dismayed when, against his and local bishops' protests, Rome excluded New Zealand from its Second Plenary Council in 1895. Historian Anthony Cahill commented 'With a veteran's grasp of Propaganda Congregation politics, he quickly accepted that a trans-Tasman church federation was a lost cause.'⁴⁶

While in New Zealand during 1889 Moran spoke of the importance of insuring Church property.⁴⁷ At the first Australasian Catholic Congress held in Sydney in 1900, he again raised the question of the necessity for church insurance referring to

⁴⁵ Anthony Edward Cahill, 'Moran, Patrick Francis (1830-1911)' *Australian Dictionary of Biography* Volume 10 (Melbourne: Melbourne University Press 1986) 577-581

⁴⁶ Anthony Edward Cahill, 'Cardinal Moran, Bathurst, and the Achievement of Federation', *Papers on Parliament, Research Section of the Procedure Office of the Department of the Senate*, no 32 (Canberra: Commonwealth Parliament, 1998) 95

⁴⁷ *Wanganui Herald* September 4, 1889, 3

a recent fire that had destroyed St Mary's Cathedral, Wellington.⁴⁸ The cathedral had been insured with New Zealand Insurance Company for £2,300 but the loss amounted to £8,500.⁴⁹ In the Pastoral Letter for the Plenary Council of 1905 Cardinal Delegate Moran delineated his vast responsibilities, including those in New Zealand:

*Our Catholic population (in Australasia) has grown to something over a million (1,011,550). The Clergy number over thirteen hundred; the teaching Brothers over six hundred; the Nuns over five thousand five hundred. We maintain thirty-three colleges for boys and one hundred and sixty-nine boarding schools for girls; two hundred and fifteen superior day schools; ten hundred and eighty-seven primary schools; ninety-four charitable institutions; and the children in Catholic schools number over one hundred and twenty-seven thousand. From these figures it can be seen that, although ours is a land which has developed and grown with the rapidity of adolescence, the Church has progressed also, even so as to keep well to the front among the most progressive institutions of the country.*⁵⁰

Moran understood that the adolescent Australian church needed physical as well as spiritual protection. While Antarctica is the driest continent, in each year at least some part of Australia is deficient in rainfall.⁵¹ Between 1895 and 1903 a major national drought occurred and large tracts of grazing and bushland were destroyed by fires resulting in extensive stock and crop losses. Commercial life was also frequently disrupted in the cities when fires raged through warehouses, department stores and theatres. Catholic Church adherents responded to these disasters in connection with their buildings and properties on an ad hoc voluntary basis, through collecting clothing, household goods and food. There were no contingency funds and no co-ordinated clerical response.

Insurance precedents adopted by other church denominations

Protestant churches experienced similar challenges to those in the Catholic Church in providing adequate insurance for their buildings and ministries. In the absence of any overarching or consolidated insurance policies, many church adherents responded to individual missions and geographical needs on a case by case basis.

⁴⁸ *The Sydney Morning Herald* February 12, 1901, 6

⁴⁹ *Timaru Herald* November 29, 1898, 3

⁵⁰ Patrick O'Farrell (ed), *Documents in Australian Catholic History* Volume 2 1884-1968 (London: Geoffrey Chapman 1969) no 114 the Church in 1905, 187 The Cardinal also identified two features of the Church, the singular unity between the priests and people and the uncompromising spirit of faith in a costly struggle for Catholic religious education of children in Australia

⁵¹ Stephen Pyne, *A Fire History of Australia* (New York: Henry Holt & Company 1991) 11

The first organised response by a Christian church group was made by *Church of England Assurance Institution*, when it established an office in Sydney in 1850 from its base in London, but this office operated for only a few short years. The various dioceses later dealt directly with *Ecclesiastical Buildings Fire Office* established in London in 1887. Over succeeding decades the matter of insurance was raised frequently at Anglican synods but no concerted action was taken until 1904 when the Rockhampton Synod introduced fire insurance and a clergy provident fund for its own diocese.⁵²

Similar provident funds were established in other Anglican dioceses but it was not until 1926 that the Sydney members of synod voted to join the *Ecclesiastical Assurance Company of Australia Ltd*. This company was founded in the diocese of Goulburn in 1922 and spread from there to five of the six Anglican dioceses in New South Wales. It was a small enterprise with a capital of £5,000, yet its insurance coverage was ambitious, including fire, employers' liability, accident, burglary, storm, vehicle explosions, plate glass and other forms of insurance.⁵³ Like its predecessors it operated for less than a decade. In 1930 the Sydney Anglicans founded the *Church of England Insurance Company of Australasia Ltd*, on similar lines to those CCI were to adopt in 1911, with a share capital of £60,000.⁵⁴

The Presbyterian Church, through the annual General Presbyterian Assembly, determined that the committees overseeing church property were free to take out insurance from secular companies of their own choosing. A report tabled at the Sydney assembly of May 1914 found that many of the church's properties were uninsured and of those that were insured the committee men often failed to pay their premiums. Although the assembly considered this state of affairs was unsatisfactory, no recommendations to make amends were tabled.⁵⁵ At the 1927 General Assembly, Rev Norman Millar of St Andrews's Church, Brisbane pointed out that each year the church paid over £7,000 to various insurance companies in premiums. He stated that the time had come for the Presbyterian Church to form an insurance company. *The Brisbane Courier* summarised Rev Millars' arguments:

The extent of the risk was negligible. In fact it was generally recognised in insurance circles that the best risk was a fire station and the second best risk a church. There was no reason why they should not avail themselves of this considerable source of revenue. By adopting the scheme they would not

⁵² *The Brisbane Courier* June 21, 1904, 5

⁵³ *The Sydney Morning Herald* August 21, 1926, 10

⁵⁴ *The Sydney Morning Herald* September 12, 1930, 13

⁵⁵ *The Sydney Morning Herald* May 15, 1914, 7

*spend a penny more than they had previously and would reap the profit for themselves. In a short period the church would have a capital amount which would relieve the State Assemblies of the present assessments, the Anglicans, Methodists and Roman Catholics had already adopted such a scheme, which was a valuable acquisition to church finance. It was not making the church a trading corporation.*⁵⁶

In March 1905, the Methodist Conference voted that all of their insurance policies be gathered and consolidated with a secular company, *United Insurance Company*.⁵⁷ An understanding was reached that their transactions would be kept together, but separate from other company business, and form a nucleus for fire hazards. The process bypassed their need to pay commissioned agents. This arrangement was suspended in 1913 when they formed their own property insurance company from the accumulated funds. In 1905 the Methodists became the first church body to introduce a universal pension scheme for their aged ministers. The Rev William Henry Fitchett, writer and educator and president of the General Conference of the Methodist Church of Australasia, described this as ‘a modest annuitant policy which every minister had to accept on the threshold of his ministerial career’. The ministers were required to pay annually a small sum out of their own pocket which was matched by a similar amount from his circuit and invested until his retirement set at forty-four years later. Rev Fitchett noted that:

*The Methodist ministers of Australia at least have the distinction, that without exception, they provide for their own old age. And the money they receive as an annuity is their own money; there is no taint of charity – or of mendicancy in it. The plan, to quote a statement issued by the council of the fund in 1906 – is that each man should receive as pension the product of what he himself has paid by subscriptions. This arrangement preserves a minister’s self-respect as he receives his annuity as a matter of right.*⁵⁸

These Protestant initiatives were similar to those the Catholic Church had taken to provide for the care of their diocesan clergy through sustentation funds. The Church had no general retirement system; the care of the aged priest was left to the particular diocese in which he had served. The aged priests continued to serve until death, being usually assigned to light duties in the parish or as a chaplain. Each diocese made their own arrangements and set their own rules for the sustentation

⁵⁶ *The Brisbane Courier* May 19, 1927, 12

⁵⁷ The United Fire and Life Insurance Company of Sydney was founded in 1862 by a group of thirty-five prominent businessmen, to serve local needs. By the turn of the century there were branches in each state

⁵⁸ *The Argus* March 26, 1926, 10

funds. The priests were dependent on the generosity of the encumbered archbishop or bishop for contributions from the exchequers. Even in established and fairly affluent Catholic communities, the funds and payouts were modest. For example, the first *Infirm Priests' Sustentation Society, Archdiocese of Melbourne*, established in 1905 by the twentieth Synod of the Archdiocese of Melbourne, did not cover old age. The society would only assist priests in the case of illness or accident and would not pay any benefits for permanent disability or insanity.

A committee of five priests were chosen by Archbishop Carr to run the fund under a clear set of directions. The fund was to be built through compulsory membership and the rules included that no payments were to be made until the fund reached the sum of £3,000. The sum granted to a priest was not to exceed £120 in a given year. The committee appointed honorary lay medical practitioners and an auditor to report on cases, reserved the right to inspect the premises of the priests and by a majority vote decided on the eligibility of each case. The rules stated:

*Every young priest permanently appointed to the Diocese, shall within one year of his receiving an appointment, pay into the Clerical Sustentation Fund at least the first instalment of five pounds and continue to pay yearly until he reaches twenty-five pounds and becomes entitled to the full benefit of the fund.*⁵⁹

As will be seen universal schemes for Catholic priests were a financial impossibility for the Catholic Church to emulate until CCI accrued sufficient profits above their reserves to begin to aid some diocesan provident funds during the early 1920s.⁶⁰ Even then distribution to priests' funds was sporadic. Bishop Andrew Killian of Peterborough, Diocese of Port Augusta, (now known as the Diocese of Port Pirie) South Australia, wrote in 1926 of his specific challenges to Esmond Foley Downey, the then CCI Company Secretary. Killian's diocese covered a vast area of wheat farms and included mining settlements and smelters where fewer than 16% of the factory workers lived in their own homes.⁶¹

I am hoping that I may receive a few more benefactions. At present sick priests in this diocese have to manage as best they can. Of course the obligation to their support in time of sickness falls on the bishop and he has to manage as best he can. I hope that the Catholic Church Insurance

⁵⁹ *Rules of the Infirm Priests Sustentation Society of the Archdiocese of Melbourne* (Melbourne: T E Verga 1908)

⁶⁰ CCI initiatives in establishing a sustentation fund for diocesan priests are discussed in Chapter Seven and Chapter Nine

⁶¹ Broken Hill Associated Smelters Company Papers Port Pirie, Labour, Wages Group Box 162, UMA

*Company will give special consideration to a poor struggling diocese such as ours; sixteen priests, sixty sisters and a territory of three hundred thousand square miles is a big burden on twelve thousand struggling Catholics.*⁶²

Initiatives in Victoria

The leader of the Catholic Church in Melbourne, Archbishop Carr, was born at Moylough, County Galway, Ireland and educated at St Patrick's College Maynooth, where he was ordained a priest. He returned to Maynooth in 1874 as Professor of Dogmatic Theology and in 1880 was appointed Vice-President of the College. In 1883 he was appointed Bishop of Galway and Kilmacduagh where he took a keen interest in the welfare of the poorer classes and promoted the foundation of technical and industrial schools to equip the young with the skills necessary to gain a useful livelihood. In 1886 Carr was appointed as Melbourne's second archbishop. A large task confronted him in Melbourne. Theoretical notions on the need to help the underprivileged were quickly translated into action in the Melbourne archdiocese by Carr through the establishment of new convents, schools, hospitals and orphanages. He set about building with practical vigour and a warmth of manner that won him genuine affection in Melbourne. Protecting the new buildings as well as the earlier foundations became a pressing concern for Carr.⁶³

From extant letters held in the Catholic Archdiocese of Melbourne it is clear that Carr frequently consulted Cardinal Moran on matters affecting his own diocese and the general state of the Catholic Church in Australia. Carr also kept in close touch with affairs in the Irish Catholic Church. In early 1903 he wrote to his old colleague Archbishop William Joseph Walsh of Dublin, whom he had known in their days together, when Walsh was President and Carr Vice-President of Maynooth College, Dublin. Carr asked Walsh for details of the new insurance company established in June 1902, the Irish Catholic Church Property Insurance Company. He received a speedy, detailed reply with ten attachments from Valentine Irwin, the Company Secretary. Irwin insisted that all correspondence should be dealt with on the day of receipt.⁶⁴ The prospectus contained valuable guides for Carr. It estimated that the expenses necessary to start the company would not exceed £800, that annual surplus profits would be applied to charitable, religious or benevolent causes and stated that 'Other religious denominations, including some of the less considerable,

⁶² Andrew Killian to Esmond F Downey March 17, 1926, CCI Archives

⁶³ John Neylon Molony, 'Carr, Thomas Joseph (1839-1917)' *Australian Dictionary of Biography* Volume 7 (Melbourne: Melbourne University Press 1979) 569-570 & Thomas Patrick Boland, *Thomas Carr Archbishop of Melbourne* (St Lucia: University of Queensland Press 1997) 214

⁶⁴ Valentine Irwin to Thomas Carr April 28, 1903, Carr Correspondence Box 532/1, MDHC

have established companies on their special insurance business and have derived substantial benefit from the resulting profits.’⁶⁵

This project was close to Walsh’s heart as he made a personal investment of £5,000 in its establishment. Following an agreement by the Irish bishops, plans were put in place. A Circular Letter was sent by the Archbishop to every parish on 12 March 1902 outlining the format of the proposed company.

*By an agreement come to between the Irish Bishops at the Maynooth Synod of 1900, arrangements have since been in progress for the formation of an Insurance Company on strictly commercial lines, for the insurance of Catholic ecclesiastical property in Ireland, with a view of saving for religious purposes the considerable sums of money that must otherwise continue to go, as they have unfortunately been going for so many years in the past, to swell the profits of purely commercial companies.*⁶⁶

Their objective was ‘to obtain a collateral use from the insurance of church property by saving out of the funds applied to that purpose, a surplus for charitable and benevolent objects.’⁶⁷ The company was incorporated on 18 June 1902 with a paid up capital of £10,000, but arrangements were made in the interim with the Sun Insurance Company to guarantee, on satisfactory terms, all new ecclesiastical insurances until the proposed company was in a position formally to take over these policies.⁶⁸ The Sun Insurance Company, established in England in 1710, was the oldest insurance company in England dealing solely with fire insurance.

The emergence of the Irish Catholic Church Property Insurance Company aroused considerable opposition in Ireland. Vested interests reacted along predictable lines. They found a most willing platform in the *Irish Investors’ Guardian*, a banking and insurance review, published in Dublin on the first Saturday of each month. It showed an unequivocal hostility towards the new venture; it condemned and ridiculed it and its persistent criticisms ranged from allegations that the company could not achieve financial viability, to charges that it was unpatriotic and contrary to Canon Law. The alliance with an English company was strongly criticised with slogans such as ‘Ireland pays the piper while England calls the tune’. The paper’s relentless criticism is typified by the following:

⁶⁵ *Prospectus of the Irish Catholic Property Insurance Company* 1902, Carr Correspondence April 28, 1903

⁶⁶ ‘Circular Letter’ Archbishop William Walsh March 12, 1902, Archdiocese of Dublin Archives

⁶⁷ *Freeman’s Journal* (Dublin) October 10, 1902, 4

⁶⁸ ‘Circular Letter’ March 12, 1902, Archdiocese of Dublin Archives

Shortly before the arrangement (with Sun Insurance Company) was made the Bishops of Maynooth appealed to their countrymen to do everything to encourage native industries, yet in face of this they themselves set the example of doing exactly the contrary by placing the insurances of the Church outside of Ireland, for that is what it really amounts to...Fire insurance is at all times a risky business, as the reports of the insurance companies for the last three years show: and if a large fire occurs in some big chapel – a by no means remote contingency – the charities may whistle for a few years before contributions reach them. The paid up capital is to be only £10,000. It is a miserable sum on which to attempt the very risky trade of fire insurance.⁶⁹

Before Carr received detailed information about the Irish company from Valentine Irwin, a glowing account of it appeared in the *New Zealand Tablet*.

The report of the first general meeting of the Irish Catholic Church Property Insurance Company Limited was highly satisfactory. The need for such a company and sanguine anticipations of its projectors have been fully realised. It is a rare experience in a young company that a five per cent dividend should be paid within the first year of its corporate existence, and its entire capital should be paid up and that with capital intact and after paying preliminary expenses and dividend a substantial amount should be carried to reserve. The company has the advantage of having on its directors some of the most expert financiers in Ireland and its continued success may be regarded as assured.⁷⁰

There were no references to the formation of the Irish company in Australian secular or religious press at the time. The first mention of the Irish company's existence appeared in Australian press during 1907.⁷¹ Clearly the early progress of the Irish company was not entirely straight forward. Similar challenges would face the founders of CCI. Looking back years later Valentine Irwin wrote:

There were hours of anxiety and doubt experienced in the early life of the company as to whether it would be possible to carry on business successfully after the determined effort made by the Tariff Offices to crush us out of existence when they declined to admit us to membership in the

⁶⁹ *Irish Investors' Guardian, Banking & Insurance Review* July 5, 1902, 177

⁷⁰ *New Zealand Tablet* April 30, 1903, 9. This weekly paper was founded in 1873 by Patrick Moran, the first Catholic Bishop of Dunedin. It was set up to represent the interests of Irish Catholics throughout New Zealand and for the first fifty years became one of the most significant religious and political journals published.

⁷¹ *Freeman's Journal* (Sydney) April 18, 1907, 9

*hope that our exclusion would cripple our accepting power by depriving us of our reinsurance facilities. There was the same hunger for our premiums that dictated that behaviour still exists amongst them and they may be relied upon to make use of any expedient or opportunity to discredit or embarrass us so as to snatch our profitable income.*⁷²

Lay and clerical involvement in the Irish insurance company

To form the Irish company Archbishop Walsh sought the assistance of five laymen and two clergymen. He stipulated that 15,000 shares would be allocated to the directors and that they would also receive annual remuneration for their contributions. The laymen chosen were prominent Catholic businessmen, drawn from wealthy backgrounds. A parallel approach was later adopted for the formation of the Church insurance company in Australia. Few Catholics were board members of major companies in Ireland and those holding these positions were described as ‘landed, loyal and loaded’.⁷³ The Archbishop’s key advisor was Thomas Sexton, a Dubliner who was chairman of the nationalist newspaper, the *Freeman’s Journal*, from 1892-1912. Under his leadership this paper was rescued from financial ruin. Sexton was a Catholic Irish patriot. He was the eldest son of John Sexton, a constable in the Royal Irish Constabulary. He advocated Home Rule, became an active member of the Irish National Land League and from 1880-1886 represented Sligo in the House of Commons. In many respects Hugh Mahon, Irish rebel, journalist and politician would later become Sexton’s equivalent on the CCI board.

In 1881 Sexton was imprisoned in Kilmainham Jail for his activities with the land leaguers. While in jail he became the head organiser and a signatory (with Charles Stewart Parnell and Michael Davitt) of the ‘no rent manifesto’. This manifesto was seen as sabotaging the 1881 Land Law Act of the British Prime Minister, William Gladstone, by calling on supporters of the Land League to withhold their payment of rent. While the act substantially increased the security of tenant farmers, it did not lower rents or provide for proprietorship. Sexton became frustrated with party dissension, resigned from all political activities in 1886 and went into business. In 1887 Sexton was made High Sheriff of Dublin and in the following year was elected Lord Mayor of the metropolis. He was known for his genuine eloquence and persuasive debating skills.⁷⁴

⁷² *Church & General Celebrating 100 Years 1902-2002* (Dublin: Church & General Allianz Ireland 2002) 7

⁷³ John McConnel, ‘A Soldier of the Queen: General JP Redmond’ *History Ireland* vol 21 issue 6 November/ December (2013) Features Section

⁷⁴ Phillip Bull, ‘Thomas Sexton 1848-1932’ *Oxford Dictionary of National Biography*, volume 49 (Oxford: Oxford University Press 2004) 850-851

Sexton's significant contribution to public life arose from his ability in financial matters. This expertise was evident in his chairmanship of a successful bakery, Boland's Ltd, and as a member of a Royal Commission on financial relations between Great Britain and Ireland (1894-1896) and the Irish Railways Commission (1906-1910). In 1901 Archbishop Walsh asked him to become a director of the proposed company and to recommend other laymen who would be suitable to form the new board. In October Sexton wrote 'the assured cooperation of Mr McCann and Mr Mulligan makes an excellent start. I often met Mr McCormick when I was member for Belfast. He is a highly intelligent man, sharp and fluent – engaged about matters of a financial kind and apt in mathematical questions.'⁷⁵

James McCann of *Simmons Court Castle* Donnybrook, an authority on Irish economic questions and representative of St Stephen's Green, Dublin, in Westminster, was appointed as the first chairman of the Irish Catholic Church Property Insurance Company. During a long professional career on the Stock Exchange McCann gathered economic data on local industrial and agricultural activities.⁷⁶ He considered that the foundations of the chronic poverty in Ireland consisted of over-taxation and a lack of agricultural opportunities for tenant farmers. For many years he was the Chairman of the Irish Grand Canal Company where he promoted schemes and the provision of facilities to reduce the costs for small operatives in transporting their produce to markets.⁷⁷ He invested his own considerable funds in promoting successful local enterprises on his country estates at Meath in order to reduce poverty and curtail the depopulation of Ireland. In 1900 he wrote 'I found that I might as well be whistling jigs to milestones and expect the stones to dance, as to get attention on the subject from either the government or public opinion.'⁷⁸ When McCann died in 1904, Sexton became the second chairman of the Irish company.

John Mulligan was a prominent Catholic, a member of the Royal Society of Antiquaries of Ireland and the Managing Director of the Hibernian Bank (now the Bank of Ireland). The business was founded in 1885 out of the Hibernian Joint Stock Company. The bank was nationalist in outlook and was patronized by members of the Catholic Church. This patronage did not however prevent their stately branch at Lower Abbey from being destroyed by fire during the 1916 Easter Rising. The bank's head office was situated at College Green, Dublin and operated

⁷⁵ Thomas Sexton to William Walsh October 13, 1901, Archdiocese of Dublin Archives

⁷⁶ *The Irish Times* November 25, 1904, 7

⁷⁷ *The Irish Independent and Nation* February 2, 1903, 3

⁷⁸ James McCann MP *The Economics of Irish Politics*, address delivered before the Bankers' Institute of Ireland, November 1900, no 10, Papers of James McCann P87 271A,UCD

small branches and agencies throughout the southern counties of Ireland. Mulligan's appointment to the board was opportune as he was able to facilitate the insurance company's banking through the Hibernian and arrange for the company prospectus and share applications to be available at head office and at all of its branches.

The Irish Catholic Church Property Insurance Company established offices at 19-20 Fleet Street, Temple Bar, Dublin, under the guidance of manager, Valentine Irwin and insurance inspector, Richard Ingoldsby. In 1908 the Hibernian Fire and General Insurance Company was founded. The first chairman of the company was Alderman William Francis Cotton who was a director of the Hibernian Bank. He invited Mulligan to become a director of the Hibernian Fire and General Insurance Company. The Hibernian began by concentrating on fire policies for public authority business from the Dublin Corporation, but quickly diversified to include general insurance matters.⁷⁹

A prominent layman, Christopher John Nixon, became a subscriber and signatory to the Irish company's Memorandum of Association on 18 June 1902. Nixon lived in a fourteen roomed house with his family and seven servants at Merrion Square in the centre of Dublin.⁸⁰ He studied medicine at Trinity College Dublin and at St Cecilia Street School, Paris. He became the Professor of Medicine at the Royal University of Ireland, founded in 1880 and later Vice Chancellor of the National University of Ireland founded in 1908. He was knighted in 1895 and elevated as a baronet in 1906.⁸¹ The northern counties were represented by Alderman William McCormick JP, chairman of the *Irish News* in Belfast. The *Irish News* was launched on the 15 August 1891 as a daily newspaper, independently owned, nationalist in outlook but anti-Parnell.⁸² It concentrated mainly on Ulster content but the newspaper was widely circulated throughout Ireland.

Two local clergymen were chosen to represent the Church. Rev Dr James Donnellan was born in County Roscommon and entered Maynooth as a student from the Diocese of Tuam. After completing his studies with honours he became a

⁷⁹ *Hibernian Insurance Company – A century of insurance 1908-2007* (Dublin: Paul Mulhern 2008) 17

⁸⁰ *Census of Ireland 1911 Form A* (accessed July 20, 2011)

⁸¹ *The New York Times* July 21, 1914, 5

⁸² In June 1891 Charles Stewart Parnell married Mrs Katharine O'Shea. The leaders of the Catholic Church largely recognised him as the parliamentary guardian of church interests. The Catholic Church did not allow divorce and the hierarchy signed and published a near-unanimous (only one bishop withheld his signature) condemnation saying that Parnell's public misconduct utterly disqualified him from leadership

teacher at St Jariath's College, Tuam.⁸³ He was then appointed as Bursar and Procurator (1887-1923) of St Patrick's College, Maynooth, situated fifteen miles west of Dublin. The President of the College from 1903 was Dr Daniel Mannix. The student body fluctuated between five and six hundred, all seminarians preparing for the priesthood. In 1903 only eleven of the eighty entrants had qualified in matriculation studies. It was largely due to Mannix's vision that academic standards were improved at Maynooth and in 1910, St Patrick's became a recognised college of the new National University of Ireland.⁸⁴ The college then was able to provide courses and degrees in Arts and Sciences, as well as Theology, and all priests at ordination met the degree requirements. As bursar, Donnellan proved to be an astute financial manager. He oversaw the completion of a complex of new buildings but was fondly remembered by the students for building a swimming pool in 1903, one of the very first in Ireland.

The second clergyman appointed to the Irish board was Monsignor Miles MacManus. He was well known to both Mannix and Donnellan for his extensive work among the less fortunate parishioners in central Dublin. After a distinguished course at Maynooth, MacManus began his ministerial life as Chaplain to the convent of the Sisters of Mercy, Baggot Street, Dublin. After serving as a curate in several inner parishes of Dublin, MacManus was appointed as the parish priest of St Catherine's, Meath Street which was situated in a poor artisan and market district. Amongst the programs run by this parish was a night asylum for the destitute. MacManus invited the Sisters of Mercy to take charge of this facility which was in a remote part of the parish. He arranged for the purchase of two blocks adjoining the asylum to enable the sisters to build a convent and to establish a school for the poor of the parish. In 1904 he was appointed Vicar General for the Archdiocese of Dublin and became a domestic prelate for Archbishop Walsh.⁸⁵

In the absence of James McCann, who was in London on business, Thomas Sexton chaired the first statutory meeting of the Irish company on 9 October 1902. This was in the presence of four lay directors, seven clergymen and ten lay shareholders, including two women. Sexton stated:

Our offer of capital to the public was not rendered attractive by any golden promises or by any fascinating hopes of large returns. We attached to the capital a specific and moderate rate of interest. Our prospectus was of the

⁸³ *The Catholic Press* March 24, 1932, 18-19

⁸⁴ In 1912 Dr Mannix was appointed Coadjutor Bishop of Melbourne and became Archbishop from 1917-1963.

⁸⁵ Biographical notes, Archdiocese of Dublin Archives

*simplest and most candid kind. We advertised it once in four or five newspapers, we issued it to a limited list and the subscriptions received within one week from the issue of our prospectus not only exhausted our entire capital, but left an excess larger than the capital of some companies whose objects correspond to ours. I think there could be desired no more conclusive guarantee of the solidity and strength of the financial basis by which this company is sustained.*⁸⁶

Clearly the quality of priests and laymen who pioneered the Irish Catholic Church Property Insurance Company set a high standard for the Australian Church to emulate.

Australian lay initiatives

In a letter to Archbishop Walsh in Ireland Carr asked whether, and on what basis, the company would be willing to extend its operations to insure Catholic Church property in Australia. The Irish company's Memorandum Articles of Association stated that the company could operate in any part of the world. At the first general meeting of the Irish company in March 1903 the chairman, James McCann, told the shareholders that 'It was hoped that the enterprise may grow and stretch out its arms to kindred institutions in other parts of the English-speaking world.'⁸⁷ In April 1903 Valentine Irwin wrote to Carr that he would submit the matter to the board of directors as to whether the Irish company would extend its operations to Australia and on what lines. He added:

*It would be of great advantage, in this connection, if Your Grace would kindly furnish us with information as to what would be, approximately, the total amount of Insurance on Catholic Church Property in Australia, the usual rate per cent, now charged by Companies for the class of Property falling under this head, and the approximate total Premiums paid annually for such insurance.*⁸⁸

It is not known if Carr responded. McCann's death in 1904 and the continuing political unrest in Ireland may explain why this ambitious plan to enter the Australian Catholic insurance scene was not set in place. Carr's request for the Irish Catholic Church Property Insurance Company to operate in Australia was left in abeyance until September 1905 when Francis Vincent Healy, Melbourne hardware merchant and community worker and a man with considerable initiative

⁸⁶ *Freeman's Journal* (Dublin) October 10, 1902,4

⁸⁷ *Freeman's Journal* (Dublin) March 11, 1903, 4

⁸⁸ Valentine Irwin to Thomas Carr April 28, 1903 Carr Correspondence Box 531/1, MDHC

and a sense of responsibility, approached the Archbishop on the subject. From 1883 Healy was pivotal in the formation and spread of St Vincent de Paul Society in Victoria. Healy experienced first-hand the poverty and neglect of poor children in the parish of Saints Peter and Paul's, South Melbourne during the 1890s depression and later the devastation caused by the 1898 Gippsland fires. He worked tirelessly for those who had suffered, distributed food, clothing and bedding and was particularly interested in setting up a St Vincent de Paul home for destitute children in Gippsland.

The well informed Francis Healy was widely known in Catholic circles. At the 1900 Australasian Catholic Congress he made a bold suggestion. In his paper he proposed that the Australian church should establish industrial and reformatory schools along the lines of those operating in Ireland. He estimated that in 1899, 1,832 neglected Catholic children were in the care of the state and deprived of religious instruction.⁸⁹ He referred to one exception, the facility of St Joseph's Home for Destitute Children, Surrey Hills, Victoria. This home had been established in 1890 by the Society of St Vincent de Paul and Healy had assisted in the transfer of this home into the care of the Sisters of St Joseph. He was an example of a fine layman with ability and initiative and a strong sense of a love for his neighbour.

Healy was born in Dublin and when young had witnessed the flood of refugees into the city after the 'great famine' of 1845-1852. In 1854 he helped establish a local conference of the Society of St Vincent de Paul to alleviate suffering. He went into business with his uncle, at the Tolka Ironworks in Dublin, which had a city store and iron yard and became the sole proprietor during the 1860s. Healy was uninsured. His business was ruined following an explosion in 1878 that destroyed the city premises and a flood that washed away his machinery in 1879. With two children he migrated to Melbourne in 1882. By the time his wife and remaining five children joined him in 1885 he had established a thriving hardware business at 100 Elizabeth Street, Melbourne.⁹⁰

After experiencing such heavy losses in Ireland, Healy developed a healthy respect for the value of insurance. He was keen for his business and Catholic community interests in Victoria to be handled through the Catholic Church. He suggested to Carr that he approach the Irish company again or found a new church-owned company in Australia. Healy's careful stewardship during the St Vincent's de Paul

⁸⁹ Francis Healy, 'Industrial and Reformatory Schools', 1904 Proceedings, 355-363

⁹⁰ Pauline Rule, 'Healy, Francis Vincent (1834-1925)' *Australian Dictionary of Biography*, Supplementary Volume, (Melbourne: Melbourne University Press, 2005) 171-172.

Society's first twenty years of operating in Melbourne enabled the society to survive and grow, so that it eventually became a key Catholic charitable institution in the life of the city. Healy's background was middle class and urban. According to his biographer, Pauline Rule, Healy was a compassionate and spiritual man committed to the practices and structures of nineteenth-century Catholicism.⁹¹ Long after the Australian company was founded, Healy persuaded his daughter, Mary Minnie Healy (Mother Gertrude, Sisters of Charity), to take out adequate insurance when she became Mother Rectress of St Vincent's Hospital, Melbourne from 1924-1933. The thesis considers how an initiative taken by Francis Healy to encourage women in religious orders to insure with the church and others who followed, was fundamental to the financial success of CCI during its formative years.

Carr presented Healy's idea at the 1905 Plenary Council of Australasia. Several prelates considered that establishing their own insurance fund would provide a special benefit and an immense annual saving. The consensus reached by members the Plenary Council was that there was insufficient capital for the Church to proceed in forming a company of its own and no action was taken. Many of Carr's clergy considered that an insurance scheme was impractical but Carr remained interested and supportive of local insurance needs.⁹² However, the 1905 meeting did resolve that the bishops of Ballarat and Sandhurst should investigate further and draw up a report in respect of the proposal.

Later Cardinal Moran indicated that this first initiative had failed 'owing chiefly to the opposition (open and covert) of existing fire and insurance companies.'⁹³ Moran was referring to the negative responses by members of the tariff cartel and the policies and operations of the Federal Council of Fire and Accident Underwriters. Interestingly when CCI was formed in 1911 the dioceses of Ballarat and Sandhurst were tardy in their support. Ballarat joined in November 1921 and Sandhurst in 1923. There are only two published accounts of Carr's initiative on the position of Catholic Church properties and insurance. *The North Western Advocate and Emu Bay Times* noted:

It is reported in insurance society circles that at the recent plenary council of the Roman Catholic Church held in Sydney, the matter of fire insurance

⁹¹ Pauline Rule, 'Francis Healy (1834-1926), businessman and charity worker: another kind of Irish immigrant', *Ireland Down Under: Melbourne Irish Studies Seminars 2001-2010* (Melbourne: Newman College the University of Melbourne and the Melbourne Irish Studies Seminars, 2012) 50-59

⁹² Thomas Boland, *Thomas Carr, Archbishop of Melbourne* 306

⁹³ *The Catholic Church Property Insurance Co Ltd – Its Formation, Operations and Present Position*, 1917, CCI Archives

as it related to church, convent and school properties belonging to the denomination was discussed at considerable length. Among those, who took a prominent part in the debate, were Archbishop Carr, Dr Joseph Higgins Bishop of Ballarat and Dr Stephen Reville, Bishop of Bendigo. It was shown that the property belonging to the Roman Catholic Church in Australia was valued at an enormous sum, and that consequently a large amount was paid annually in insurance premiums. It was urged by several private parties that if administrators of the church in the Commonwealth established a fire insurance fund for their own special benefit an immense saving would be effected annually. At the conclusion of the discussion it was resolved that the Bishops of Ballarat and Bendigo should draw up a report to the proposal to be submitted at a future general meeting of the bishops.⁹⁴

The Catholic Press report included an additional negative note:

It will perhaps be interesting to mention that a number of professional underwriters have already gone into the figures regarding the question, and has found that the Catholic body would not gain anything by the proposal if carried into effect. It is pointed out, as a matter of fact, that the organisation of a Church insurance society by Catholics would result in a loss in the event of one or other of the large edifices being destroyed by fire before the premium income would be sufficiently large to meet risks.⁹⁵

Conclusion

It is clear that many relevant avenues were explored by clergy and laymen in Australia before the bishops settled on establishing their own insurance company. Their correspondence with counterparts in the Irish enterprise demonstrated a high standard of dedication and professionalism. The road to establishing CCI depended on a collaborative mission between the ordained clergy and the laity. Francis Healy is a significant example of the committed Catholic lay middle class emerging in Australia, usually with an Irish background, and identified at the 1900 Australasian Catholic Congress as ‘the fulcrum of Catholic society’ by Patrician Brother Alphonsus Delany. For Healy the spiritual and the temporal were totally integrated and the structures and practices of the Catholic Church mattered deeply. This group were settled economically and socially and looked to the Church to provide the means of both spiritual nourishment and practical action. Through Healy’s

⁹⁴ *The North Western Advocate and Emu Bay Times* October 3, 1905, 3

⁹⁵ *The Catholic Press* September 28, 1905, 17

commitment to charity work with St Vincent de Paul Society and his healthy respect for insurance he represented many laymen whose endeavours were to assist the clergy in nurturing and protecting the Church.

Chapter Three explores why and how a Catholic middle class businessman and politician, Hugh Mahon, was an appropriate and successful choice to found an insurance company to serve the Church. Mahon was a product of Irish Catholicism and those who knew him were aware of his stature, intellectual and moral approach, and his tenacious fighting for justice. There was a freshness in the way he expressed his ideas that was infectious and challenging and he was able to sway others.

Chapter 3: *The selection of Hugh Mahon*

Introduction

The idea that the Catholic Church should establish its own property insurance company took decades to evolve. This chapter traces the narrative of how existing insurance practices did not meet the needs of protecting Catholic Church buildings and congregations, highlighting what lessons needed to be learnt and why a feisty, outspoken Irishman, the Honourable Hugh Mahon, was chosen as the architect and master planner behind the successful formation of an Australian Catholic business in 1911. It demonstrates how Mahon's credentials, as an Irish patriot, a forceful and committed Catholic, a journalist and a businessman, suited him to the task. It also delineates how his writing skills and political prominence were used to great effect by the hierarchy in promoting Catholicism long before the formation of the company.¹

Until the 1950s historians often described Irish and Catholicism as virtually synonymous in Australia. Historian Patrick Morgan suggests that the early Irish Catholic community was not as monochrome as this label suggests and masks a more diverse background. In the early decades of the nineteenth century there was a shortage of women and single men had to look outside of their religious group for partners. Later in the nineteenth century it was the large consolidated Irish population which substantially laid the foundations of the Catholic Church in Australia, although statistically there was still a significant number of Protestant Irish and also English and Scottish Catholics.² This Irish domination of the Catholic Church endured until the large-scale migration from Europe following the Second World War. The first leaders of the Australian church were English-born Benedictines, John Bede Polding and William Bernard Ullathorne. They were motivated by the missionary record of their own Anglo-Benedictine congregation and followed the traditions of their European scholastic training. Their initial flock were largely uneducated Irish convicts, followed by the passionate, rootless exodus of thousands of Irish migrants to the gold diggings. Historian, Timothy Suttor, observed that by the 1860s many zealous and hardworking Irish priests and

¹ The early material on Hugh Mahon's experiences in the United States of America, Canada and Ireland are based on access to all possible current extant records and is deserving of further exploration by future writers.

² Patrick Morgan, *The Melbourne Irish* <http://tintean.org.au/3013/04/06/the-melbourne-irish/> (accessed March 3, 2014)

bishops, sensitive to Irish social and political questions, began to dominate the Australian church.³

It was not until the late 1930s that Australian-born priests and members of religious orders began to outnumber their Irish counterparts. Ninety-five per cent of religious foundations in Australia were drawn from communities in Ireland, even when these Irish congregations belonged to orders which were founded centuries earlier in European countries. Indeed in 1911, when the foundation of a Catholic insurance was in the making, the Irish influence in the Catholic Church of Australia was all pervasive. Historian Patrick O'Farrell described this influence in the following terms:

*Priests and religious teachers, brothers and nuns, came from Ireland in rapidly increasing numbers to the dioceses of Irish bishops. The bishops returned to Ireland seeking recruits. Devotions popular in Ireland, such as the Forty Hours Adoration, novenas, devotions to the Sacred Heart, various male and female sodalities extended rapidly in these dioceses and became a salient feature of religious observance*⁴

A typical example was the parish of St Monica's Essendon, founded in 1854 in Victoria. It was little more than a dust bowl before the First World War and the parishioners were Irish born or of Irish decent. The initial jurisdiction of St Monica's extended from Keilor and Broadmeadows to Moonee Ponds, Flemington, Ascot Vale, Sunbury and Essendon.

An engineer, Rev John Lanigan, wrote a vignette about Irish Catholicism at St Monica's, Essendon:

Typically early vocations came from large families of Irish extraction with roots firmly set in the parish community. As in many other families, the Catholic Faith was a pearl of great price to be protected at all costs from godless secularists; it was a seed to be nurtured within the Catholic home and the Catholic school; it was a way of life to be exercised publicly by regular attendance at Mass and Sunday Devotions and by practical charity towards anyone in need, privately by family Rosary and prayers. Rooted deeply in the family, the Faith was protected and supported by a network of

³ Timothy Lachlan Suttor, *Hierarchy and democracy in Australia, 1788-1870* (Melbourne: Melbourne University Press, 1965) 5

⁴ Patrick O'Farrell, *The Catholic Church in Australia a short history 1788-1967* (Melbourne: Thomas Nelson, 1968) 142

*friends and relatives who shared together in sporting, social and liturgical life of the parish community.*⁵

St Monica's Essendon was the first parish to open a Catholic school after the passing of the Victorian Act of 1872 which withdrew state aid from denominational schools. Thomas Woods, the first teacher, gave an eye-witness account to the 1883 Victorian Royal Commission on Education on how the laity by donating £120 had assisted in the foundation of the school.

*The clergyman, judging by the amounts received in school fees, conceived that it would be impossible for him when State aid ceased, and he expressed as much on the Sunday at Mass. A number of men in the district, and the majority are labouring men, met, and without consulting the clergymen at all, said they would prefer a Catholic school and asked him if he would undertake to open one. He replied that he did not think they would be able to keep the school on and there was no use in their talking. They then went round among their friends and acquaintances in the district and obtained signatures and promises of support sufficient to maintain the school, they then waited on the clergymen to call a meeting which he did at four days' notice. He announced at that meeting (that) he would expect them to come forward, but he would not take words but acts as evidence. They met on the Thursday evening, four days after, and laid upon the table sufficient money to keep the school going for six months and the majority of those were labouring men, and (the parish priest) said in this case he saw the men were in earnest and said he would do anything he could to assist them.*⁶

The Irish laity clearly had initiative as well as strong convictions concerning the importance of Catholic education.

Hugh Mahon's background

During his life in Australia Mahon was influenced by his Irish roots and his responses were shaped by his Irish experiences. As a transplanted Irish man he became an Irish-Australian with strong loyalties to both countries, but it will be seen there was a moderation and balance in his loyalty. Mahon was born on 6 January 1857 in Killurin, a village four miles south of Tullamore in King's County (now County Offaly), Ireland. He was the thirteenth of fourteen children born to

⁵ John Lanigan, *On Their Shoulders We Stand* (Moonee Ponds: St Monica's Catholic Church: 1984) 85

⁶ *Report of the Royal Commission on Education 1881-1884* (Victoria: Parliamentary Papers, 1884) 2132

James and Anna McEvoy, a native of Castlebrack, County Laois.⁷ Only nine of the children survived childhood. According to family legend, James Mahon's father and two uncles had been prosecuted for their political activities in Leinster following the rising of the United Irishmen in 1798. James supported his family by working as a substantial tenant farmer at Killurin on the estate of the Earl of Digby.

It was recorded in the Mahon family's history booklet that James also took an interest in forestry and he planted a small portion of private land with commercial trees. This area was purchased later by the landlord.⁸ The family booklet also indicated that the landlord reallocated the tenancies and one son, Patrick, received a small portion with the remainder going to new tenants.⁹ William Steuart Trench, the estate agent for the absentee landlord Lord Digby, was known for his harsh and authoritarian style.¹⁰ Trench may have believed, like others at the time, that the land was overcrowded and needed clearances. The Mahon family received an 'arrear abandoned' notice.¹¹ Initially historian, Dr. Jeff Kildea, hypothesised that the 'arrear abandoned' notice suggested that their leaving the farm was not purely voluntarily.¹² While there were evictions going on in Offaly, it appears that James Mahon voluntarily surrendered his holding and the family was not evicted. James may have been made an offer he could not refuse as the rent obtained from the farm increased after the family's departure and this perhaps would account for why Trench agreed to write off the arrears on the Mahon tenancy. It is officially recorded that James and Anna Mahon, with eight of their children, sailed on the *Australasian* which arrived in New York from Liverpool on the 4 March 1869.¹³ James used the proceeds from the sale of his land to assist in their immigration. Why he took his family to America remains unclear. There were family members in Ontario, where James purchased land in October 1869, so it might have been a classic case of chain migration.

⁷ Herbert Jim Gibbney, 'Mahon Hugh (1857-1931)' *Australian Dictionary of Biography* Volume 10 (Melbourne: Melbourne University Press 1986) 379-380

⁸ Family Booklet of Hugh Mahon *The Mahon Family Killurin, Tullamore, County Offaly* October, 1999

⁹ Family Booklet, 1999

¹⁰ Mary Pilkington, *Offlay: History & Society, Interdisciplinary essays on the history of an Irish county* (Dublin: Geography Publications 1998) 831-854

¹¹ Lord Digby to W Heseltine, Papers of Herbert Jim Gibbney 1917-1989 MS 3131 September 12, 1969 NLA

¹² Jeff Kildea, 'Hugh Mahon: Irish-Australian Patriot' unpublished paper delivered at the Australasian Irish Studies Conference, Queen's University July 1-4 (2010) 3 The suggestion of a Fenian influence is a summation of Dr. Kildea who is researching the life of Hugh Mahon for a biography and graciously shared his research findings prior to the publication of his work.

¹³ This additional research was undertaken by historian Jeff Kildea in 2013 and revises the previous research of historian, Herbert Jim Gibbney.

Hugh Mahon had received an early rudimentary education in the Irish National Schools and possibly from the Christian Brothers in Tullamore, before leaving Ireland. From the age of twelve he lived in Ontario, Canada before moving to Albany, New York in April 1873.¹⁴ The Mahon family found that conditions in Canada and America were not much better than those in Ireland. Hugh was apprenticed to a printer, reputedly working sixteen hours a day. Jeff Kildea suggests that during this time it is likely that he mixed with Canadian and American members of the Fenian Brotherhood, an Irish republican organisation founded in the United States in 1858.¹⁵ Kildea explained that ‘New York in the 1870s was the hotbed of Fenianism and Mahon’s compatriots would have schooled him well in the structural causes of his family’s misfortune.’¹⁶ It was perhaps through this association that he later developed a strong sympathy for Irish nationalism.¹⁷ Mahon was not a rabid republican in either the Irish or Australian context. His radical sympathy was for a self-governing Ireland within the British Empire and within the United Kingdom.¹⁸

At the age of twenty-three Mahon returned to Ireland. During the early 1880s he joined an agrarian protest movement known as the Irish National Land League. The land league was founded by Michael Davitt, a prominent member of the Fenians in Northern England and Scotland. The president was Charles Stewart Parnell, leader of the nationalist Irish Parliamentary Party. The land league aimed to better conditions for tenant farmers through securing rent reductions and preventing evictions by English and Irish landlords, many of whom were Catholics.¹⁹ Mahon, showing clearly an aptitude for organisation and writing skills, became a local branch secretary at New Ross, County Wexford and heavily involved in nationalist politics and tenants’ rights. County Wexford was experiencing the effects of land wars and the atmosphere of evictions and boycotts may have evoked memories of the situation in his native Offaly, thirteen years earlier.²⁰ A feeling of insecurity,

¹⁴ *The Catholic Press* September 3, 1931, 16

¹⁵ David McKittrick and David McVea, *Making Sense of the Troubles* (London: Viking, 2012). These authors demonstrated that some Protestants identified with Irish causes against the English, including Fenianism, but these were the exceptions.

¹⁶ Jeff Kildea, ‘Remembering Hugh Mahon’ *Recorder* Issue no 271 October (2011) 2

¹⁷ Mahon’s views on Irish nationalism are presented in Chapter 8

¹⁸ Jeff Kildea, ‘Hugh Mahon: Ireland Made Me Do It’ unpublished paper delivered to the History Group of the Australian Irish Heritage Association, Como, Western Australia January 24 (2011) 2 There is little information about this period of Mahon’s life and he did not refer to it in later years.

¹⁹ William Edward Vaughan, *Landlords and Tenants in Mid-Victorian Ireland* (Oxford: Clarendon Press, 1994) This work questions many of the assumptions about landlord-tenant relations that have previously been uncritically accepted, in particular that they were mainly English protestants and absentees.

²⁰ Jeff Kildea, ‘This bloody and accursed despotism: the life and times of Hugh Mahon’ unpublished paper presented at *Shamrock in the Bush* Galong NSW August 6-9 (2009) 2-3

dispossession and displacement, both mentally and physically, informed many of Mahon's later decisions in Ireland and Australia.

Mahon worked as a reporter in Wexford on the nationalist *New Ross Standard* and *The People*, honing his skills as a writer and learning shorthand. The papers of this time did not include the writers' names but it is clear that Mahon did not content himself with merely reporting events but was an activist. He became involved in the land league's clandestine activities. Mahon supported the boycotting of a local landlord who was known to have evicted tenants and printed and distributed leaflets for the land league in support of boycotting.²¹ Some land leaguers went beyond public statements and began intimidating the landlords.²² The government's response was suppression rather than the pursuit of reforms in the landlord system. Dozens of land leaguers across Ireland were arrested and placed in detention without trial.²³ In Australia, Mahon wrote an account of these events in *The Land League a Narrative of Four Years of Irish Agitation, with sketches and portraits of principal Irishmen of the day*.²⁴

On 27 October 1881 Mahon was arrested and jailed firstly at Naas, County Kildare and then at Kilmainham, Dublin where he was incarcerated with Charles Stewart Parnell. On 4 January 1882 an order for Mahon's release was signed following a medical examination which revealed the presence of tuberculosis.²⁵ Joseph Kelly, a fellow prisoner and doctor wrote a letter of introduction for Mahon to an Irish friend, Rev Dunne, who had Australian connections. This was most likely Rev Patrick Dunne who had earlier arranged for the transportation of many of Lord Digby's tenants to Queensland and who was, at that time Vicar-General in the Diocese of Goulburn.²⁶ Dunne was also a cousin of Bishop John Dunne of Wilcannia-Forbes who befriended Mahon in Australia. The doctor wrote that Mahon's 'only chance of recovery lies in leaving the jail.'²⁷ Recurrent congenital chest infections and tuberculosis, first encountered during his imprisonment, were to trouble Mahon for the remainder of his life. On his release, Mahon returned to

²¹ Jeff Kildea, 'Ireland Made Me Do It', 4-6

²² The word *boycott* derives from the name of Captain Charles Cunningham Boycott, an estate agent for an absentee landlord in County Mayo, who was a victim of social and economic ostracism by the land leaguers.

²³ Nicholas O'Donnell, 'Modern Ireland' *Atlas and Cyclopaedia of Ireland* (Dublin: Murphy & McCarthy 1904) 20

²⁴ Hugh Mahon, *The Land League: A Narrative of Four Years of Agitation with Sketches and Portraits of Principal Irishmen of the Day* (Sydney: J G O'Connor, 1883)

²⁵ *The Catholic Press* March 31, 1910, 14 Kilmainham was founded in 1809 in Dublin as a model prison and closed in 1910. By the 1880s prisoners were huddled together in small cells with little ventilation.

²⁶ Thomas James Linane, 'Dunne, Patrick (1818-1900)' *Australian Dictionary of Biography* Volume 4 (Melbourne: Melbourne University Press, 1972) 117-118

²⁷ Papers of Hugh Mahon, MS 937/268, 1882, NLA

New Ross and resumed his duties as a reporter on *The People* where he was placed under police surveillance. His continued activism in the land league and his association with ring leaders in the movement would most likely have led to his rearrest. Mahon was virtually an exile. He returned to Dublin and wrote to John Redmond, then the Irish Nationalist member for New Ross in the House of Commons, advising him that he was travelling to London where he stayed for almost five weeks.²⁸

On the 6 April 1882 Mahon sailed for Australia on board the *SS Lusitania* arriving in Melbourne on 22 May. He was met by John Walshe, the first Irish delegate of the land league in Australia. Walshe, like Mahon, had been a political prisoner in Ireland.²⁹ Mahon immediately espoused the land league's cause in Australia. He also became acquainted with Irish members of the Australian church hierarchy. Bishop Jeremiah Joseph Doyle of Lismore wrote in 1904:

Soon after your release from jail in the causes of old Ireland it was my pleasure to meet you at Arnott House, Wynyard Square, Sydney. At the time little did I think as a young priest that at a further time I should be a Bishop of an Australian Diocese and I may feel assured that you did not dream of becoming a Cabinet Member of Federated Australia.³⁰

Initially Mahon travelled through New South Wales, Queensland and Victoria speaking and organising local branches of the land league, renamed the Irish National League.³¹ In 1883 Mahon became John Walshe's assistant in a fund-raising tour conducted by two young Irish land reform agitators, the Redmond brothers, who were members of the Irish Parliamentary Party in the House of Commons. John Redmond, who had earlier met with Mahon in London, was the member for New Ross and his younger brother William was elected the member for Wexford while in Australia. Like Mahon, William had recently served three months in Kilmainham for possessing seditious literature. At many of the Australian gatherings the Redmond brothers met with a hostile and sectarian reception. Bishop Goold was annoyed by their visits to Victoria as they attracted criticism and protests from Protestant groups.³² By all accounts their trip was a success, both in political and personal terms. The brothers collected £15,000 and met two female

²⁸ Martha Rutledge, 'Redmond, John Edward (1856-1918)' *Australian Dictionary of Biography*, Volume 6 (Melbourne: Melbourne University Press 1976)12-13

²⁹ *Austral Light* April 1, 1916, 218

³⁰ Jeremiah Doyle to Hugh Mahon, Papers of Hugh Mahon, MS 937/410, May 18, 1904, NLA

³¹ Jeff Kildea, 'Remembering Hugh Mahon', 2

³² Patrick O'Farrell, *The Catholic Church and Community: an Australian History* (Sydney: New South Wales University Press 1992) 233

members of the Dalton family who later became their wives. John married James Dalton's half-sister Johanna and William married his daughter, Eleanor.³³ James Dalton had left Ireland during the potato famine and became a wealthy merchant and pastoralist at Orange, New South Wales. He provided leadership and funds for the Irish nationalist movement and became closely associated with the Redmond brothers' visit. Dalton was active in local affairs and later built the Australian Hall in Orange as the Redmond brother's had been obliged to lecture in a shop. Mahon received public recognition for his work in promoting the Redmond brothers' tour. This was a gold medal subscribed to by the Irishmen of Sydney.³⁴

When Mahon wrote his history of the Land League in Ireland he included an introduction by John Redmond and this book was published by Joseph Graham O'Connor, a Sydney journalist and politician. O'Connor was one of the few Irish Catholics to welcome the Redmond brothers during their visit to Sydney. He chaired the first Sydney meeting and was president of the local branch of the Irish National League, became close friends with the Redmond brothers and later helped with the visits of other Irish delegates.³⁵ After the departure of the Redmond brothers, Mahon became the editor of the Goulburn diocesan newspaper the *Southern Free Press*, financed by Bishop William Lanigan. While in Goulburn Mahon joined the local Catholic Literary Society and became its president, promoting the mental and moral improvement of its members.³⁶ Rev Michael Phelan, later a Jesuit priest, preacher and writer at Belvedere College, Dublin, recalled how he first met Mahon when he was walking on the verandah of the Goulburn presbytery. Phelan described him as still being full of buckshot, presumably metaphorically not literally.³⁷

Rev Phelan's brother, Dean Patrick Phelan, the administrator of St Patrick's Cathedral, Melbourne and later Bishop of Sale, became a close associate of Mahon's during the formation and running of CCI. He shared Mahon's passions for Irish affairs. In 1920 the Bishop was unable to attend an ill-fated meeting of the Irish Ireland League (the successor to the Land League). At this meeting Mahon spoke in strong terms about conditions in Ireland and this speech led to his eventual

³³ Martha Rutledge, 'Dalton, James (1834-1919)' *Australian Dictionary of Biography*, Volume 4 (Melbourne: Melbourne University Press 1972) 10-11

³⁴ *Freeman's Journal* (Sydney) January 25, 1896, 20

³⁵ Mark Lyons, 'O'Connor, Joseph Graham (1839-1913)' *Australian Dictionary of Biography* Volume 5 (Melbourne: Melbourne University Press 1974) 351-352

³⁶ *Goulburn Evening Penny Post* March 11, 1886, 2

³⁷ Michael Phelan to Hugh Mahon, Papers of Hugh Mahon, MS 937/400, May 7, 1904, NLA

expulsion from the federal parliament.³⁸ Phelan wrote at the time that ‘Any protest about the reign of terror now raging in the name of law in Ireland has my fullest approval. We would be unworthy of the measure of liberty we enjoy if we failed to denounce the Government which is endeavouring to crush the spirit of liberty in the most vulnerable of the European nations.’³⁹

Mahon’s career and expanding Catholic connections

In 1886 Mahon joined the *Sydney Daily Telegraph*, as head of its parliamentary staff and began to develop an interest in local politics and business, which included life insurance. In 1888 Mahon became secretary for the New South Wales Royal Commission appointed to inquire into the introduction of contagious diseases to eradicate rabbits. The problem of rabbits destroying pastures had become so widespread that it became an ‘inter-colonial commission’ and Mahon travelled around Queensland and South Australia as well as New South Wales collecting evidence.⁴⁰ This contributed to the wide ranging knowledge of Australia, both the country and its people, which Mahon brought to his position at CCI.

On 24 September 1888 Hugh Mahon married Mary Alice L’Estrange in the Church of the Immaculate Conception, Manly. The couple possibly became acquainted when Mahon visited Melbourne for the *Daily Telegraph* in 1887 or during his investigations for the Rabbit Commission in Victoria in early 1888. The L’Estrange family were prominent Richmond identities. Mary grew up at *Erindale*, Bromham Place, Richmond. It was a stately bluestone house, set in nine acres, established by her father, Joseph L’Estrange. Joseph was born in Dublin in 1811 and had arrived at Port Phillip in 1839. His father and two older brothers had served in the Peninsular Wars and were present at the battle of Waterloo. Like many younger sons, Joseph chose to seek his fortune in the colonies. He joined the Crown Law Department, rose to the office of chief clerk and was admitted in 1859 to the Victorian bar. Joseph astutely developed freehold properties and invested in mining companies.

He married Eleanor Quin from Galway, embraced his wife’s religious convictions and the first Mass offered in Richmond was at *Erindale* while a search for a permanent church site was proceeding. When land was purchased in 1868 for a new church, Joseph was appointed as a trustee.⁴¹ Mahon then was drawn more closely into the rising Catholic middle class. It is interesting to note that Mary MacKillop,

³⁸ Mahon’s expulsion from parliament and its repercussions for CCI are discussed in Chapter Eight.

³⁹ *The Argus* November 8, 1920, 7

⁴⁰ *South Australian Register* June 11 1888, 2

⁴¹ *The Argus* August 17, 1868, 6

later co-founder of the Sisters of St Joseph, lived as young girl with her L'Estrange cousins in Richmond and Mahon and his wife were to be life-long supporters of her work. Mahon in turn was to encourage the board and officers of CCI to support the endeavours of the Sisters of St Joseph.

In 1890 Mahon acquired his own newspaper, the *Gosford Times*. After a brief sojourn in Gosford he joined his wife at *Erindale* for the birth of their second child. While in Melbourne he became the manager of the *Australian Mining Standard* and learnt about the world of mining. Following the discovery of gold in 1894 at Menzies, one hundred miles north of Coolgardie, Western Australia, Mahon moved to the boom town leaving his wife and family to follow when he had settled as the editor and later the proprietor of the *Menzies Miner*. Mahon developed a sound business sense while reporting on the frontier gold settlements. When the Menzies goldfield began to decline Mahon sold out and became editor of the *Kalgoorlie Sun*. This paper was described in the Melbourne Catholic paper, *The Advocate* as:

*A lively vulgar aggressive paper modelled on John Norton's Sydney Truth. The Sun had no inhibitions and in the course of one year Mahon and his partners withstood four libel actions but, at the same time, the reputation which he acquired as a fighting editor gave him a prominent position in the federation movement and eventually secured his election as the first Commonwealth representative for Coolgardie in 1901.*⁴²

The *Freeman's Journal* praised Mahon for his writings in the *Kalgoorlie Sun*. 'He is a writer of more than ordinary capacity and is especially good at descriptive matter. He may be acclaimed as one among the best newspaper men in the Commonwealth.'⁴³ While living on the goldfields Mahon developed his first connections with the labour movement. He was interested in the rights of Aborigines and the accusations made against Afghan camel-drivers who were taking forceful possession stockmen's wells in remote locations—both issues he later wrote stridently about and espoused as a member of parliament. He was an honorary life member of the Miners' Union which he helped to found. Curiously he did not join a union. In 1911 he became editor of the new *Labor Vanguard*, a daily newspaper founded by a politician, John Barkell Holman (1872-1925), as the official organ of the Western Australian Division of the Australian Labor Federation.⁴⁴ Holman had been a miner and secretary of the Timber Workers'

⁴² Herbert Jim Gibbney, 'A turbulent Irish-Australian M.P. Hugh Mahon' *The Advocate* May 8, 1969, 17

⁴³ *Freeman's Journal* (Sydney) May 26, 1906, 13

⁴⁴ *The Daily News* (Perth) July 21, 1911, 3 & *Sunday Times* September 10, 1911, 7

Union. This paper was printed intermittently and was resuscitated at the time of Western Australian state elections.⁴⁵

Early political life

In 1901 Mahon was elected to the House of Representatives for Coolgardie, in the first Commonwealth Parliament. Coolgardie was the largest constituency in the Commonwealth, being in area equal to the whole of Queensland.⁴⁶ Subsequently he was a minister in four Labor Party governments. A redistribution of electoral boundaries led to his defeat in the election of 1913. Later that year Mahon was returned unopposed for the federal seat of Kalgoorlie which he held from 1913-1917 and again from 1919-1920. Mahon wrote to a friend in 1913:

*I am not sorry to be out of the political arena for a time. I have organised and established this Company [CCI], which has been very successful so far. It takes up the whole of my time just now and the results justify it. Catholics pay away for fire insurance some £10,000 per annum and have nothing to show for it. Though the company is only two years in existence, we have paid them bonuses of 40% per annum.*⁴⁷

As an Irish exile and Catholic, Mahon held a unique position in the first Australian parliament. With little formal education and an apparently impoverished youth, the personal qualities that enabled Mahon to achieve success within twenty years of arriving in Australia, were rooted in and continually motivated by his support of Irish Catholic struggles. Mahon was an intelligent thinker, though not a striking personality. He was a solid man who inspired confidence. He was serious, industrious, orderly, paid attention to detail, was trustworthy and ready to pay more than lip service to principles. His expertise did not extend to theology or philosophy but he was an exemplar of a Catholic in action. In 1904 *The Catholic Press* made the following assessment:

Mr Mahon is an able man possessed of wide knowledge of men and affairs. Though not eloquent he is a concise speaker, tenderly regardful of the meaning and value of words. He generally knows just exactly what he wants to say, and can say it with clearness and completeness. These qualifications, backed by considerable force of character and general business capacity, mark him as a man who could be depended upon to give

⁴⁵ *The Register* (Adelaide) August 2, 1916, 4

⁴⁶ *The Catholic Press* May 12, 1904, 15

⁴⁷ Papers of Hugh Mahon, MS 937/177, November 10, 1913, NLA

*a good account of himself in almost any walk of life. Of moderate wealth, he is economically speaking quite independent of politics.*⁴⁸

Few fellow parliamentarians were in accordance with his strong Irish beliefs and interests, especially as they became more radical during his political life. Even when addressing the issue of creeping imperialism Mahon's deep resentment of the injustice England had done to Ireland was always close to the surface and he reasoned that:

*Imperialists who offer outstretched hands to the distant off-shoots of the Empire, stand in sullen hostility to any reconciliation with England's next door neighbour, the little island which produces one of the finest fighting races the world has known. An imperialism that is prepared to do justice to Ireland, and to readjust its social system, so that its own honest toilers might obtain decent homes and adequate food, would at least escape the suspicion of hypocrisy.*⁴⁹

An exception was Mahon's close associate, Henry Bournes Higgins, a Protestant lawyer. This significant contemporary leader was born in Ireland. His father was a Methodist minister and he was educated at the Wesleyan School, St Stephen's Green Dublin.⁵⁰ In 1883 Higgins appeared on the public platform to support Irishmen, John and William Redmond in their quest for Irish Home Rule and in 1887 he was prominent in a protest against the Irish coercion bill. Throughout his federal parliamentary career from 1901-1905 Higgins was dedicated to the Irish cause, culminating in 1905 in his moving a resolution which urged Britain to grant Home Rule. In 1906 he was appointed a justice of the High Court of Australia. In the same year he was invited by Cardinal Moran to give the oration at the St Patrick's Day celebrations in Sydney. In the Harvester decision of 1907 Justice Higgins spelt out the rights of workers when he established the concept of a 'basic wage', setting out a 'fair and reasonable' minimum wage for unskilled workers. It is likely that Higgins was influenced in framing this judgement through his knowledge of Pope Leo XIII's encyclical of 1891, *Rerum Novarum* – Rights and Duties of Capital and Labour, gained through his close association, friendship and correspondence with Mahon.⁵¹

⁴⁸ *The Catholic Press* April 28, 1904, 15

⁴⁹ *Austral Light* July 1, 1907, 465

⁵⁰ John Rickard, 'Higgins, Henry Bournes (1851-1929)' *Australian Dictionary of Biography* Volume 9 (Melbourne: Melbourne University Press 1983) 285-289

⁵¹ Papers of Henry Bournes Higgins MS 1057 /112, June 27, 1905, NLA

Members of the first Federal Parliament

An analysis of the backgrounds of the first one hundred and forty-seven members of the federal government provides insights concerning Mahon's position in this significant assembly.⁵² Australia's first parliament reflected a diversity of backgrounds. The professionals were represented by twenty-seven lawyers, one doctor, one Presbyterian minister, two engineers, two accountants and two military men. Thirteen members, including Mahon, had experience in journalism. The mass-circulation newspaper played a crucial role in the debate about federation as it focused the attention of large capital city populations on particular country issues. Fifty-nine parliamentarians were Australian-born and the remainder were from the British Isles.

One outsider was John Christian 'Chris' Watson. He was born in Valparaiso, Chile, a fact not disclosed to his contemporaries when he entered parliament, or even later when he became the first prime minister for the Australian Labor Party in 1904, creating the first national labour government in the world. As a non-British subject Watson was technically ineligible to become a member of the federal parliament. When Watson formed his Cabinet, Mahon was appointed as Postmaster-General. One commentator remarked that 'To make a mark in the Post Office is no easy matter. It is the least conspicuous of the departments, but Mahon by his strength of character, his wisdom as an administrator and his ready grasp of public requirements, dignified the office and left a high standard.'⁵³ *The Catholic Press* noted: 'It was a striking coincidence that these men, who began life in exactly the same way as printers' devils without the aid of schools or universities, were at that moment within a stone's throw of one another, holding the proudest and most responsible positions within the gift of the people.'⁵⁴ At the end of 1904 the *Catholic Press* made further observations:

Watson's most popular, if not his strongest supporter is Hugh Mahon. Go where you will, you will hear praise of Mahon. His opponents respect him, as well as his friends; (Alfred) Deakin spoke enthusiastically about him; (Sir John) Forrest calls him a level headed, able fellow; and (Sir William) Lyne places no end of reliance on him. Mahon is a good speaker and when he rises in the House his personality is felt. He is a big muscular fellow,

⁵² This analysis is drawn from the profiles of the 147 members featured in *Biographical Handbook and Record of Elections for the Parliament of the Commonwealth* (Melbourne: Library Committee of the Commonwealth Parliament, 1915) & *Who were the members of the first Parliament?* exhibitions.aph.gov.au/pogg/members (accessed May 26, 2012)

⁵³ *The Catholic Press* June 15, 1905, 15

⁵⁴ *The Catholic Press* July 14, 1904, 14

*with a strong face, hair streaked with grey and a temper which seems imperturbable. He is a student; he knows how to arrange his matter, to make his points and when to sit down.*⁵⁵

A parallel career

Watson's political career was short lived due to ill health. He resigned in 1907 as leader of the Federal Labor Party and from the parliament in 1910, having served in 1904 as Prime Minister and Treasurer.⁵⁶ Historian Percival Serle noted that Watson was only forty-three years old when he left politics. The early days of federation were very trying for the party leaders but 'He came at the right moment for his party and nothing could have done more good than the sincerity, courtesy and moderation which he always showed as a leader.'⁵⁷ Neither Watson nor Mahon rorted the political system:

*Mr Watson and his colleagues eschewed all forms of personal extravagance. They travelled like ordinary citizens without flunkeys or special railway carriages or motor cars. We remember when Hugh Mahon who at the time was Minister for Home Affairs, came to Sydney to take possession of a trawler. He invited a party to go down the harbour in the boat and lunch at Manly. To the horror of the State Ministers and other 'hanger-ons', who expected to swim in champagne, he provided no guzzle of any kind for the excursion and at the homely luncheon at the Pier Hotel provided a glass of lager and sandwiches. A friend reprimanded Mahon. 'I am dealing with public money' he said and I have no authority to squander it. A glass of lager was good enough for me and my friends before I took office and it should be good enough for me and them now.' In returning to Melbourne Mahon took a tram to the railway station carrying his own bag.*⁵⁸

From impoverished backgrounds both Mahon and Watson needed to establish secure livelihoods outside of parliament. They used their political prestige, standing and enterprise to generate an income through journalism and 'tailored insurance enterprises' focusing on one segment of insurance. For Watson it was the insurance of automobiles. Watson joined the council of the newly established National Roads Association (NRA) in Sydney on the 22 March 1920 and in August became its

⁵⁵ *The Catholic Press* December 1, 1904, 19

⁵⁶ Bede Nairn, 'Watson, John Christian (Chris)' (1867-1941) *Australian Dictionary of Biography* Volume 12 (Melbourne: Melbourne University Press 1990) 400-405

⁵⁷ Percival Serle, *Dictionary of Australian Biography* Volume Two (Sydney: Angus and Robertson 1949) 468

⁵⁸ *The Catholic Press* May 6, 1920, 19

president, a position he held for twenty years. His leadership and administrative capacity turned the NRA into the National Roads and Motorists' Association (NRMA) in December 1923. The major component of membership of the NRMA was the comprehensive insurance cover provided through NRMA Insurance Ltd. Appreciating that motoring would become a mass activity, Watson publicised the association's policies and discussed them with governments, helping to make the NRMA a leading motoring organisation. On 2 April 1928 as chairman of the Traffic Advisory Committee, Watson submitted a valuable report on Sydney's traffic problems.

The advertisements on NRMA billboards and in motoring magazines emphasised that their rates were cheaper and their policies better than those offered by the tariff companies. Like Mahon before him at CCI, Watson formed NRMA as a non-tariff company. The NRMA policies covered damage to motor vehicles, generous allowances for medical expenses and compensation for death or injury in motor vehicle accidents. Historian, Rosemary Broomham wrote that 'The presidency of NRA offered Watson the perfect opportunity to re-enter the life he knew best and work for the good of the country without being subject to the cut and thrust of party politics. He was equipped to approach politicians as an equal, his success in the federal sphere making him an impressive figurehead.'⁵⁹ Watson was passionate about the importance of insurance and became so immersed with the day-to-day business of the organisation that internally he was seen as not merely a figurehead, but as the key operator. Mahon's early association with Watson was significant influence in the way he operated in connection with CCI.

Members of the Labor Party in the first Federal Parliament

In 1901 the Labor Party was represented in parliament by twenty-two members, including Mahon. There were fourteen members elected to the House of Representatives and eight to the Senate. Another two members of the House joined the Labor Party before the parliament met for the first time on 9 May 1901. All, except Mahon, had prior civic experience as office holders in local councils and in state legislatures. In 1897 Mahon had unsuccessfully contested the Legislative Assembly seat for North Coolgardie, known from 1900 as Menzies. He was narrowly defeated by Henry George Gregory, who held similar political views to Mahon. Gregory had clashed bitterly with Mahon when he floated two mining

⁵⁹ Rosemary Broomham, *On the Road: the NRMA's first seventy-five years* (St Leonard's: Allen & Unwin 1996)19

companies and later when he established a rival newspaper to Mahon's, the *North Coolgardie and Menzies Times*.⁶⁰

The first Labor Party members included a former convict, a tinsmith, a carpenter, a cabinet maker, a butcher, a market gardener and no less than two hat makers on its benches. Seven members were former union officials. Twelve had left school at an early age but had undertaken further studies and apprenticeships in adult life. Mahon espoused the Labor Party's fledgling philosophy – protecting workers, the right of unionism, setting fair wages and was in accord with the party's support of the 1901 Immigration Restriction Act (the White Australia Policy). Almost ninety-six per cent of the 3.8 million people included in the 1901 Commonwealth Census were born in Australia, New Zealand, Great Britain or Ireland. Of these citizens seventy-seven per cent were born in Australia and protecting Australia's sovereignty was a priority. Mahon defined his view of the Federal Labor Party's support of socialism as equalising human conditions, checking the accumulation of wealth and power in the hands of the few and providing that those who toil to produce the fruits of the earth obtain a larger share of them.⁶¹ He was on record as saying:

*The public schools, the railways, the post and telegraph office are all developments of State Socialism. The control of water supply and electric light are developments of municipal Socialism. I apprehend no danger from the extension of the principle by the State to the sphere of Insurance, of life, accident and fire insurance, and even, in a limited sense, to banking and other branches of commercialism. The State is also justified, I think, in considering the advisability of controlling not merely the manufacture, but the retail sale of liquor. This experiment is now being tried on modern lines with success by the Government of Westralia. From all this it may be inferred that I favour the extension of State and municipal control to spheres of industry where there is reasonable ground for believing such intervention will be commercially or socially advantageous to the whole community.*⁶²

Out of the one hundred and forty-seven parliamentarians, fifty were adherents of the Church of England, sixty-four of other Protestant denominations, four were of the Jewish faith and eleven were members of the Catholic Church. Of the Catholics,

⁶⁰ Peter Davies, 'Gregory, Henry (1960-1940)' *Australian Dictionary of Biography* Volume 9 (Melbourne: Melbourne University Press 1983) 98-99

⁶¹ *The Catholic Press* March 2, 1905, 3

⁶² *The Catholic Press* April 21, 1904, 19

three including Mahon, were born in Ireland. Lawyer, Edward Augustine Harney born in Dublin, served one term before forging his political career as member of the British House of Commons. Journalist and lawyer, Patrick McMahon Glynn, was born in Galway and educated in Dublin. He was a highly articulate lawyer and journalist and was a life-long supporter of Irish Home Rule, albeit in the mitigated form of a local parliament with limited powers.⁶³ He retired from parliament before Mahon began what was to become a lone crusade for political justice for Ireland.

Mahon was committed to the federation of Australian states. In 1907 he identified some shoals ahead. He drew attention to the rise in imperialism as a possible threat to Australia's sovereignty. Following the London Imperial Conference of 1907 Mahon wrote that it was evident that imperialism aimed at accomplishing three fundamental changes between Britain and her overseas dependencies. Firstly, there was a scheme of the English Court of Appeal to have the final word in all disputes between citizens of the King, between citizens and states or between a state or states and the Commonwealth. Secondly, the complete identification of dependencies with Britain's foreign policy, implying an active participation in her wars and paying a per capita contribution to her navy. Thirdly, was the proposition that a readjustment of commercial treaties and tariffs be undertaken so that foreign products would be practically excluded from the markets of the British Empire. Mahon was in fact a staunch supporter of the British Empire, but in every discussion he demanded evidence and accountability. In *Austral Light* Mahon argued that:

*Australian Imperialists needed to descend from the clouds and present some business-like proposition showing reasonable gains and losses. So far sentiment has saved them the necessity of making out a case. It sufficed for everything in war-time, when the blood was up and the multitude not over-critical. But it is the nature of all fevers to subside eventually; and whatever scheme Imperialists offer must now stand sober examination.*⁶⁴

Certainly Mahon brought a well-informed, wide ranging political background to his mission to establish CCI.

Catholic life in the Mahon family

Mahon's philosophy, generosity and public service were an important influence on his extended family. He led by example. After Mahon entered parliament, the

⁶³ Gerald O'Collins, 'Glynn, Patrick McMahon (Paddy) (1955-1931)' *Australian Dictionary of Biography* Volume 9 (Melbourne: Melbourne University Press 1983) 30-32

⁶⁴ *Austral Light* July 1, 1907, 459-465

family, comprising four children – Augustine L'Estrange (Austin), James Edmund (Eddie), Mary Eleanor and Arthur Hugh – returned to *Hintonville*, Malvern. For Mahon, educating his children, including his daughter as well as his sons, was a matter of great importance. In line with his own, albeit brief education in Ireland, Austin and Eddie attended the Christian Brothers' College, East St Kilda.⁶⁵

The household also included Mary's mother Eleanor and her younger brother, Joseph, who had become a solicitor in Richmond. All were parishioners of the St Joseph's Parish, Malvern, run by the Vincentian fathers. The buildings consisted of a church, community residence, a school run by the Vincentian fathers and the Sacred Heart sisters. In June 1907 Mahon chaired a meeting in the school room to organise the parishioners to help liquidate the parish debt.⁶⁶ Mahon began the proceedings by donating a guinea, other family members followed with Mary donating a guinea, the older boys, five shillings each and the youngsters, who were pupils at St Joseph's school, two shillings and sixpence each. In 1910 Mahon described parish priests as the miracle workers, deliberately cutting out of their lives all domestic and worldly interests.

*The tie that grew out of this self-sacrifice and heroism was a strong today as ever. In every emergency in life, in all the inevitable trials and misfortunes, Catholics feel that the priest is still their best friend and that they can look to him for guidance which is never tainted by self-interest. In this happy and confidential relationship would be found some explanation of the great things which had been accomplished for the Church in Australia. It explained the cheerful readiness with which the laity always responded to the calls made upon them.*⁶⁷

No doubt this was the mentality that was to induce Mahon to respond with alacrity to Cardinal Moran's request that he be 'the apostle of insurance'.

Irish politics were an intrinsic part of the Mahon household. The family were amongst the throng to welcome back to Australia, after a twenty year absence, the Irish nationalist politician, William Redmond. Ill from overwork, William intended to spend time recuperating before delivering addresses on Irish questions and Home Rule. During his tour of Australia, Redmond asked Mahon to initiate a resolution for a motion in the House of Representatives which urged Britain to declare in favour of Irish Home Rule. Mahon faced a number of hurdles. Firstly, the issue was

⁶⁵ Kathleen Dunlop Kane, *The History of Christian Brothers' College East St. Kilda* (East St. Kilda Christian Brothers' College 1972)107-109

⁶⁶ *The Advocate* June 15, 1907, 19

⁶⁷ *The Catholic Press* November 10, 1910, 17

fraught with political risk, given that seventy-five per cent of his electorate was of non-Irish background and the metropolitan press was divided on Home Rule. As a Catholic and a once-imprisoned land league activist, Mahon considered that he was not the best person to sponsor the motion. At Mahon's suggestion, Redmond approached Henry Bournes Higgins.⁶⁸

Behind the scenes, Mahon through considerable political skill, organisation and determination successfully steered the debate. In a series of tactical manoeuvres he overcame procedural difficulties. The debates took place over six sittings in the House of Representatives between 3 August and 19 October 1905 when a substantial vote in favour of the motion, thirty three for the motion and twenty one against, was finally passed. On the same day as the Higgins' motion was passed, the Senate passed its own motion in support of Home Rule.⁶⁹ Mahon did not speak during the debates. He later told *The Catholic Press*, that to ensure the motion was put to a division before time ran out he had to persuade some supporters not to speak. In those circumstances he felt he should not speak.⁷⁰ Higgins acknowledged the role played by Mahon in the motion saying the honours belonged to Mahon as he had managed to secure every vote that they could possibly get.⁷¹

Mahon modelled for his family an active concern for those in need. During 1907 Mahon toured Australia to raise funds for Mary Eva, the widow of Dr Kevin Izod O'Doherty (a staunch supporter of the Queensland Irish Association and the land league) who had died in 1905.⁷² Mary Eva was a poetess known as 'Eva of the Nation'. For his part in the Young Ireland Movement of 1848 and as co-editor of the nationalist *Tribune*, O'Doherty had been sentenced for treason felony and transported to Hobart. In 1856 he was pardoned and able to return to Dublin where he graduated as a Fellow of the Royal College of Surgeons. In 1865 he settled in Brisbane, became a leading physician and carried out extensive honorary work at Catholic hospitals.⁷³ Through his generosity to others, O'Doherty had left his elderly wife in straightened circumstances.⁷⁴

Concerning his own family, Mahon was a realist. In 1908 he wrote to a friend in Ireland:

⁶⁸ *The Catholic Press* November 2, 1905, 33

⁶⁹ *Freeman's Journal* (Sydney) October 21, 1905, 13-15

⁷⁰ *The Catholic Press* November 9, 1905, 13

⁷¹ *The Catholic Press* October 26, 1905, 20

⁷² *The Mercury* (Hobart) March 16, 1908, 3

⁷³ *Australasian Medical Gazette* August 21, 1905, 394

⁷⁴ George Rudé, 'O'Doherty Kevin Izod (1823-1905)' *Australian Dictionary Of Biography*, Volume 5 (Melbourne: Melbourne University Press 1974) 355 & George Rudé, *Protest and Punishment, the story of Social and Political Protestors transported to Australia 1788-1968* (Oxford: Clarendon Press 1978) 225-226.

You will understand that the youngsters have changed greatly since then (February 1906) especially the two older boys who now remind me occasionally that they take men's sizes. I am sorry that their mother is not in the group. She was away on holiday when we took the notion to have the picture taken. Austin passed the matriculation exam last Christmas and will try for a higher test shortly. He fills in his spare time at Technical College, where he is getting an insight into carpentry and other manual trades. The second boy, Eddie (James Edmund to be exact) will try for matriculation at the end of the year. The other youngsters are somewhat backward in their studies, but they have not begun to take life seriously yet. They are all strong and vigorous, thank God, though not prodigies even in my eyes.⁷⁵

Mahon's visit to the Christian Brothers' College sports day held in 1908 was less than auspicious. This event illustrated how Mahon fought perceived injustice on a micro as well as a macro level. The Superior, Brother John Francis Fogarty (later a shareholder of CCI) decided that the boy who scored the most points was to be named the Champion of the College. Austin Mahon, after being neck and neck all day with Leo Gavan Duffy, finished with the most points. Brother Fogarty decided that Mahon hadn't met the required height for the high jump and awarded the championship to Duffy.⁷⁶ The problem was that there was no previously stated standard for the high jump. Brother Fogarty, a Dubliner, was passionate about sport but he was also inclined to be strong-willed and imprudent. Parents felt that Brother Fogarty's decision in favour of Duffy was wrong and that Austin had been poorly treated.⁷⁷ Mahon was furious. He allowed Austin to complete the few remaining weeks until his final examinations, but immediately sent Eddie to *Xavier College* where he was joined by his younger brother, Arthur. It would appear that Austin, unlike his father, held no rancour against the school as he joined the old boys' association and assisted in forming the school's first cadet unit in 1908.⁷⁸

Mahon's literary talent

There is no extant evidence of Mahon developing competence in the Irish language as Gaelic phrases do not appear in his speeches or in his writings. This was possibly due to the Irish state working against the usage and maintenance of the Gaelic

⁷⁵ Papers of Hugh Mahon, MS 937/176, May 20, 1908, NLA At this time Arthur and Mary were attending St Joseph's School, Stanhope Street, situated in a timber dwelling at the rear of the parish church

⁷⁶ Leo Gavan Duffy later competed for Victoria in the Australasian Championships of 1913/1914, became a law clerk, enlisted in the AIF and was awarded the Distinguished Service Medal

⁷⁷ Kathleen Dunlop Kane, *The History of Christian Brothers' College East St Kilda* 101-102

⁷⁸ Kathleen Kane, *The History of Christian Brothers' College East St Kilda*, 107

language in schools and only English was permitted to be used in the public service and in the courts during Mahon's era. But an analysis of his writings reveals innumerable manifestations of an understanding of distinctive Irish traditions in religion, politics and an extensive knowledge of Irish history. This understanding could have played a part in his relating well to Cardinal Moran, an historian and antiquarian. Like many self-made men, Mahon valued education and was delighted when his first two sons, Austin and Eddie, did well at school and completed medical degrees at the University of Melbourne.

From an early age Mahon read widely and deeply – philosophy, politics, economics, constitutional law and general literature. As a journalist he developed his own incisive and forceful manner of writing. This was reflected in his speeches, which were pithy and carefully researched. He forged strong relationships with parliamentary librarians, Arthur Wadsworth and Kenneth Binns, borrowing copious official publications and reference books and engaging in lively discussions about current affairs.⁷⁹ The parliamentary library was a rich repository. From its foundation in 1901 the collection grew by 1926 to sixty-eight thousand volumes. An avid writer, Mahon contributed numerous articles to the *Freeman's Journal* and to the Catholic monthly journal *Austral Light*.

Austral Light was predominantly an intellectual publication with a curious mixture of articles on Australian literature and history alongside leading Catholic events. Although it was a Melbourne journal, it married Catholicism to national sentiment. Mahon's contributions included an analysis of Irish land legislation in which he acknowledged that the new Westminster law represented progress in reforming land ownership but at the same time he declared 'Even the Irish abroad on whom fortune has smiled do not relinquish the early ideal of an Irish Parliament in Dublin, and prove by work their faith in its ultimate realization.'⁸⁰ Mahon believed in the importance of disseminating Catholic literature and pledged his support for the Australian Catholic Truth Society, established in 1904. In 1908, while Minister of Home Affairs, Mahon addressed their annual meeting. He said that:

There were optimists who believed that with an increasing civilisation and the growth of tolerance there would be no need in the future for such a society as theirs. However this might be there was certainly a need at this

⁷⁹ Hugh Mahon to Kenneth Binns, Papers of Hugh Mahon MS 937/31, July 17, 1930, NLA

⁸⁰ *Austral Light* July 1, 1903, 490

*present time. There was great misapprehension amongst non-Catholics about the truths of the Catholic doctrine.*⁸¹

Mahon was the first member in the Commonwealth parliament to plead the cause of the greatest underdogs, the Australian Aborigines. From his experiences on the goldfields Mahon wrote about the protection of the Aborigines in Western Australia in 1905 stating:

*The more closely the native question is studied, the less one is disposed to be optimistic as to its satisfactory settlement by any single method yet disclosed to the public. At present reformers pin their faith to a project for the establishment of reservations from which all white persons, save the aborigines' protectors, shall be excluded. Yet even if it was feasible to shut out white intruders, and also the demoralising Asiatics, serious objections still remain to reservations.*⁸²

In 1913 Mahon observed that:

*The fact that full reparation for the consequences of past indifference is now impossible intensifies Australia's obligation to give effective protection to the remnants of the aboriginal inhabitants. It is gratifying to add that this obligation is now generally, and even generously, recognised. Outside critics may hint that our development of a conscience in regard to the native race is somewhat belated.*⁸³

Mahon's influence in Catholic affairs

During the summer parliamentary recess Mahon was a participant in many Catholic functions and was frequently the main speaker. In 1907 Cardinal Moran invited Mahon to deliver the annual St Patrick's Day address at Sydney's Agricultural Show Grounds. Two earlier speakers, William Redmond (1905) and Henry Bourne Higgins (1906) had focused on Home Rule and Moran suggested that Mahon should follow suit. Mahon submitted a typed draft which Moran described as an excellent discourse and commented:

Some words on page five will be displeasing to our Sydney people...In official positions and legal circles we are nowhere. The representatives of the great mercantile houses of England and Scotland are mostly Protestants. But in the middle class, who are the bone and sinew of a

⁸¹ *The Argus* November 28, 1908, 16

⁸² *Austral Light* April 1, 1903, 238

⁸³ *Austral Light* October 1, 1913, 869

*nation, we hold our own. In Sydney we are not afraid of the Orange faction. On the contrary they are afraid of us. In the City Corporation out of twenty-four members ten are Catholic and the Lord Mayor is a Catholic.*⁸⁴

At the event Mahon delivered a ‘tour de force’. His speech was passionate and wide ranging covering Irish history from the glorious victories at the battle of Benburb in 1646 and Fontenoy in 1745, to the restoration of Irish legislative independence by Henry Grattan in 1782 and the emancipation of the Catholics – the right for Catholics to sit in the Westminster Parliament, through the efforts of Daniel O’Connell in 1829. The full text of his speech was published in *The Catholic Press* on the 11 April 1907.⁸⁵ Following this account, the *Sydney Morning Herald* accused Mahon of sectarianism and distortion in raising the issue of Home Rule for Ireland at a Catholic event. The paper considered that a great deal of the advocacy for Home Rule had come from Protestant public men and newspapers. Mahon refuted these claims in letters to the *Freeman’s Journal* and *The Catholic Press*.⁸⁶

Mahon was invited to present a paper at the Third Australasian Catholic Congress held in Sydney in September 1909. During his discourse on *Catholic Literature and Newspapers* he eloquently declared:

*We are still pioneers whose peremptory mission is to clear the forest, cultivate the soil, build highways and railways, open up markets and subjugate the illimitable region which lies beyond the frontier of civilisation and settlement. Our existence has been too brief, our material needs are too insistent to permit of the ripening of those endowments out of which literature springs...as national life ripens and the population expands, men of genius will arise to endow Australia with a distinctive literature and guide the race to a true appreciation of it.*⁸⁷

He also used this platform to refer to the refusal of the government to fund Catholic institutions pointing out that Catholic schools relieved the public exchequer of many thousands of pounds annually. Mahon pointed out: ‘It is monstrous to deny Catholic charities any share in the public revenue to which Catholics largely

⁸⁴ Patrick Moran to Hugh Mahon, Papers of Hugh Mahon, MS 997/937, March 6 1907, NLA

⁸⁵ *The Catholic Press* April 11, 1907, 10-11

⁸⁶ *Freeman’s Journal* (Sydney) April 18, 1907, 15 & *The Catholic Press* April 18, 1907, 8

⁸⁷ Hugh Mahon, ‘Church Literature and newspapers’ *Proceedings of the Third Australasian Catholic Congress 1909* (Sydney: William Brooks, 1909) 638-641

contribute. The Catholic hospitals, orphanages and retreats were open to all creeds and races and yet every appeal for a public grant is contemptuously ignored.⁸⁸

Members of the Church hierarchy used Mahon's political clout to great effect. They asked him to persuade cabinet colleagues and dignitaries to attend Catholic functions in order to bring Catholics into the wider community. The 1909 St Patrick's Day celebration was a grand occasion for Catholic Melbourne. Fifteen hundred Catholic school cadets paraded and saluted the guests of honour, the Governor General and his wife, Lord and Lady Dudley. *Austral Light* proudly reported:

*The sight of these sturdy young lads in uniform, with their smart, military bearing, was one that the Catholic body had a right to be proud of...This year thousands of our boys are members of Australia's Defence Forces, and, we might add, with a flourish a tangible evidence of the solidity and strength of the Catholic educational position. They witness, also, to the confusion of foolish detractors, to the Catholic conception of civic and national duty.*⁸⁹

On this occasion as the Minister for Home Affairs, Mahon was invited by the organiser, Dean Phelan, to give the welcome address. Mahon said 'I venture to believe that the scene before you will efface any impression that the finer characteristics of the Irish race have been lost or attenuated by transplantation into southern latitudes.'⁹⁰ Later when Archbishop Carr invited the Governor General, Sir Ronald Munro Ferguson, and his wife to the 1915 St Patrick's Night Concert at the town hall, he urged Mahon to come and to invite federal members and Labor Party colleagues and their wives to demonstrate Catholic support in time of war.⁹¹ There was an irony in this invitation as thirty-five years earlier the Governor General had served as an army officer at Kilmainham prison.⁹²

The First World War was to affect the lives of many Australians. For all, a world war took an immeasurable toll of life and limb. For the Irish, a rebellion during Easter 1916 compounded the toll and divided Irish Australians. Home Rule supporters, including Mahon, considered that the uprising threatened to undermine decades of hard work by his friend John Redmond, who had succeeded in having the Home Rule Bill passed into English law in 1914 and was waiting until the end

⁸⁸ *The Mercury* (Hobart) October 2, 1909, 5

⁸⁹ *Austral Light* April 1, 1909, 283-284

⁹⁰ *Austral Light* April 1, 1909, 290

⁹¹ Thomas Carr to Hugh Mahon, Papers of Hugh Mahon, MS 937/391, March 14, 1915, NLA

⁹² *The Catholic Press* May 25, 1916, 11

of the war to see it implemented.⁹³ During January 1917 Archbishop Kelly of Sydney asked Mahon to take prompt action in the parliament to help the Irish Parliamentary Party achieve Home Rule by securing the passage of a humble address to the King. Mahon declined.⁹⁴ In private correspondence Mahon wrote that he would vote 'yes' but would not raise or promote the idea as he considered that the timing was inopportune while the world was at war and he was concerned that it was aimed at capturing the Irish Catholic vote for conscription.⁹⁵ Mahon was not an enthusiastic supporter of the war but he was not opposed to it like other members in the labour movement. According to Gibbney, Mahon's views on the Easter Rising changed over time and he was deeply affected by its brutal aftermath.

*Mahon was strongly opposed to the 1916 Easter revolt in Ireland and personally drafted the Australian government's cable congratulating Britain on the suppression of the revolt. Like most intelligent Irishmen, however, he was disgusted with the brutality following the revolt and began slowly to become more and more hostile to Britain. He tried to arrange to visit Ireland in the hope of doing something for his country, but being unable to secure the permission of cabinet, fell ill.*⁹⁶

Of all the nations and empires that were at war at the end of 1914, only Australia had a workers' government. Many Labor Party followers believed that the economic system exploited workers and that capitalism itself was the cause of war. An Australian Labor Party government had instituted a system of compulsory military training in January 1911 for all males between the ages of twelve and twenty-six to serve as Citizen Forces to protect Australia from possible invasion. This was in line with the White Australia Policy which prohibited permanent settlement by non-Europeans. Later as Bishop of Sale, Phelan wrote that "While we should welcome white immigrants from any country, there is no immigrant that has the same claim on the country as the Australian-born child."⁹⁷

From late 1915 there had been talk of conscription for overseas service but the subject did not enter the realms of Labor Party policy until July 1916 when the recruiting of volunteers declined. Part of the ethos of the Australian Imperial Force was based on the fact that it was a voluntary force, whereas Britain and New Zealand had introduced conscription. In 1916 Mahon wrote from his sick bed in the

⁹³ Jeff Kildea, 'This bloody and accused despotism: the life and times of Hugh Mahon', 6

⁹⁴ Meeting of the Irish National Executive chaired by Archbishop Kelly, Papers of Hugh Mahon, MS 937/662, January 15, 1917, NLA

⁹⁵ Hugh Mahon to Edmond Cotter, Papers of Hugh Mahon, MS 937/662, January 19, 1917, NLA

⁹⁶ *The Advocate* May 8, 1969, 17

⁹⁷ *The Argus* July 10, 1923, 10

Lewisham Hospital, Sydney ‘I have repeatedly refused to speak in favour of conscription, or to be identified in any way with the present campaign. It must be obvious that I could not remain a member of the Government and oppose the policy advocated by the Prime Minister (Billy Hughes).’⁹⁸ In November 1916 Mahon resigned from his membership of the Western Australian Branch of the Australian Labour Federation, the peak local trade union body.⁹⁹ He remained loyal to the political arm of the labour movement as a continuous member of the Labor Party.¹⁰⁰ He recognised the need for Australia to support the war and to fight for the preservation of the empire, but privately considered that war service was a matter for the individual conscience. He refused remuneration from CCI during the war and encouraged the company to invest in war bonds and loans.¹⁰¹

Ironically in January 1917 it was Mahon who recommended to the Western Australian State Branch of the Australian Labor Party that they appoint a young anti-conscription campaigner, John Curtin from Melbourne, as editor of the *Westralian Worker*.¹⁰² Curtin replaced John Hilton who supported conscription and described the Labor Party in Western Australia as hopelessly divided.¹⁰³ The *Westralian Worker* had been founded in 1900 in Kalgoorlie on a wave of optimism. In the first editorial it stated. ‘To the workers of Western Australia, greeting. We have arrived. This paper belongs to the workers, is run in their interests, and is dependent on their support.’¹⁰⁴ While operating out of Kalgoorlie the paper had described Mahon as ‘a democrat whose snobbish coldness of demeanour would make a snake shudder.’¹⁰⁵ The operations of this robust paper were moved to the more central location of Perth in 1912. Before Prime Minister Hughes began campaigning for the adoption of conscription Mahon had contributed a column in *Westralian Worker* opposing conscription in Australia.¹⁰⁶ Once Hughes had launched his ‘Yes’ campaign in September 1916, in preparation for the first plebiscite to be held in October, Mahon became silent. His sense of rightness was impressive

Two of Mahon’s sons saw active service. Austin served as a ship’s surgeon with the Australian Navy, from November 1916 until the conclusion of hostilities. In

⁹⁸ *The Adelaide Advertiser* October 25, 1916, 9

⁹⁹ *Kalgoorlie Miner* November 23, 1916, 2

¹⁰⁰ *Freeman’s Journal* (Sydney) October 17, 1929, 16

¹⁰¹ Annual Report The Catholic Church Property Insurance Company of Australasia Limited 1917, CCI Archives

¹⁰² John Joseph Curtin became Prime Minister of Australia from 1941-1945.

¹⁰³ *Westralian Worker* October 6, 1916, 4

¹⁰⁴ *Westralian Worker* September 7, 1900, 4

¹⁰⁵ Herbert Jim Gibbney, *Australian Dictionary of Biography*, 380

¹⁰⁶ *Westralian Worker* December 17, 1915, 8

September 1915 Mahon's youngest son, Arthur, enlisted in the AIF while still a student. At Xavier College he had passed his Merit Certificate and served in the senior cadets. During the course of duty in France, Arthur was twice gassed, developed a persistent 'kennel cough' and was wounded in the shoulder. The High Commissioner in London from 1915-1921 was Andrew Fisher, a former Labor Party Prime Minister and close associate of Mahon. In 1917 Fisher wrote to Mahon assuring him that he would be happy to be of service to his son and observed: 'Arthur gave evidence of possessing the best qualities of young Australians when I had the pleasure of seeing him and he left the impression distinctly on my mind that he hoped to paddle his own course towards fame and glory.'¹⁰⁷

Lieutenant Arthur Mahon of the 113th Howitzer Battery was awarded a Military Cross in August 1918 for his part in securing two villages near Villers-Bretonneux, France. According to Arthur's official citation it was:

*Largely by his own efforts he succeeded in establishing and maintaining telephonic communication with his battery. During the day he successfully fired on several targets including enemy machine guns and field batteries which were hindering the infantry's advance. In addition he furnished much useful information regarding the tactical situation. All this information was clearly and definitely given. On one occasion, he, at great personal risk, pushed forward 400 yards in front of our infantry to observe. In the performance of his duties he showed a total disregard of personal danger and was tireless in his efforts to assist the infantry.*¹⁰⁸

In 1910 Mahon publically defended the rights of Catholics in the federal parliament. On the 22 July 1910 Catholics read with satisfaction that the Federal House of Representatives had unanimously agreed to a protest against the existence, in its present form, of the Coronation Oath. The protest assumed the form of an address to the King and was moved by Mahon. The debate, which extended over three hours, was guided by Mahon in a dignified, conciliatory and temperate manner. Mahon reasoned that as full freedom of religious belief and practice existed throughout the British Empire, the British Sovereign should not be called on to make any declaration offensive to the religious convictions of any section of his subjects. This issue had first been raised in 1901 by Cardinal Moran but had not been acted on. The oath, as it stood, required the sovereign to deny transubstantiation, forbid adoration to the Virgin Mary and allegiance to the Pope. Mahon successfully argued that these specific Catholic doctrines, which the King

¹⁰⁷ Andrew Fisher to Hugh Mahon, Papers of Hugh Mahon, MS 937/89, April 7, 1917, NLA

¹⁰⁸ Honours and Awards, August 15, 1918, Australian War Memorial

was required to repudiate, had no current political significance or bearing on the proper exercise of his royal powers.¹⁰⁹ Mahon successfully moved that an address to the new king, George V, request that all references offensive to Catholics be removed from his coronation oath.

In July 1910, when the Sisters of St Joseph of the Sacred Heart opened a new convent in Hawthorn, Archbishop Carr addressed a gathering, of over one thousand well-wishers. He congratulated Mahon on his recent success in the House of Representatives in 'protest against the opprobrious and revolting language of the accession oath.'¹¹⁰ Mahon responded to Carr's speech by moving that a subscription list to aid the sisters be established and he started the process by donating five guineas. Throughout his Australian life, Mahon supported the work of the Sisters of St Joseph of the Sacred Heart. In his will Mahon bequeathed £50 to St Joseph's Home in Surrey Hills, Melbourne.¹¹¹ This home was established for destitute children 'for the rescue and succour of little ones, the waifs and strays of this great metropolis, who on the very threshold of life, are left without their natural protectors.'¹¹²

Financial arrangements in the Mahon family

Mahon placed great importance on securing the family's assets and protecting their well-being through insurance. This prudential approach later became evident in his work for Catholic Church properties. Amongst Mahon's assets in 1895 were four hundred shares in Citizens Life Assurance Company; a life insurance policy for his wife with the Australian Widow's Fund Life Assurance Society; parcels of mining shares; a block of land at Galston, fifteen miles northwest of Sydney and another at Harbord, Manly Cove, purchased in 1886. Their main asset was the family home, *Hintonville* Stanhope Street, Malvern, Melbourne which was in Mary's name.¹¹³ Mahon made wise decisions in his newspaper operations, secured suitable properties and invested modestly in the share market. Before going to Coolgardie Mahon wrote to his wife:

Before I leave it is right that you should know exactly how our affairs stand. The following statement gives the position as nearly as possible at this date, but it would be unwise to assume that the value set against each

¹⁰⁹ *Austral Light* August 1, 1910, 688

¹¹⁰ *The Argus* July 18, 1910, 9

¹¹¹ Probate and Administration Files VPRS 244819, Public Record Office Victoria

¹¹² *Some Fruits of Fifty Years, Annals of the Catholic Church in Victoria*, (Melbourne: Archdiocese of Melbourne, 1897) 47

¹¹³ This house was one of a group of Italianate ornate single storey villas dating from the 1880s boom. Many appear to have been built by John Wright who owned the land before the houses were constructed

*security is the amount which it might realise by carefully watching events; though in one or two cases the present market value is in excess of the amount I have set down and there are some shares which now have no value that may in a little time be worth something.*¹¹⁴

Later Mahon wrote to John Garvan, the Managing Director of Mutual Life and Citizens Assurance Company, that:

*Life Assurance was so important to the public – so little understood by them, and so remote in its consequences that the maxim ‘caveat emptor’ could not be applied to it. I remarked that my family spent ten times as much on clothes as on life assurance – and that we were all quite ignorant of their quality.*¹¹⁵

During 1919 Mahon purchased thirty-seven acres in Wonga Road, Ringwood in outer Melbourne with a view to establishing cherry orchards to provide an income for his war scarred son, Arthur. He commissioned architect, Walter Burley Griffin, to design a single storey, brick and rough cast rendered villa for the property.¹¹⁶ The villa and garage on the Warrandyte Road boundary of the property were completed by the end of 1919 and became the family home. Mahon named the property *Benburb*, after the famous Irish Battle and lived there until his death in 1931.¹¹⁷ With close connections with Archbishop Carr and Dr Mannix, Mahon knew of Griffin’s work in designing Newman College at the University of Melbourne. In 1916 Dr Mannix wrote to Mahon asking for him to support Griffin’s work for Canberra:

I am sorry to trouble you again. But as you are aware Mr Griffin’s plans have been accepted for the new university college and I am rather alarmed to hear that there is even a possibility that his engagement with the Federal Government (design of the Capital, Canberra) might not be renewed. I may say that my limited experience of Mr G has led me to form the highest opinion of his ability and of his integrity. Mr Griffin has never spoken to

¹¹⁴ Hugh Mahon to Mary Mahon, Papers of Hugh Mahon, MS 937/16, September 16, 1895, NLA

¹¹⁵ Hugh Mahon to John Garvan, Papers of Hugh Mahon, MS 937/360 June 2, 1910, NLA

¹¹⁶ Jeff Turnbull and Peter Navaretti (eds), *The Griffins in Australia and India*, (Melbourne: The Miegunyah Press, 1998) 160 #1907-01. The researcher is indebted to further research undertaken by Peter Navaretti in identifying this property as belonging to Hugh Mahon.

¹¹⁷ After Mahon died his son, Eddie, built a grand stone villa in 1937 on the Wonga Road boundary, which is now known as *Banool*. Arthur remained in the Griffin house until his death when the then dilapidated house was divided into two and a part of it was relocated in Wilana Street, near the Ringwood Catholic Church.

*me about his appointment. But my interest in him and in his work has prompted me to give him a commendation that I hope is needless.*¹¹⁸

Mahon's insurance background

In 1905 Mahon was invited to become a director of the Citizens' Life Assurance Company (CLA) founded in December 1886 by James Patrick Garvan of Sydney. Garvan's idea was to concentrate on the protection of workers in industry to enable them to buy small accident and life policies on low premiums. Garvan was Irish-born, a supporter of the Irish National League and a member of the New South Wales Legislative Assembly.¹¹⁹ Mahon had first met Garvan when the Redmond brothers visited Sydney in 1883. During their visit Garvan exercised his political clout to encourage public tolerance and restraint which helped to allay rising racism and sectarianism.¹²⁰

After Garvan died his eldest son, John, became the managing director of CLA and the business grew. Following a series of amalgamations with smaller insurance companies the Citizens' Life Assurance Company in 1908 changed its name to The Mutual Life and Citizens' Assurance Company (MLC). Sir Henry Normand MacLaurin, a Sydney physician, academic and company director, became chairman. As a member of the Local Board of CLA in Perth and later as a director of MLC in Sydney, Mahon developed an understanding of the ways that insurance businesses operated. He became conversant with various economic and financial affairs – from writing policies, to setting interest rates, selecting secure investments and acquiring an appreciation of taxation rules and how legislation affected insurance businesses. It was a great preparation for establishing CCI.

It was the importance of federal parliamentary investigations into insurance that particularly commanded Mahon's attention. In October 1908 during a debate in the House of Representatives on insurance methods and practices, Mahon moved for the appointment of a Royal Commission comprising men of specialist knowledge, not a select parliamentary committee, to examine the industry. He was supported by the Treasurer, Sir William Lyne, a fellow director of CLA.¹²¹ On the 9 December Judge (later Sir) Joseph Hood of the Supreme Court of Victoria, with the reputation

¹¹⁸ Daniel Mannix to Hugh Mahon, Papers of Hugh Mahon, MS 937/180, April 6, 1916, NLA

¹¹⁹ The Sisters of Charity, who founded St Vincent's Hospital, Sydney in 1857, used their Centenary Appeal to establish the Garvan Institute of Medical Research. One of the primary donors to the appeal was Mrs Helen Mills a daughter of James Garvan and she requested that the institute be named in her father's honour

¹²⁰ Bede Nairn, 'Garvan, James Patrick (1843-1896)' *Australian Dictionary of Biography*, Volume 4 (Melbourne: Melbourne University Press, 1972) 236-238

¹²¹ Chris Cunneen, 'Lyne, Sir William John (1844-1913)' *Australian Dictionary of Biography*, Volume 10 (Melbourne: Melbourne University Press, 1986) 179-182

of being a rapid worker, and George Knibbs, the federal statistician, were appointed to head the Royal Commission.¹²² The commissioners were instructed to inquire into ‘the law relating to and the methods of operating of fire, life, prudential, industrial and other insurances and reporting on and recommending a system which while economical, will guarantee the public against extortion.’¹²³ Members of the Royal Commission compiled an extensive list of questions to cover every type of insurance and sought submissions from each company and from the Fire Brigade Boards. In a separate list sent to companies dealing with fire insurance, the commission asked some probing questions.

*Does the experience of your company furnish evidence or indications of wilful destruction by fire for purposes of gain? Are such cases relatively numerous in the Commonwealth? How does the ratio of such cases to total fires vary in the different countries in which your company transacts business? Please submit copies of policies, proposals and other forms or documents which, either expressly or by implication, are made as part of the fire insurance contracts of your company?*¹²⁴

In 1909 the commissioners broadened their inquiry to include an understanding of overseas practice and legislation as Knibbs was visiting Europe, to represent Australia at the International Congress of Life Assurance (Vienna). During Knibbs’ absence from Australia his work was continued by compiler, Charles Wickens, a respected economist, an indefatigable worker and a congenial colleague.¹²⁵ The recommendations of the Royal Commission were tabled in November 1910 and contained some salient features which Mahon employed during the formation of CCI. After a searching investigation into the liabilities and assets of current businesses, the commission recommended that all companies, pending uniform federal legislation, be registered under individual state company acts. The state legislations, in varying degrees, required the provision of reserve funds to cover liabilities. However, the Commonwealth Government did not proceed with

¹²² John McIntosh Young, ‘Hood, Sir Joseph Henry 1846-1922’ *Australian Dictionary of Biography* Volume 9 (Melbourne: Melbourne University Press, 1983) 358-359 & Susan Bambrick, ‘Knibbs, Sir George Handley (1858-1929)’ *Australian Dictionary of Biography*, Volume 9 (Melbourne: Melbourne University Press, 1983) 620-621

¹²³ *The Sydney Morning Herald* October 10, 1908, 13

¹²⁴ *The Sydney Morning Herald* January 2, 1909, 13

¹²⁵ Cameron Hazlehurst and Margot Kerley, ‘Wickens, Charles Henry (1872-1939)’ *Australian Dictionary of Biography*, Volume 12 (Melbourne: Melbourne University Press, 1990) 481-482

insurance legislation. With the pressures of the First World War the matter was held over until 1932.¹²⁶

Mahon was not only conversant with state of insurance practices in Australia but was firmly committed to making the insurance business uniformly honest, transparent and accessible to all strata of society under the control of appropriate legislation. The general insurance industry was an important economic and service industry in the formation of the Australian economy, but Mahon was concerned about the lack of an ethical approach underpinning some of the actions of their practitioners and in particular the insurance cartel formed by British owned companies. Mahon's approach to his own involvement in insurance industry was informed by his Catholic values especially concern for the vulnerable and his push for justice. He resonated with Garvan's emphasis on protecting the workers and also with his approach in providing cover for widows and dependents, not only as a Labor Party politician but because they were an important part of the Church's mission.

Conclusion

Mahon was an accomplished writer, orator and most importantly a committed member of the Catholic Church who fought for fair play and social justice in both small and large arenas including those involving Irish patriots, Catholics, businessmen and the marginalised, particularly the Aboriginals and the Afghan camel traders. With these gifts and varied connections with insurance matters he was eminently suited for the challenges of founding a tailored insurance company to serve the particular needs of the Catholic Church in Australia.

Chapter Four investigates how Mahon's credentials as an Irish patriot, leading Catholic, journalist and speaker, and his relationships with the hierarchy were put into play in the founding and developing a company to protect church interests. It outlines the use of precedents in the company charter that demonstrate the Australian nature of insurance operations, explaining how Mahon negotiated these, breaking new ground in the face of severe local opposition.

¹²⁶ Insurance (Deposits) Act no 4, 1932. This was the first exercise by the Commonwealth of Australia of their constitutional power over insurance.

Chapter 4: *An unequal alliance – the Insurance Apostle and the formation of the CCI Charter*

Introduction

The need for the Church to establish an insurance company finally led to action in January 1910 when Cardinal Moran invited layman Hugh Mahon to initiate an insurance company similar to the one operating for the Church in Ireland.¹ This chapter explores the process, the challenges and the initiatives taken by Mahon to frame an insurance company in accordance with the wishes of the hierarchy. It also shows how Mahon's encompassing vision for a company to serve all Church members was not realised. In the final product there was little originality in the format of the Articles of Association for the Australian company, which were based largely on Irish Catholic Church Property Insurance Company Limited. Mahon followed the Irish articles in most respects, except for two – the Australian company, in the first instance, would confine itself to fire insurance and not undertake other forms of protection and, secondly, it would be directed by laymen under the authority of the Church hierarchy.²

By 1910 the Commonwealth of Australia had been in existence for a decade and communities were gradually looking beyond state boundaries to establish their businesses. From 1906 statistical information about many aspects of Australia became available through the creation of the Commonwealth Bureau of Census and Statistics, under the capable leadership George Handley Knibbs. This Bureau was located in Collins Street, Melbourne to facilitate the work of the federal government. Knibbs secured uniformity in state returns and introduced the Commonwealth Year Book in 1908 covering not only government instrumentalities but also a comprehensive summary of business activities, including insurance.

In the year book of 1910, Knibbs noted that there were fourteen Australasian fire insurance companies operating, including six with head offices in Sydney and six with head offices in Melbourne, with a head office in Launceston and another in Auckland. The majority of these companies dealt with marine as well as fire insurance. In Sydney, under the Fire Brigades Act of 1902, the six established companies contributed to the support of the Fire Brigades Board by dividing their

¹*The Catholic Press* February 3, 1910, 25 It is highly likely that Cardinal Moran was conversant with Mahon's clandestine activities in New Ross, Ireland, as Moran was the Bishop of Ossory, Kilkenny, Ireland from 1872-1884. In a local Irish paper, *People* September 25, 1880, 5 there is reference to Bishop Moran calling for the release of several young witnesses to the atrocities, whom the police had detained.

² Cardinal Moran's Papers & Correspondence, Series 0019/010, SAA

share proportionately to the amount of funds held as security against risk. In Melbourne the insurance companies took out an annual licence with the Fire Brigades Board at a cost of 1½% of their gross premium income. The expenses and commissions paid by these companies in 1909 amounted to 32.90% of their total annual premium income. Knibbs concluded that ‘The financial position of the companies is undoubtedly a strong one, owing to the steady accumulation of reserves, and the high ratio borne by capital and reserves to premium income must be a cause of satisfaction to policyholders.’³

During the formation of a Catholic insurance entity Mahon frequently stated that considerable savings could be made by a Church company through prudent management, the lowering of expenses and the abolition of commissions to agents so as to ensure that a greater proportion of the total premium went directly to the Church as the nucleus of a benefit fund.

The position of the laity

In 1906 Pope Pius X described the Church as an unequal society.⁴ Even the language used to describe the unordained as ‘lay’ had connotations meaning the inexpert and unqualified in contrast to the clergy with professional competence and authority. The Catholic laity was diverse in their interests and occupations. They associated for religion, education and attraction to Irish causes. Newcomers clustered and supported one another as a means of establishing themselves in a new country and becoming part of parish life. Historian, Jeff Kildea states that the general attitude that the Catholic laity held in relation to their place in the wider community shaped their self-perception.

*In the early twentieth-century Australia, Catholics were mostly Irish by birth or descent, the Irish were mostly Catholics, the Irish Catholics were mostly on the lowest rung of the socio-economic ladder. This three-fold identification of religion, ethnicity and class had been a feature of Australian society throughout the nineteenth century, and from the earliest days of European colonisation Irish Catholics had perceived themselves as a persecuted minority.*⁵

³ Commonwealth Bureau of Census and Statistics *Official Yearbook of the Commonwealth of Australia* Volume 3 (Melbourne: McCarron, Bird & Co 1910) 867-868

⁴ Pope Pius X, Encyclical *Vehementer Nos* (1906) 8
http://www.vatican.va/holy_father/pius_x/encyclicals/documents/hf_p-x_enc_11021906_vehementer-nos_en.html (accessed April 21, 2014)

⁵ Jeff Kildea, *Tearing the Fabric, Sectarianism in Australia 1910-1925* (Sydney: Citadel Books 200) 1

There was a central problem which involved leadership and clericalism: the unbalanced relationship between the hierarchy and the clergy and between the parish priest and his congregation. There was little communication between these groups. The Episcopate was pivotal to the character and profile of each diocese. Its special status was emphasized by titles and the distinctive dress and jewellery worn by the hierarchy. Historian, Patrick O'Farrell, noted in Cardinal Moran a need for the Australian Church to be identified with temporal status and dignity through the building of palaces, although his personal style of living was unpretentious.⁶ The parish priest was the centre of each local mission and complete deference to the clergy was expected, to the extent that the laity was described by O'Farrell as docile and pious.⁷

Classical scholar, John Gallagher Bishop of Goulburn, was aware of the problem:

*There is too much timidity, too much dependence on the clergy among our Catholics of Australia. They have courage to undertake great enterprises and persevering energy to carry them through in every field of thought and action. The laity is the Church as the world sees it. It is through the laity that the influence of the Church is brought to bear upon the world, and it is through them and their works that the power and usefulness of that influence are estimated.*⁸

Bishop Gallagher later remarked that he could count on the fingers of one hand 'Leading Catholic laymen of daring enthusiasm, of positive not negative virtues, who were doing their best to create Catholic opinion among Catholics, a Catholic public opinion which will soon extend beyond Catholics – men like the Hon Frank McDonnell of Queensland, the Hon John Meagher of New South Wales, Dr John Donovan KC of New South Wales and Mr Hugh Mahon MHR of West Australia.'⁹ Through pivotal correspondence between Hugh Mahon with Cardinal Moran, and his secretary Dean Denis Francis O'Haran, this chapter demonstrates how this layman had both the courage and persevering energy necessary to carry out the arduous work of framing a new Catholic enterprise.

⁶ Patrick O'Farrell, *The Catholic Church and Community* (Sydney: New South Wales University Press 1992) 237-238

⁷ Patrick O'Farrell, *The Catholic Church and Community*, 248

⁸ *Silver Jubilee of the Celebration of the Society of St Vincent de Paul in Australasia* (Sydney: St Vincent de Paul 1906) 18-19

⁹ *The Catholic Press* April 27, 1911, 26

The pace of negotiations

In 1910 when Cardinal Moran asked Mahon to re-examine the possibility of establishing a church insurance company in Australia he graciously agreed.¹⁰ As Mahon was no longer a cabinet minister he was able to give a substantial amount of time to the Cardinal's request. The Cardinal indicated that several previous attempts had been made with the project, but owing chiefly to the opposition (open and covert) of existing Fire Insurance Companies the efforts had failed.¹¹ Unaware that Archbishop Carr had already approached the Irish Catholic Church Property Insurance Company Limited, Mahon wrote to Dublin requesting particulars concerning the establishment of the company. Amongst the papers, supplied to Mahon by the chairman Thomas Sexton, was a brochure which outlined the Irish company's recent financial operations and results. Mahon noted that the constitution of the company was very wide in that it could engage in all branches of insurance except Life Assurance. By July 1908 the Irish company had extended its operations to include Employers' Liability Insurance, initially to pay compensation to the priests' servants for personal injury by accident. The Irish company provided a precedent and an ideal model for Mahon to begin the process of establishing a company on similar lines in Australia.

After careful consideration Mahon wrote a draft paper on how a church organisation could take shape and sent a copy to Moran's private secretary, Dean O'Haran, and another to the administrator of the Melbourne archdiocese, Dean Patrick Phelan, a personal friend. The first draft included accident as well as fire cover and the need for considerable financial underpinning by laymen. Mahon proposed that the company should be called The Australasian Co-Operative Fire and Accident Insurance Company Ltd, with a capital of £25,000 in 2,500 shares at £10 each. He recommended that there be three directors, one appointed by the Cardinal, one by the shareholders and one as Managing Director. Mahon believed that the necessary capital would be provided by Catholic laymen and that no contributions would be required from the hierarchy beyond their present outlay on fire insurance premiums. The new company would take over, from the date of expiration, all contracts for the insurance of Church property in Australasia, on the same terms and conditions, and at the same rates, as existing contracts. Mahon explained how the company could become a profitable enterprise:

¹⁰ There is no extant formal request from the Cardinal but their correspondence dates from May 1910 and in Mahon's notes for the 1916 Annual Report he indicated that it was a verbal request.

¹¹ Hugh Mahon's notes for the 1916 Annual Report, CCI Archives

*The profits earned by Fire Insurance Companies are not always fully disclosed. Of the six Companies whose shares are listed on the Sydney Stock Exchange, five pay dividends varying from ten to twenty-one percent per annum. Four Companies listed in Melbourne pay fifteen, twenty-one, twenty-five and thirty percent respectively. These dividends are apart from the large sums set aside as undivided profits and other sums carried in secret reserves. If the new Company be granted the patronage of His Eminence and their Lordships the Bishops, it must prove a great success from inception. For many obvious reasons there is very slight risk to any considerable number of Church properties from fire. The Company will also save the expenses entailed by other companies by canvassers, advertising, etc. Its profits should be sufficient, after establishing a reserve and paying interest on share capital, to return to Church authorities some fifty percent of the amount at present paid away to existing Companies, for which there is no return whatever except in an occasional instance.*¹²

A month later O'Haran responded with his own detailed plan that was more ambitious than Mahon had envisaged. In his view the company should be named the Australasian Commonwealth Insurance Company with much larger paid up capital of £100,000, at £10 per share. He stipulated that during the first eighteen months of the company's operations no return should be paid on the shares and that all profits should go to a reserve fund. There were to be five directors, one named by the Cardinal, one by the Archbishop of Melbourne, one by policy holders and two by subscribers of capital, one of whom would be the Managing Director.¹³ Mahon replied that he agreed to the larger capital base but his aim had been to devise a scheme that would afford full protection to intending policy holders and at the same time offer interested parties sufficient inducement to find the required capital.

Mahon objected to O'Haran's proposed name change on the grounds that the 'Commonwealth Insurance Co' already existed and to his exclusion of 'Co-Operative' from his title as this correctly described its intended operations – co-operation between insurers and insured. In his reply Mahon outlined how the company could profit through a wider approach:

Whether the new Company shall confine itself entirely to the insurance of ecclesiastical property, or extend its operations further, is a matter for

¹² Hugh Mahon to Denis O'Haran May 10, 1910, CCI Archives

¹³ Denis O'Haran to Hugh Mahon June 13, 1910, Series 0019/010 Catholic Church Property Insurance Company 1900-1977, SAA

*careful consideration after due inquiry into the whole surroundings. A careful selection of other fire risks, combined with Accident Insurance, would materially increase the Company's profits, and make more certain the payment of a substantial bonus to the holders of policies assuring ecclesiastical property.*¹⁴

Mahon further promised O'Haran that every precaution would be taken to see that only solvent persons were accepted as shareholders and that no single person could obtain an unduly large number of shares, unless his financial standing warranted a large holding. Mahon was less enamoured with O'Haran's ideas about the choice of directors:

*The basis of management suggested involves some departure from the usual business principle that shareholders shall have absolute control over the management of their own funds. But it is justified by the fact that there will be an identity of interest between policy holders and shareholders in this Co-Operative Company which is not found in purely commercial enterprises. And it is probable that many policy holders will find it to their advantage to become shareholders later on...But since the majority of the Directorate will reflect the views of the Hierarchy and the clergy, it should always be in their power to provide that an equitable share of the profits shall be paid to the policy holders.*¹⁵

In private correspondence the Cardinal wrote to Archbishop Carr in July that 'the insurance draft scheme, as proposed by Mr Mahon, appears to be quite feasible, and when fully matured, will I am confident be attended with the best results. Mr Mahon does not seem anxious to have the scheme restricted to Ecclesiastical property. I would regard this restriction as essential.'¹⁶ Carr instructed Phelan to show Mahon this letter. Mahon responded to Phelan:

His Eminence raised no objection to extend the scheme beyond insuring ecclesiastical property when we discussed the matter recently in Sydney, I understood him to approve of our accepting first class risks offered by Catholic laymen of recognised commercial probity. And for the reason that thereby we should be able to make surer of large bonuses to ecclesiastical policy holders. However, if His Eminence regards restriction of business to Church property as vital, we must shape our course accordingly. Perhaps,

¹⁴ Hugh Mahon to Denis O'Haran June 20, 1910, Series 0019/010 Catholic Church Property Insurance Company 1900-1977, SAA

¹⁵ Hugh Mahon to Denis O'Haran June 20, 1910, CCI Archives

¹⁶ Patrick Moran to Thomas Carr July 4, 1910, Carr Correspondence, Box 532/1, MDHC

*if the fact was recalled to His Eminence's recollection that we only proposed to deal with Catholic laymen recommended by their parish clergy, he might reconsider his decision on this point. It would be an advantage to know what other matters of detail His Eminence desires to thrash out before finally deciding – because 'time flies' and I do not like missing the present, very favourable moment, for raising the necessary capital. It would be useless for me to ask people to subscribe for shares until something definite can be placed before them. In fact no move at all can be made until it is known.*¹⁷

Carr made it clear to Moran that:

*The future is uncertain and I am unwilling to bind myself or my successor to pecuniary obligations. I will give £100 for the beginning of the work and as the work progresses I will try to give assistance. That is really as much as I am in a position to promise...I thought that it would be well if we knew beforehand what amount is paid by way of premiums on the insurance of ecclesiastical property in Australia with this view I have sent a circular to the clergy and convents and colleges of this diocese to ascertain how much money is paid annually for insurances. I am also getting the amount insured for and the names of the Companies concerned.*¹⁸

It would appear that the hierarchy was moving too slowly for Mahon as no further action was taken between July and November 1910. Phelan wrote to Mahon explaining that both the Cardinal and the Archbishop were devoting their efforts to the completion of St Mary's Cathedral in Sydney and could think of nothing else.¹⁹ As the year drew to a close Mahon received only two letters from the Cardinal and these were on other matters. The first was a plea for Mahon to use his influence and approach the Post Master General to suppress the circulation of an Italian newspaper, *L'Asino*, a broadsheet circulated among societies like the Mafia and the Black Hand, which promoted waging war against religion. The second was a thank you note for his subscription to the building works at St Mary's Cathedral in which the Cardinal commented, 'You will be glad to hear that there is singular enthusiasm

¹⁷ Hugh Mahon to Patrick Phelan July 8, 1910, CCI Archives

¹⁸ Thomas Carr to Patrick Moran July 19, 1910, Carr Correspondence Box 532/1, MDHC. There is no extant evidence that this circular was responded to by the Victorian clergy

¹⁹ Patrick Phelan to Hugh Mahon July 24, 1910, CCI Archives

for carrying on this great work. It is, however, a gigantic enterprise and it is only such genuine enthusiasm that can ensure its success.²⁰

In early December 1910 Mahon sailed to Sydney to meet with the Cardinal to see if he could finalise the details and prepare a memo for the Cardinal to approve. The process took days as Mahon had to deal through the Cardinal's intermediary, O'Haran. Mahon described this process as a 'humiliating waste of time.'²¹ After five days in Sydney, Mahon returned empty handed to Melbourne to wait for the Cardinal's response. In the interim Mahon sent a copy of the papers received from Thomas Sexton about the Irish company to a close friend, Bishop John Gallagher of Goulburn, whom he met when he first arrived in New South Wales. Gallagher held Mahon in high esteem. In 1909 Gallagher had invited Mahon, then Minister of Home Affairs, to address a gathering for the blessing of a new palace at Goulburn. The audience included the Cardinal, leading clergymen and Mahon. He confessed that he felt some trepidation in speaking before prelates so learned and distinguished.²² Mahon felt particularly insignificant, especially as he had read a book which showed that Cardinal Moran was regarded as an authority on Irish history and archaeology. Mahon said 'It was given to but few men to be illustrious in two hemispheres, to stand out from all contemporaries in the old and the new world as a great prelate and statesman.'²³

Gallagher responded saying that Mahon's missive had arrived at an opportune time as the Bishops were meeting with the Cardinal on 17 January 1911 at St Mary's Cathedral. 'These are important times for us in NSW, indeed almost a crisis in matters Educational; and an understanding or at least a conversation (about insurance) might be of great use.'²⁴ In January 1911 Mahon returned to Sydney, staying at the fashionable *Hotel Metropole*, on the corner of Phillip and Bent Streets, Sydney. He chose this location as it was just a short walk from the cathedral. He wrote to O'Haran 'Should it be possible to now consider the proposal to form a Company for insurance of Church property, I shall be glad to furnish all necessary information – I have brought over full financial details regarding the progress of the Irish company and shall remain at the above address until the end of

²⁰ Patrick Moran to Hugh Mahon, November 14, 1910, Papers of Hugh Mahon, MS 937/183, NLA

²¹ Hugh Mahon's notes, December 7, 1910, CCI Archives

²² *Freeman's Journal* (Sydney) February 25, 1909, 21

²³ *The Catholic Press* February 15, 1909, 23

²⁴ John Gallagher to Hugh Mahon January 8, 1911, CCI Archives

the week.²⁵ He was hoping that during this second visit he could achieve some substantial progress.

Mahon had written a new, considerably modified document for Moran, outlining sources of revenue and expenditure in greater detail. In the previous December Mahon had been warned by the editor of the *Catholic Press*, Tighe Ryan, that O'Haran would not go with any project in which a layman could make money.²⁶ In his revised document Mahon had omitted all references to the laity. He confined the operations of the company to cover only fire insurance relating to ecclesiastical properties which he estimated could cover over four thousand buildings throughout Australasia. As well as this formal memorandum he included a biting addendum expressing an understandable frustration at the slow rate of progress. Mahon restated that all surplus profits after a moderate dividend on capital would be paid over pro rata to the Archbishops and Bishops to be apportioned for such purposes as they thought fit. He reminded the Cardinal that nearly all the religious sects in the United Kingdom insured their own church property and that the Anglicans and Wesleyans were doing so in Australia. The bold type was his emphasis in the notes for the Cardinal:

*Certain Fire Insurance Companies have given large rebates or bonuses on policies insuring Church property. But there is no certainty that this concession will be permanent – it may be withdrawn at any moment and full rates extracted. (And this is what will probably happen should this project be dropped). This clandestine rebate is in breach of a mutual agreement between the Companies. Proof of its payment would involve the offending companies in heavy penalties. Its disclosure would involve an outcry for a general reduction of rates. Such general reduction would drive many of the Companies into liquidation. Already one of them, the Australian Alliance, has found its losses and expenses exceeding its premium income by over 30%. The rebate on Church property amounts to a confession that the premium charged on it are excessive. The companies refuse to lower the rates all round because they wished to take advantage of those who are either unaware of these secret rebates or are unable to exert pressure to secure them.*²⁷

²⁵ Hugh Mahon to Denis O'Haran January 17, 1911, Series 0019/010, Catholic Church Property Insurance 1900-1977, SAA

²⁶ Hugh Mahon's notes, December 8, 1910, CCI Archives

²⁷ Hugh Mahon's notes, January 6, 1911, CCI Archives. The italics were in the original document. Australian Alliance was founded in Melbourne on 24 July 1862, initially as a fire

On 20 January Mahon achieved a breakthrough. He was invited to lunch with the bishops and following this the Cardinal presented him with a letter giving him permission to continue.

In reference to the proposed Company for the Insurance of Church Property on the lines of the Irish Church Property Insurance Company, you have our authority to proceed with the raising of the necessary capital pending the formation of the Company and the adoption of the Articles of Association.²⁸

With Cardinal Moran's authorisation, Mahon wrote a circular letter to all the Australasian bishops asking for their advice on his proposal for the new company:

I beg to enclose for your consideration a copy of the draft Prospectus of the new Fire Insurance Company. It follows as closely as practicable the Prospectus of the kindred Irish Co. The original suggestion was that the paid up Capital should be £10,000. But on returning here (parliament house) I found awaiting me a copy of the Report of The Royal Commission on Insurance – Judge Hood and Mr Knibbs, the Commonwealth Statistician. One of their recommendations to the Federal Parliament is that the minimum paid up capital of a Fire Insurance Co should be £20,000, or rather that securities to that amount should be deposited with the Government before the Company commenced business. As in all probability this recommendation will be embodied in the law during the next session, I took the liberty of putting £20,000 in the (draft) Prospectus. I do not apprehend much difficulty in raising this larger amount; and it seems preferable to the alternative of calling on all shareholders in nine or twelve months hence, before they have had any interest on their original payment, to find the necessary additional capital. As to this point, and as to any other aspect of the project, I shall be very much obliged for your Lordships advice, which I value highly; and for which I already have every reason to feel grateful.²⁹

Mahon proceeded quickly. By 26 January he had drafted a prospectus for the new company based on the Victorian Companies Act of 1896, which he named the Catholic Church Property Insurance Company. A few days later he returned briefly

insurance company but by 1911 was in financial difficulties and was taken over by the London & Lancashire Co and proceeded to cover all types of insurance policies.

²⁸ Patrick Moran to Hugh Mahon January 20, 1911, CCI Archives

²⁹ Hugh Mahon 'Circular Letter to the Australasian Bishops' January 24, 1911, CCI Archives

to Sydney to present his draft and was received by the Cardinal at his palace in Manly.³⁰ In all aspects he followed the wishes of the bishops and his clever choice of the company name, later shortened to CCI, endured. One paragraph was to prove prophetic:

*The sphere of this Company's usefulness will not be limited to the insurance of church property. In a few years it will have accumulated a substantial reserve fund, out of which advances may be made to meet temporary or unforeseen demands on the resources of any Diocese or Parish. The Company will be able in such cases to render financial assistance, and obviate the payment of an excessive rate of interest to some financial institution.*³¹

Mahon then sought the advice of Charles Henry Wickens, an Anglican businessman, statistician and actuary. Mahon had earlier drawn on Wickens' expertise when he was the compiler of the 1901 Western Australian Census. In 1906 Wickens joined the Commonwealth Bureau of Census and Statistics, Melbourne, where he constructed life tables. These pioneering works, which enabled comparisons between states, found that life expectancy had increased and the female rates of mortality were generally lower than males. This was critical information for insurers and was used to effect by Mahon in his role as a director of MLA. Mahon asked Wickens for some practical assistance in the construction of the finer details for a proposed Church company. Wickens responded on ways to save expenses and raised the question of reinsurance:

With reference to the mode of transacting the business I think that you would find it more satisfactory to all parties to issue your own policies from the beginning rather than to work upon the policies already in force. The cost of printing and issuing such policies would not be heavy and you would be in the position of having a uniform contract throughout. In addition both the Company and the insured would have clearer ideas of their relations to each other. Further some such documents would in any event be required for all property not at present insured. I think that the maximum risk suggested by you, viz. £5,000 on any one risk, is fully high. At all events it should not be exceeded until the Company has very substantial reserves accumulated. I think that all risk in excess of that amount should be covered by re-insurance. This business could I think be

³⁰ *The Catholic Press* February 3, 1911, 25

³¹ *Prospectus of the Catholic Church Property Insurance Company Limited* January 26, 1911, Series 0019/010, Catholic Church Property Insurance 1900-1977, SAA

*readily placed by the Company with the ordinary fire offices on terms which would provide a further source of profit to the Company. A further advantage of this system would be that the Company would be enabled to check its rates with those of ordinary fire offices and in other ways keep in touch with current fire insurance practice.*³²

On the draft prospectus Mahon left blanks for the names of the provisional directors, bankers, auditors and solicitors. On the 20 February he visited O'Haran in Sydney to finalise these details. He did not get much satisfaction as O'Haran dodged the matter as to who would be the provisional Managing Director, the names of the other directors and refused to appoint a banker.³³ O'Haran indicated that Moran would not take the matter any further until he had presided at a conference of the hierarchy scheduled to be held in Melbourne on 8 March. The participants were Archbishop Carr, Melbourne, Bishop James Corbett, Sale, Bishop Stephen Reville, Sandhurst, Bishop John Gallagher, Goulburn, NSW and Archbishop Francis Redwood, Wellington, New Zealand, as well as the archdiocesan administrators, O'Haran and Phelan. Agreement to form the company on the lines suggested by Mahon was reached with the Archbishop of Wellington ensuring that the project embraced New Zealand. Subsequently Mahon received a letter from Bishop Henry Cleary of Auckland pointing out that the participation by the church in New Zealand was unlikely since: 'Unfortunately, the state of our legislation would prevent the extension of its activities to New Zealand, as you would have to possess a paid-up capital of not less than £50,000.'³⁴ Mahon had also negotiated with the Australian hierarchy for £20,000 in capital, in line with the findings of the Royal Commission on insurance.

On 28 March the bishops met in conference again to include the views of Archbishop Patrick Delany, Hobart and Bishop Joseph Higgins, Ballarat. It was decided that each diocese would appoint a priest as an intermediary with the company and a circular letter would be sent to all parishes announcing the formation of the company. By this stage Mahon must have thought that that the deal was done and he only needed to set in place the machinery for its operation. On 24 April he was summonsed to Sydney again. This time it was to brief the Cardinal prior to his meeting with the Suffragan Bishops of the Province of Sydney held on 26 April 1911. Mahon sensibly sought help for the first time. He employed May McNevin a typist, who was secretary for the Sydney bishops. Her secretarial

³² Charles Wickens to Hugh Mahon May 28, 1911, CCI Archives

³³ Hugh Mahon's notes February 20, 1911, CCI Archives

³⁴ Henry Cleary to Hugh Mahon, March 9, 1911, CCI Archives

expertise assisted Mahon in preparing further financial estimates and the lengthy legal papers for the Articles of Association, necessary for registering the company.

But Mahon still had the thorny problem of the appointment of directors for the new company. Many additional names were suggested by O'Haran, including Michael Mornane, a solicitor and president of the St Vincent de Paul Society, Melbourne, Patrick McMahon Glynn, a lawyer and federal member for South Australia and Charles Regan, a prominent businessman and honorary treasurer for St Nicholas Catholic Church in Tamworth, NSW. In his notes about this visit to Sydney Mahon wrote that he was finally granted a lengthy private interview with the Cardinal about the running of the company and the choice of directors. Moran told him that establishing the company would take time to arrange as the Bishops had much else in hand. Mahon described His Eminence as very gracious and declared that henceforth Mahon was to be known as the 'Insurance Apostle'.³⁵

Mahon's efforts were fruitful as the Sydney meeting passed all his recommendations and accepted his estimates of the approximate position of the company at the end of each year over a period of three years. The Bishops moved that the business be called the Catholic Church Property Insurance Company, as Mahon had suggested, and that the bishops appoint the first directors.³⁶ A qualification to become a director was that the person concerned should hold one thousand shares.³⁷ In addition the bishops present pledged to subscribe for eleven hundred shares when the company was launched. Not surprisingly Mahon's friend, Bishop Gallagher, promised to purchase two hundred shares and arrived at the meeting with full details of the insurance figures of the sixteen parishes in his Goulburn diocese, totalling about £300 per annum of insurance.³⁸

The concept of 'mutual' was implicit in Mahon's thinking. He believed that a group of people, through co-operation were better able to act for their mutual benefit than if they acted alone. The new company was not a mutual insurance entity in the legal sense where policy holders were the owners and derived profits through their customer relationship. The Sydney fire insurance market was then dominated by mutual companies who belonged to the tariff association. These companies not only competed in the agency field but they fulfilled their mutuality by declaring a bonus at the end of each year which was allowed as a discount from the member's

³⁵ Hugh Mahon's notes, April 24, 1911, CCI Archives

³⁶ Australasia was added when the company was incorporated

³⁷ Meeting of the Cardinal, Archbishop and Suffragan Bishops of the Province of Sydney held at Manly on Wednesday April 26, 1911, Series 0019/010, Catholic Church Property Insurance 1900-1977, SAA

³⁸ Hugh Mahon's notes, April 24, 1911, CCI Archives

premium in the subsequent year. Non-mutual companies allowed a discount from their rates to match the companies' bonus.

Mahon insisted that the Church insurance company would not employ agents or canvassers but would deal directly with its own client, the Church. Benefits were to be confined to the share and policy holders through the establishment of charitable Church funds, once sufficient capital was accrued to ensure the viability of the enterprise. This tailored insurance scheme was structured to provide a new source of benefaction for the Church. The mutual philosophy, but not its legal structures, that of sharing and supporting communities, was embedded in the objectives set out in the Articles and Memorandum of Association for the formation of CCI as a registered company in 1911:

*To enter into, make and give effect to arrangements for sharing profits, union of interests, cooperation, joint adventure, reciprocal concession with the (Roman) Catholic Church of Australasia. To contribute towards religious or charitable or benevolent objects or purposes partly religious or partly charitable or partly benevolent in all or any of the (Roman) Catholic dioceses of Australasia; and to pay, divide and distribute the surplus of the net profits and earnings of the Company or any part thereof among (Roman) Catholic Archbishops, Bishops and Pastors of Australasia, to be by them applied towards charitable, religious or benevolent purposes in their respective dioceses and parishes.*³⁹

Reinsurance

There was one area of this insurance scheme that the fledgling CCI could not deal with internally – insuring the risks of their most valuable holdings. The protection of valuable or extensive properties was underwritten by specialist reinsurance companies. Reinsurance policies were a vital and highly profitable part of insurance business activity in Melbourne. Through engaging with reinsurance companies the insurers passed on some of their exposure to reinsurers for a share in the premium collected. In return the reinsurers paid some of the claims. Mahon considered that the company would be able to undertake insurance on properties valued up to £5,000 on any one risk and higher risks including cathedrals and highly valued historical holdings would need to be covered through larger reinsurance companies until the new company had accumulated substantial

³⁹ Memorandum and Articles of Association Catholic Church Property Insurance Company of Australasia Limited November 1, 1911, CCI Archives

reserves. This extra insurance protection was considered necessary to protect the company's capital base and to guard against a succession of large claims that could accumulate and jeopardise the company's viability.

Under the Articles of Association signed by the hierarchy, the limit for retentions, that is insurance policies retained by CCI, was lowered for valuable properties from £5,000 to £2,500 on brick or stone edifices and £1,000 on wooden structures. Any risk in excess of these figures would need to be placed with reinsurers through individual treaties. Mahon noted: 'It is considered that this limitation of our possible loss in connection with any single fire risk meets the requirements of prudence and is justified by the company's resources.'⁴⁰ This change in the rates of retentions had a snowballing effect as all reinsurers belonged to underwriters associations formed by a nucleus of the British companies to set the tariff rates. While any association with a tariff company was an anathema to Mahon, Wickens clearly pointed out to him that the advantages of external reinsurance treaties would protect the company, insure risks that exceeded their total capital and keep their company in touch with current fire insurance practice.⁴¹

In July 1911 Mahon attempted to explain the financial consequences to Cardinal Moran who had suggested reducing the policy premiums to attract a greater number of Church participants.

The reduction of premiums by 50 per cent or less would have brought the Company into sharp conflict with the Fire Underwriters Association. It meant that we should have been denied the privilege of reinsurance. This would leave us the choice, as regards edifices like St Mary's Sydney and St Patrick's Melbourne, between accepting the entire risk ourselves and presenting perhaps three-fourths of it to outside companies. Indeed, it would be scarcely a 'choice' for we could not prudently, at the early stage and with small paid-up capital at all entertain the gigantic responsibility involved. Negotiations are now in progress with one of the strongest Companies doing insurance business in Australasia which will enable us to reinsure to such extent as is thought advisable. The terms are not yet settled, but they will be such as will enable a guarantee to be given to our policy holders of a bonus of not less than 25 per cent on their annual premiums, besides enabling us to put aside something to a Reserve Fund.⁴²

⁴⁰ Progress Report on Operations March 32, 1912, CCI Archives

⁴¹ Charles Wickens to Hugh Mahon May 28, 1911, CCI Archives

⁴² Hugh Mahon to Patrick Moran July 22, 1911, CCI Archives

In November 1911 CCI signed their first reinsurance treaty with General Accident, Fire & Life Assurance Corporation, a company already acting as the general, low risk insurers for many Catholic dioceses and priests. During the process of negotiating the reinsurance for CCI high risk properties General Accident found that some dioceses had transferred their general policies from General Accident to CCI. It was understandably not a successful alliance as the two companies were in fact competing for Catholic properties in the same low risk market.

In August 1912 CCI negotiated a new reinsurance treaty with the recently established local branch of Gresham Fire and Accident Insurance Society, Oxford Chambers, Bourke Street, Melbourne, through Renowden Archibald & Co, their representatives. In the following July 1913 CCI established their head office in the Oxford Chambers in an effort to streamline communications between the two companies. The Gresham Fire and Accident Insurance Society, was founded in Kent, England, with head office in Fleet Street, London and branches throughout the United Kingdom. They were members of the Accident Underwriters Association of Victoria and abided by the tariff rates set. Establishing a partnership with this secular company proved problematic. In October 1912 Mahon wrote to Archbishop Kelly:

*In the belief that our Company would be in a position to transfer a substantial volume of excess insurances, a leading Fire Company (Gresham) had contracted to allow us a reinsurance commission of 50% on premiums paid to it. Finding that this anticipation was not made good, the Company referred to withdrew from the arrangement, and we have been obliged to make what is in some respects a less advantageous contract elsewhere.*⁴³

In 1913 CCI entered into a third treaty. This was with the Melbourne branch of Queensland Insurance Company situated in the Queensland Building, William Street, Melbourne. It was the beginning of a long association with Queensland Insurance who, like General Accident and Gresham, were members of the tariff body. The Queensland Insurance Company was founded in 1886 in Townsville by two young Scotsman, James Burns and Robert Philp.⁴⁴ By 1890 they had appointed thirty-six agencies and established a large network. In 1912 they commissioned architects, Walter Butler and Richard Bradshaw, to design their Melbourne office. This building later included the CCI offices, with Queensland Insurance charging

⁴³ Hugh Mahon to Michael Kelly, October 26, 1912, Series 0009/015, SAA

⁴⁴ W Ross Johnston, 'Philp, Sir Robert (1851-1922)' *Australian Dictionary of Biography* Volume 11 (Melbourne: Melbourne University Press 1988) 220-222

modest rates which enabled CCI to pay staff salaries. Being a small scale company in its initial stages, CCI needed the Queensland Insurance facilities of inspectors skilled in fire insurance work and were able to report on buildings in the city, country and interstate. With a limited staff it would have been economically impossible for CCI to cover this broad territory. In 1912 Mahon wrote to Archbishop Kelly's secretary:

*Prior to invoking Mr Carroll's assistance, every effort was made to secure a suitable representative in Sydney; but none was obtainable for the remuneration we could offer. I may point out that this Company's financial resources, as compared to those of other Companies, are extremely meagre; and that we are not in a position to equip and staff an office on the scale of rival companies.*⁴⁵

A vital part of this treaty with Queensland Insurance was that they were required to take all of the reinsurance risks offered by CCI, irrespective of the quality of the risk.⁴⁶

In return Queensland Insurance provided a discount on all of the covers and did not charge for country or interstate inspections. Commercial relationships between the two companies were mutually beneficial but there was a philosophical divide. Queensland Insurance employed Protestants and CCI Catholics, although neither company openly acknowledged this. Herbert Michael Moran, a prominent Catholic and Sydney surgeon, who later became a CCI shareholder, expressed the divide in this way:

*The fire of sectarianism, then kindled, still burnt furiously in my own day. It was not uncommon when I was a boy to read advertisements 'No Catholics need apply'. For fifty years Catholics in New South Wales remained a breed apart, fire branded like travelling stock in a strange country so all might know from whence they came.*⁴⁷

Matters came to a head during the 1930s depression when securing or maintaining a job became a priority. Unsubstantiated allegations of religious discrimination flew backwards and forwards between the two companies. There were accusations of Masonic influences in Queensland Insurance and reputedly CCI retaliated by insisting that all of their applicants had to obtain a letter signed from their parish

⁴⁵ Hugh Mahon to Peter Murphy November 16, 1912, Series 0019/010, SAA

⁴⁶ Table One *Insurance Premiums and the Cost of Reinsurance 1912-1936* (See Appendix 1)

⁴⁷ Herbert Michael Moran, *Viewless Winds* (London: P Davies 1939) 10

priest.⁴⁸ The board asked a long standing member who was a lawyer, Carroll, to investigate. With his customary, courteous approach and legalese Carroll wrote a series of letters which dampened down concerns on both sides.⁴⁹ Discussions on how this partnership with Queensland Insurance was financially uneven, and at times fragile, are covered in the succeeding chapters through an exploration of the company's early operations and the influence of Mahon in guiding this successful partnership.

In 1914 the Vicar General of Hobart, Martin William Gilleran, heard some alarming rumours that the Queensland Insurance Company was taking over from CCI in Tasmania. The Victorian manager of Queensland Insurance explained the position to Mahon:

*We regret very much if any member of our staff made a statement as you say that the Catholic Church Property Insurance Company had handed over to the Queensland Insurance Company the insurance of all church property in Tasmania. We must say that we at this end know nothing of this and never gave any authority for such an unwarranted statement and cannot understand how same could have originated. Of course you can understand that with the large staff this Company employs it is very hard to be responsible for all their statements, and we would be sorry indeed to find that this had done yourselves any harm. We trust that the representative of the Archbishop of Hobart will accept this explanation, and same will be satisfactory to your good self.*⁵⁰

Clearly this misunderstanding was sorted as CCI continued with the slow process of organising the insurances of the churches and convents across Tasmania.

Sydney clerical representatives and their contributions

On the 22 November 1911 the Catholic Church Property Insurance Company of Australasia Limited (CCI) was incorporated in New South Wales under the Companies Act of 1899. The Memorandum and Articles of Association clearly demonstrated that this company was designed to act as a servant for the Catholic Church along the lines of the Irish model. Six of the seven signatories were Irish born clerics of high standing in the Australian Church. The seventh was Mahon. These signatories became the first shareholders with allocations ranging from £100 to £1,000. They were drawn evenly from New South Wales and Victoria. This

⁴⁸ William Ross to Edmond F Downey September 5, 1935, CCI Archives

⁴⁹ JJ Carroll to William Ross September 9, 1935 & Minutes of the Board of Directors, May 5 1937, CCI Archives

⁵⁰ Harry Branscombe Carpenter to Hugh Mahon, November 11, 1914, CCI Archives

geographical balance was later emulated in the representation of the company's first directors but not in their status in the Church – they were all prominent Catholic laymen.

The leading Sydney signatory to the company's Articles of Association was Archbishop Michael Kelly, who had succeeded Cardinal Moran. Kelly was born and educated in Ireland and brought with him the attitudes, and styles of nineteenth-century clerical Ireland. According to historian, Patrick O'Farrell, the new Archbishop was hostile to lay initiatives, insistent on total clerical control, an efficient administrator but slow and cautious in decision making. He was conservative and hierarchical and unsympathetic to university education and intellectual life.⁵¹ Kelly selected two parish priests from suburban Sydney, Monsignor Denis Francis O'Haran and Monsignor Patrick Lois Coonan as co-signatories. Both clerics possessed substantial personal wealth.

O'Haran was the parish priest of Sacred Heart, Darlinghurst and had been the personal secretary and a close confidant of Cardinal Moran. As the Cardinal's negotiator for the establishment of CCI he was conversant with company details. O'Haran was born in Fermanagh, Ireland and studied for the priesthood at the Pontifical Seminary in Rome, where he was ordained. While in Rome, as the Vice-Rector of the Irish College, he met Moran and was recommended by Pope Leo XIII to travel to Sydney as Moran's private secretary. In Sydney, O'Haran became the administrator of St Mary's Cathedral and later Vicar-General of the archdiocese.⁵² He worked tirelessly for charity and was chief chaplain of the Hibernian Australasian Catholic Benefit Society from 1911-1931.⁵³

Coonan was born in Kilkenny, Ireland and arrived in South Australia in 1880. A solid committeeman he was much in demand as an administrator at St Francis Xavier Cathedral, Adelaide before moving to Sydney in 1884. In 1891 he was appointed as the parish priest of St James, Forest Lodge. In 1911 Coonan became Vicar General of the Sydney Archdiocese and his duties included matters of architecture and finance.⁵⁴ A member of a notable Irish family, Coonan distributed his inheritance widely to benefit the Church in Australia.⁵⁵

⁵¹ Patrick O'Farrell, 'Kelly, Michael (1850-1940)' *Australian Dictionary of Biography*, Volume 9, (Melbourne: Melbourne University Press, 1983) 556-558

⁵² Anthony D'arcy, 'O'Haran, Denis Francis (1854-1931)' *Australian Dictionary of Biography*, Volume 11, (Melbourne: Melbourne University Press, 1988) 73-74

⁵³ Anthony D'arcy, 'O'Haran, Denis Francis' *Australian Dictionary of Biography*, 74

⁵⁴ *The Sydney Morning Herald* July 23, 1935, 6

⁵⁵ www.sydneyarchitecture.com/GLE/GLE06 (accessed May 5 2009)

Melbourne clerical representatives and their contributions

Archbishop Carr was the main signatory in Melbourne. The Archbishop was a builder. He devoted a great deal of energy in promoting the Catholic school system, introducing new religious orders and increasing the number of priests. He was convivial and at ease in any company whether rich or poor. He chose his Vicar General, Patrick Phelan, the administrator of the Melbourne diocese as the second signatory.⁵⁶ Phelan was born in Johnstown, Kilkenny, Ireland and arrived in Melbourne as a newly ordained priest and appointed to St Patrick's Cathedral in 1900 where he became involved in the establishment of numerous churches and schools. Conspicuous amongst Phelan's charitable interests was his support for the establishment by Mary MacKillop of St Joseph's Foundling Hospital at *Kerrsland* in Broadmeadows. During his speech at the opening of the home Phelan made it clear that the sisters had begun their work for the foundlings with virtually no resources and he called for donations.⁵⁷ News of Phelan's work spread to Ireland as a report appeared in the *Kilkenny Journal*:

*Nearest to his heart is the Foundling Hospital at Broadmeadows – the most touching charity in all the circle of human needs and human succour. He is a tower of strength to the sisters in charge of it. It is the largest institution of its kind in Australia and an example to the world in its life saving results.*⁵⁸

Through his influence at Broadmeadows the Sisters of St Joseph of the Sacred later became staunch supporters of the new insurance company. Amongst the first shareholders of CCI in 1912, was Sister Mary Evangelist Hyde of the Sisters of St Joseph at Lochinvar, in the diocese of Maitland, NSW.⁵⁹ By the middle of 1918 all of the properties of the Sisters of St Joseph were insured with CCI.

The third signatory from Melbourne was Rev George Augustine Robinson. He was a close associate of both Carr and Phelan. Robinson was known for his entrepreneurial skills. To help finance the building of Our Lady of Victories Church, Camberwell, he sold 50,000 Barrabool stone blocks for ten shillings each.⁶⁰ Robinson was the son of a Protestant Dublin solicitor who disowned him when he entered the priesthood. He was educated at the Royal University, Dublin, was an

⁵⁶ John Molony, 'Carr, Thomas Joseph (1839-1917)' *Australian Dictionary of Biography*, Volume 7 (Melbourne: Melbourne University Press, 1979) 569-570

⁵⁷ Jill Barnard *From Humble Beginnings, the story of the Sisters of St Joseph of the Sacred Heart in Victoria 1890-2009* (Richmond: Utber & Patullo Publishing, 2009) 41

⁵⁸ *Kilkenny Journal* June 17, 1908, 2

⁵⁹ Sydney Share Register 1912, CCI Archives

⁶⁰ *The Advocate* July 8, 1976, Supplement

exceptional preacher and in great demand around Melbourne.⁶¹ These were the people that CCI was serving directly and indirectly.

A time of transition

In 1910 Rev Robinson had written to Mahon:

I was speaking to Dean Phelan some time ago and he told me of some scheme of ecclesiastical insurance that was likely to come off and that you were taking an interest in the matter. My insurances are coming due again and I am just wondering could you advise me – should I re-insure or wait awhile? My insurances are due on 30 September 1910. I have an offer from a Company (General Accident, Fire & Life Assurance Corporation) that is doing large business with Ballarat priests to give me back 50% of my bonus. This is very tempting but if I thought the ecclesiastical Company was to be formed, I should wait. Is this new scheme like the one spoken of at a conference lately? When you have time I should be grateful for a reply. The time seems opportune for some such arrangement.⁶²

Robinson was not the only priest attracted by the offers from the Scottish company, General Accident, which opened branches throughout Australia in 1903. The bulk of church insurance for dioceses of Maitland, Lismore, Wilcannia Forbes, as well as Ballarat, was held by this Scottish company.

Bishop John Dunne from Broken Hill wrote to Mahon.

I have received intimation from the General Manager of General Accident Co that he has agreed with you to take over new insurances and transfer them to the Catholic Property when it begins operation. The General Accident deserves consideration. Indirectly I have received from it, 50% of the premiums paid me. My position will not be improved by transferring to the new company but as I have always advocated a Catholic Company, you may rely upon my transferring to it all the business in the diocese. There will be some difficulties in the beginning but these tidied over, the company should be a great success.⁶³

Joseph Higgins, Bishop of Ballarat from 1905 until 1915, was a friend and mentor of the Ballarat agent for General Accident, Edward John Hayden, a member of a prominent local Catholic family. In spite of impaired health, Bishop Higgins

⁶¹ Mary Sheehan *Victories in Camberwell: a history of Catholics in Camberwell* (Pakenham: Pakenham Gazette 1989) 41

⁶² George Robinson to Hugh Mahon September 18, 1910, CCI Archives

⁶³ John Dunne to Hugh Mahon July 31, 1911, CCI Archives

established ten new parishes, ten new convents and thirty new schools.⁶⁴ Higgins wrote to Mahon that he had sent the new proposals concerning CCI to all of the priests in his diocese but ‘I anticipate that they may be slow to change from the Company in which they have insured under such favourable conditions until your Company is in full and prosperous operations.’⁶⁵

The Vicar-General of Hobart, Michael Gilleran expressed grave misgivings about the company’s viability. Once again Mahon had to spell out the process in detail.

*Where the Catholic Church Property Insurance Company differs from other Fire Insurance institutions is this: That all the profits after paying a moderate dividend on shareholders’ capital are handed over to the Archbishop and Bishops of Australia, whereas the money now paid by Catholics for insuring Church property passes into the pockets of private individuals, mostly non-Catholics. I think that you will agree that the difference is a very vital one. The amount to be paid to each Archbishop and Bishop will be proportional to the contribution of each diocese to the company’s annual premium income. This proposal for allocation is copied from the rules of the Irish Catholic Church Property Insurance Co. Our present estimate is that 15 per cent of the premium income should be set aside to meet loses, that administration will cost 10 percent, but it may cost more unless all dioceses give us their business.*⁶⁶

In June 1911 Cardinal Moran’s secretary, O’Haran, received a scathing letter from the General Manager of General Accident for Australasia, William Falconer.

*We observe it is stated in the Prospectus that ‘by reinsuring its larger individual risks or by limiting its possible liability in respect to any single property, the Company should be able to avoid heavy loss from any particular fire.’ This is very sound, but no insurance company, like ourselves, could reinsure any risk of the proposed Church Insurance Co. unless the latter became members of and complied with the rules and regulations of Fire Tariff Associations.*⁶⁷

Falconer was also critical of the financial analysis presented about the success of the Irish Catholic Church Insurance Co, stating that it was a modest company currently running at a loss.

⁶⁴ Denis Francis Bourke, *A History of the Catholic Church in Victoria* (Melbourne: Archdiocese of Melbourne 1988) 176

⁶⁵ Joseph Higgins to Hugh Mahon July 17, 1911, CCI Archives

⁶⁶ Hugh Mahon to Michael Gilleran July 22, 1911, CCI Archives

⁶⁷ William Falconer to Denis O’Haran June 27, 1911, CCI Archives

*Everything in this country is, by comparison with Ireland, very much more expensive. Our salaries, taxes, fire-brigade charges, printing etc. are all considerably in excess of Ireland. Might we suggest that under the circumstances, as long as we are willing to continue our present arrangement, the formation of a Church insurance be deferred? We have been paying large fees to certain Bishops and we have always heard that we have given entire satisfaction.*⁶⁸

Mahon wrote to Archbishop Kelly in October 1911 that he had negotiated a temporary arrangement with General Accident. This was in respect to policies on Church property which had expired or would expire before the new company was legally competent to undertake insurance business. The agreement was that General Accident would transfer all policies issued in anticipation of registration of CCI, paying over the full premium for the unexpired term and pay CCI at least 50% of the premiums received for the periods during which these policies were held by General Accident.⁶⁹ After incorporation, Mahon wrote at length to the Archbishop that:

*The creation of this company has naturally aroused much open and secret opposition from persons financially concerned in existing fire insurance offices. They perceive that it means to them the final loss of the safest and most profitable part of their business. The substantial rebates of premiums which are now given by certain companies can be withdrawn at any time; and the former excessive rates would soon or late be assuredly reverted to, were the efforts to wreck this Company successful.*⁷⁰

A small notice announcing the company appeared in the *Sydney Morning Herald* on 25 November 1911 stating; ‘The Catholic Church Property Insurance Company has a capital of £50,000 in shares of £1 each and will carry on the business of fire insurance.’⁷¹ CCI began as a legal entity in New South Wales as the seat of the Australian Church was situated in Sydney under the leadership of Cardinal Moran and later Archbishop Kelly. Although the company was registered in New South Wales the Cardinal agreed that the principal work could take place in Melbourne as this was where Mahon lived and carried out his ministerial and parliamentary

⁶⁸ William Falconer to Denis O’Haran June 2, 1911, CCI Archives

⁶⁹ Hugh Mahon to Michael Kelly October 30, 1911, Series 0009/015, Kelly Correspondence, SAA

⁷⁰ Hugh Mahon to Michael Kelly November 15, 1911, Series 0009/015, Kelly Correspondence, SAA

⁷¹ *The Sydney Morning Herald* November 25, 1911, 23

duties. The Cardinal's jurisdiction extended to New Zealand which accounted for the new insurance company using Australasia in its name.⁷²

The choice of Managing Director

Mahon was not officially appointed as the Managing Director until the first General Meeting of the company held on 31 January 1912. Prior to this behind the scenes Mahon worked tirelessly with the hierarchy as the honorary provisional Managing Director. It would appear that Mahon was not the Cardinal's first choice. During 1910 he wrote to Archbishop Carr:

*The appointment of the Managing Director would be of primary importance in order to set the matter on a firm footing. I suppose Mr Mahon would be the most eligible person. Mr Thomas Hughes is already a director of one of the important insurance companies (London & Lancashire Fire Insurance Co and National Mutual Life Association of Australasia Ltd) and probably would act as one of our directors if elected. The whole matter of detail should be thought out before coming to any final decision.*⁷³

Moran was keen for a strong Sydney representation on the board and ensured that, under the Articles of Association, the head office was to be in Sydney. He favoured the appointment of a group of elderly, leading Sydney Catholics, one of whom he considered would be suitable as chairman. He recommended the following gentlemen to Mahon: Sir Thomas Hughes, solicitor and politician, Joseph Aloysius Beattie, medical practitioner, James Dalton, merchant and pastoralist, Louis Francis Heydon, lawyer and politician and Sir Austin Chapman, businessman and politician. Along with Mahon, all of these men were substantial donors to the appeal for the completion of St Mary's Cathedral, Sydney. Mahon diplomatically responded that the matter could be settled once the company was registered. As Moran died 16 August 1911, before the company was registered, his suggestions for board representatives were not acted on.⁷⁴ The Cardinal's list indicated that the Church had a growing number of wealthy and educated leaders in the early days of CCI.

⁷² It was general practice for imperial companies to establish branches to cover both Australia and New Zealand. Before 1901 many in New Zealand and Australia promoted the idea that New Zealand should form part of the Commonwealth of Australia due to their shared colonial foundations

⁷³ Thomas Carr Notes and Correspondence July 4, 1910, Box 532/1, MDHC

⁷⁴ Hugh Mahon's notes, April 21, 1911, CCI Archives

Dedicated middle-class lay Catholics – composition of the first CCI board

All of the foundation directors who were finally appointed were well known to Mahon. They were prominent committed Irish Catholics and men of means. Like their counterparts in the Irish company they were ‘landed, loyal and loaded’.⁷⁵ The first directors appointed were Hugh Mahon as Managing Director, with Michael Meagher and Thomas O’Loughlin. There is no evidence, but it is highly likely, that Mahon suggested the names of Michael Meagher and Thomas O’Loughlin to Kelly as their names appear in his notes.⁷⁶ Mahon had already consulted with the next two appointees, lawyers Vincent Nolan and John Joseph Carroll, about the legal requirements in setting up a new company. Mahon knew the directors as they moved in the same Catholic circles, often shared speaking platforms and attended major Catholic functions. The new directors were required by the Memorandum and Articles of Association to purchase one thousand shares. They did not receive remuneration for their contributions until after the second annual meeting of October 1913 when the shareholders voted that each director receive two guineas per sitting. This level of remuneration continued until 1918, when it was changed to a fixed annual amount of £50 per annum. Clearly their considerable work and responsibilities were seen as mainly honorary.

The Meagher family

The first director to join Mahon on the board was Michael Meagher, a businessman and journalist. He was born at Bathurst, New South Wales in 1869 in the year that his father, John, founded a great commercial trading house. John was from Kilrush, County Clare, Ireland where he experienced the harsh conditions of the famine when over a million Irish people died and the population of the country was halved. John strongly associated with the Irish land struggles and efforts for Home Rule and, like Mahon, welcomed the first visit of the Redmond brothers to Sydney in 1883. He was also prominent in welcoming later visits of advocates of Irish Home Rule, John Dillon and Michael Davitt.⁷⁷ Close personal friendships developed between the Meagher and Redmond families and in later life John and Michael Meagher made several return trips to Ireland.

In Bathurst, John established a thriving business in general goods, known as John Meagher & Co with a chain of stores in country New South Wales and offices in

⁷⁵ John McConnel, ‘A Soldier of the Queen: General JP Redmond’ *History Ireland* vol 21 issue 6 November/ December (2013) Features Section

⁷⁶ Hugh Mahon’s notes, April 21, 1911, CCI Archives

⁷⁷ Bruce Pennay, ‘Meagher, John (1836-1920)’ *Australian Dictionary of Biography* Volume 10 (Melbourne: Melbourne University Press 1986) 469-470

Sydney and London. He imported drapery, grocery, ironmongery, wine, spirits and furniture. While being a large employer his political leanings were towards labour organizations. In the 1890s he organised a meeting in Bathurst at which £160 was collected to assist London dock-workers who were on strike in support of wage claims.⁷⁸ In 1901 one of his Bathurst employees was young Ben Chifley, who later was elected to the Labor Party leadership and became Prime Minister. Chifley worked as a cashier's assistant for £1/10 per week. According to his biographer, Duncan Waterson, Chifley was aware of the disparity between his employer's profits and the wages received by juniors and felt exploited and dissatisfied.⁷⁹

John threw himself into Bathurst community affairs as a worker and philanthropist. He became a trustee of the District Hospital, president of the Progress Association, patron of the Western Rugby Union and a committee member of the Jockey Club and the School of Arts. In 1882 he purchased a property at 54 Durham Street and commissioned a local architect, James Hine, to design a large residence which he named *Kilrush House* after his birth place in Ireland. During 1896 John sponsored the People's Federal Convention at Bathurst and entertained at his home many advocates of federation, including Cardinal Moran who addressed the convention. Publicly and privately Moran spoke of the union of the colonies as a necessity.⁸⁰

From 1900 to 1920, John was a Member of the Legislative Council of New South Wales where he was a vocal advocate of state aid for Catholic schools and a veteran of many battles on behalf of his fellow Catholics. John was a devout Catholic, a daily communicant and a generous donor to Catholic organizations. In 1903 he was appointed Knight Commander in the papal Order of St Gregory the Great. When in Bathurst his Sunday routine was to walk to 7a.m. Mass at St Michael and St John's Cathedral, return home and have a nap, put on a frock coat and top hat, emblazon his breast with his papal decorations and walk back for the High Mass at 11a.m.⁸¹

Michael was the eldest of Meagher's seven sons. His only daughter, Edith, became a Sister of the Sacred Heart, Rose Bay. Four sons became directors of John Meagher & Co. In 1895, Michael, with his wife, Henrietta Foley and five children, made their home at *Kilrush* when he took over the management of the business, having previously been the manager of the Sydney office. He also developed

⁷⁸ *The Sydney Morning Herald* August 21, 1920, 10

⁷⁹ Duncan Bruce Waterson, 'Chifley, Joseph Benedict (Ben) (1885-1951)' *Australian Dictionary of Biography*, Volume 13 (Melbourne: Melbourne University Press, 1993) 412

⁸⁰ Anthony Edward Cahill, 'Moran, Patrick Francis (1830-1911)' *Australian Dictionary of Biography* Volume 10 (Melbourne: Melbourne University Press 1986) 577-581

⁸¹ G M Cashman, 'John Meagher and the Meagher Family', *Journal of the Australian Catholic Historical Society*, vol 7 part 4 1984, 41-46

interests apart from retailing and like his father became a prominent Bathurst citizen. He was president of the Turf Club and the Agricultural, Horticultural and Pastoral Association and was involved in the growth of the annual agricultural shows.⁸² He was interested in music and became the honorary secretary of the Musical and Literary Association and the Choral Society. He acted as a trustee of the District Band and president of the Liedertafel Society.⁸³

Michael was educated at St Stanislaus under an Irish headmaster, Michael McGirr, a classics scholar and mathematician. He was taught by James Callaghan, a foundation scholar at the school and later an assistant master. During Michael's school days McGirr moved to Sydney to become the editor of the *Freeman's Journal* and Callaghan followed as a staff member. The *Freeman's Journal* was an Irish-Catholic paper which preached against sectarianism, oppression, exploitation and narrowness and advocated a lofty democratic ideal. Both McGirr and Callaghan became vocal supporters of Irish Home Rule. Michael's entrée to journalism and his contributions to the *Freeman's Journal* were due in part to his regard for, and friendship with, his early mentors. His journal articles were considered learned. He read widely and wrote elegantly. He gathered works covering civic and church affairs and his collection was acknowledged as one of the finest private libraries in New South Wales.

Over many years Michael wrote for the *Sydney Morning Herald* and the *Australasian Catholic Record*. This journal was established by Cardinal Moran in Sydney in 1895 as a link to clergy in remote areas and a way to engage with the wider scholarly Church world. It was modelled on the *Irish Ecclesiastical Record* launched by Cardinal Cullen as a theological and historical review for the clergy and won a reputation in Catholic communities in Ireland and overseas. Moran was the Irish journal's first editor and Carr, its second. Through the *Australasian Catholic Record* Michael gained a reputation as an authority on English and Irish politics. He also became known as an Australian expert on The Oxford Movement.⁸⁴ During the 1909 Australasian Catholic Congress, John and Michael Meagher were benefactors and participants, as were both Mahon and O'Loughlin. Michael was the leading organiser of this event and was honoured with the Cross of St Leo for distinguished work.

⁸² *The Sydney Morning Herald* January 2, 1932, 10

⁸³ Charles Wansbrough Sloman, *The history of Bathurst 1815-1915 compiled from available records and personal memory (in 1938)* (Manly: Runciman Press 1994) 323

⁸⁴ *Australasian Catholic Record* 1912, vol 18 no 3, 331-346 & vol 18 no 4, 407- 433

In retirement Michael wrote two histories about the Church in Bathurst. A *Centenary of the first mass at Bathurst 1830-1930* was printed by the Western Newspapers of Bathurst in 1930. The foreword was written by historian and playwright, Eris O'Brien, later the Archbishop of Canberra and Goulburn.⁸⁵ In 1931 Meagher wrote *The advent of the Sisters of Mercy, Bathurst, 1866* with a foreword by John Meagher, later the provincial of the Jesuits. He dedicated this to his father who he described as loving his faith above all and generously supporting the sisters. 'It was a simple Irishman's testimony of love and esteem.'⁸⁶ In 1908 John purchased *Logan Brae*, a grand mansion set in twenty-five acres on a hill in South Bathurst overlooking the city and with commanding views of the plains and the foothills of the Dividing Range. He presented the property to the Sisters of Mercy for their novitiate, which became known as St Joseph's Mount. Thomas O'Loughlin of Ballarat, hearing of the purchase asked to be allowed to bear half of the cost. Meagher refused. Although denied this privilege, O'Loughlin donated £1,200 to furnish the building for the sisters.⁸⁷

The O'Loughlin family

It was said of Thomas O'Loughlin, the third CCI director, that there was hardly a church or a convent in Australia that did not experience the benefit of his liberality.⁸⁸ Chief among his donations were contributions to cathedrals in Sydney, Adelaide, Perth, Brisbane and Ballarat. Loughlin (who changed his name in 1908 to O'Loughlin in honour of his grandfather, Martin Loughlin) was born in Tiscoffin, Kilkenny, Ireland. His parents, Michael Loughlin and Margaret Cahill, were tenant farmers in a little village, Castlewarren, ten miles from the city of Kilkenny. Neither his father nor mother could read or write. O'Loughlin was educated at the local National School and then sent to board at the Diocesan Seminary St Kieran's College, Kilkenny. Not all of the students at St Kieran's became priests but it was the only way for a son of poor parents to gain some secondary education. In later life he was described as a simple, good man, easy to get on with, but was neither learned nor cultured.⁸⁹

For nearly ten years O'Loughlin farmed with his father and worked as a pork butcher until 1894 when an uncle, Martin, died leaving him a fortune estimated at

⁸⁵ Elizabeth Johnston 'O'Brien, Eris Michael (1895-1974)' *Australian Dictionary of Biography* Volume 15 (Melbourne: Melbourne University Press 2000) 508-509

⁸⁶ Michael Meagher, *The advent of the Sisters of Mercy, Bathurst*, (Bathurst: McCarter & Quealy 1931) 43

⁸⁷ Graham Wilson, *Official History of the Municipal Jubilee of Bathurst 1862-1912* (Sydney: Attkins, Mcquitty, 1913) 45.

⁸⁸ *The Xaverian* 1929, 48

⁸⁹ Recollections of Lucille Quillan née Bloink October 27, 1982, Ballarat Diocesan Historical Commission

£250,000. Stories abound as to how Martin amassed such a fortune. Was it through fossicking, gambling, speculating or falsifying the returns on a mine? What is known is that Martin was born at Castlewarren, the son of tenant farmer Martin Loughlin and his wife Margaret Hoylan. Learning of the discovery of gold in Victoria, Martin sailed on the *James McHenry* and arrived at Geelong in 1854 and joined the throng to the Ballarat diggings. Luck favoured him he struck ‘pay-dirt’ within a week. A series of further claims were even more lucrative and by 1863 he had become an investor in mining companies and moved into the fashionable Craig’s Hotel in Sturt Street. Apparently he led the proverbial bachelor’s existence drinking with other speculators and visiting the Mining Exchange, open day and night, where local share transactions took place.⁹⁰

Martin spread his investments becoming a part-owner in two Queensland stations, a large shareholder in banks and businesses. He purchased two Western District pastoral properties: *Glengower* and *Lake Menenia*. Closer to Ballarat he acquired an allotment, *Hope Farm*, named after his lucrative partnership in the Band of Hope mine. At *Hope Farm* he developed a large horse-racing stable. When he retired, Martin gave his horses to his friends. In 1890 he donated three oil paintings of English rural scenes by noted artists to the Ballarat Art Gallery.⁹¹ However he was modest in his donations to the Catholic Church. During his lifetime Martin gave small donations to the Redemptorist Fathers for their monastery in Wendouree and imported a splendid landau for Bishop James Moore, the builder of the Bishop’s Palace near Lake Wendouree. Martin designated in his will several minor bequests to Ballarat religious institutions: for maintenance of parish schools, to the Christian Brothers of St Patrick’s College, to the Order of the Sisters of Nazareth for their work with the destitute and another for their boys’ orphanage. By contrast Thomas O’Loughlin was to spread Martin’s legacy with largesse.⁹²

Unexpected riches were to profoundly change Thomas’ life. He purchased a substantial property at Sandfordscourt, North Kilkenny, where he settled his parents with two domestic servants and a farm hand. Apart from managing his inheritance, Thomas no longer needed to work. In 1896 he embarked on the fashionable Grand Tour of Europe – visiting Catholic churches and shrines in France and Italy, then joined the luxury steamship in Genoa, as a first class passenger, and sailed to New York. He toured Canada and the United States before arriving in Ballarat early in 1898. For the first six months he lived with the hierarchy at the Bishop’s Palace

⁹⁰ Austin McCallum ‘Loughlin, Martin (1833-1894)’ *Australian Dictionary of Biography* Volume 5 (Melbourne: Melbourne University Press 1974) 103-104

⁹¹ *The Advocate* June 7, 1890, 1

⁹² Will and Testament of Martin Loughlin January 10 1894, Loreto Province Archives, Ballarat

while redeveloping the three hundred and seventy five acres of *Hope Farm*.⁹³ He renamed this farm *Killarney* after the picturesque Irish town and home of St Mary's Cathedral which he later endowed. He wanted *Killarney* to become a showpiece and chose experts to achieve this.⁹⁴

Thomas began to live a rollicking existence at *Killarney*. Priests were lavishly entertained there. He held coursing competitions, racing parties and bridge evenings. He became the patron of the Irish Pipers' Band of Melbourne and his guests were often entertained with traditional Irish recitals. In 1906, as chairman of the Ballarat Reception Committee for the Irish Envoys, he welcomed Joseph Devlin and John Donovan at St Patrick's Cathedral Hall, donated £100 to their cause and was a generous host to the envoys at *Killarney*.⁹⁵ In the same year he was elected as the first president of the newly formed Ballarat Male Conference of St Vincent de Paul. The clergy considered that this was a step in the right direction as they feared that he would go the way of Martin. They encouraged him to think more carefully about the use of his inheritance. He donated a stained glass window for St Patrick's Cathedral and another for the Loreto Chapel, Mary's Mount.⁹⁶

Before coming to Australia, Thomas had devised an ambitious plan to build a church in Ireland. His first idea was to erect a church to replace the old chapel at Castlewarren where his family had worshipped. The new building envisaged by Thomas was too large for a country church. He was persuaded by the Irish hierarchy that a more fitting memorial would be to replace St John the Evangelist Church, in the town of Kilkenny.⁹⁷ Thomas signed a contract with a Dublin ecclesiastical and the final cost was estimated at over £50,000.⁹⁸ He took his religious obligations as well as his financial commitments seriously. Prior to the consecration of the St John the Evangelist Church he fasted at length and organised a High Mass in the Castlewarren Chapel for the repose of the souls of the Loughlin family. The new church, often referred to as the O'Loughlin Memorial Church, was consecrated in a lengthy ceremony from dawn to noon in June 1908. In addition to the archbishops, bishops, and the clergy officiating, the church was packed with

⁹³ *Light* (Ballarat) September 1969, 22

⁹⁴ *The Pastoralists' Review* November 16, 1909, 936-937

⁹⁵ *The Advocate* June 16, 1906, 13

⁹⁶ *The Advocate* December 20, 1902, 16

⁹⁷ Leo McAdams, 'Count Thomas O'Loughlin' *Old Kilkenny Review* 1975, Journal of the Kilkenny Archaeological Society New Series, vol 1 no 2 (1975) 105-117. The author states that building a church in Ireland was stipulated by Martin in his will. A copy of Martin Loughlin's will dated January 10, 1894, courtesy of the Loreto Province Archives, shows that this was not the case. It was an initiative undertaken by Thomas O'Loughlin after he inherited his uncle's estate

⁹⁸ Dorcas Birthistle, 'O'Loughlin Memorial church of St. John the Evangelist, Kilkenny' *Old Kilkenny Review* no 53 (2001) 103-123

city officials, dignitaries and parishioners as well as Irish-born Australian clerics attending. O'Loughlin was made a freeman of the city of Kilkenny and given the papal knighthood of the Order of St Gregory the Great with the title Chevalier O'Loughlin.⁹⁹

On returning to Australia, Thomas began an extensive programme of endowing local churches. By 1911 it was reputed that his benefactions had reached £75,000.¹⁰⁰ When visiting the Loreto Abbey, Ballarat he was introduced to an Irish nun from Kilkenny, Johanna Galavan, known as Mother Raphael.¹⁰¹ During their conversation she showed the Chevalier photographs, sent from Ireland, of her Murphy cousins. He was immediately attracted to Kathleen (Kitty), the fourth daughter to James Murphy and Julia Mackey, farmers of Ballybur Castle, Kilkenny. Kitty was educated at the Loreto Convent, Kilkenny and three older sisters entered the Loreto order. After her mother died, Kitty moved to Dublin with her father where she became a daily communicant and undertook voluntary work for the poor. She was known as a good organiser and scrupulous in money matters. Thomas visited Ireland to court her and they married at St John's Kilkenny in 1911. The Pope's wedding gift was to appoint Thomas as a Count of the Holy Roman Empire. He was the only Australian layman to receive this rank.¹⁰²

In 1915 Thomas made the decision to sell *Killarney* and purchased a three storey, forty roomed mansion in Studley Park Road, Kew. A favoured guest was Jesuit Rev William Hackett, a native of Kilkenny. He visited frequently when rector of Xavier College and later while establishing the Central Catholic Library. Thomas became his most influential benefactor and supporter, raising funds and paying the rent for the library's premises.¹⁰³ Both Thomas and Kitty became supporters of some of the Archbishop Mannix's pet projects ranging from buying new seating for the Queenscliff church (where Mannix took holidays) to supporting the Irish Distress Appeal of 1916.¹⁰⁴ Thomas also donated £1,000 towards building a chapel for the new residence Newman College for Catholic men, at the University of Melbourne.¹⁰⁵ At the same time Kitty formed a committee to raise funds for the Loreto sisters to establish St Mary's Hall as the Catholic women's college at the

⁹⁹ *Old Kilkenny Review* 1975, 113

¹⁰⁰ *The Advocate* June 3, 1911, 3

¹⁰¹ Mother Raphael was well known. Her recovery from a life-threatening disease was seen as a miracle attributed to Mary Ward, the founder of the Loreto Order, three hundred years earlier

¹⁰² *Old Kilkenny Review* 1975, 114

¹⁰³ Brenda Niall *The Riddle of Father Hackett: A life in Ireland and Australia* (Canberra: National Library of Australia 2009)154-155

¹⁰⁴ *The Advocate* March 27, 1924, 7 & September 9, 1916, 23

¹⁰⁵ *The Advocate* May 25, 1917, 14

university and the Count later endowed scholarships in her name.¹⁰⁶ The Count also gave £1000 to Sacred Heart Church, Kew, Immaculate Conception Church, Hawthorn, the chapel at Xavier College and the chapel at Loreto Mandeville Hall, Toorak where his daughters were students.¹⁰⁷

This is by no means a complete account of Thomas O'Loughlin's generosity to the Irish and Australian Catholic Church and it is clear that he had no problem purchasing the requisite number of shares necessary to become a director of CCI.

The Nolan family

At the first CCI Ordinary General Meeting of Shareholders held in Sydney on 8 January 1913, Count O'Loughlin was present for the election of two solicitors to the board. The first was Vincent Nolan and the second was John Joseph Nolan. Vincent was born in the gold mining town of Gaffney's Creek, Victoria. His father was a short, strongly-built migrant from Prince Edward Island, British North America. John was literate, tough and resolute. In the middle of the 1850s he made his way to the Upper Goulburn River in Victoria attracted by reports of rich alluvial gold deposits in the region. With a friend John Dempsey, he discovered a valuable seam and registered a claim as Dempsey's Reef in October 1859. During the summer months of 1860 the creek beds became unusually dry and the alluvial mining came to a standstill. Nolan and Dempsey sank a shaft and journeyed to Melbourne to invest in a crushing machine. The machine had to be made in pieces small enough for pack horses to carry to Gaffney's Creek. Their first crushing in July 1861 showed 1,500 ounces of gold from 100 tons of quartz. While the partners were in Melbourne, Thomas Gaffney from Roscommon, Ireland, discovered gold nearby in January 1860. He was credited by the Victorian Rewards Board as the first claim, and it was named Gaffney's Creek.¹⁰⁸

John Nolan may have considered that his gold was reward enough for he became friendly with Thomas Gaffney. In September 1862 he married Gaffney's sister, Kate, at St Francis Church, Melbourne as there was no church or visiting priest on the goldfields. Kate migrated from Ireland at the age of sixteen with her two older brothers and Vincent was the third of their seven children. With his siblings, Vincent received his early education at the Lauraville State School, housed in a small hall measuring 13 ft by 18 ft, at Gaffney's Creek. From the age of fifteen

¹⁰⁶ *The Advocate* May 27, 1927,16

¹⁰⁷ *The Advocate* March 30, 1918, 7, October 11, 1919, 13, September 22, 1927, 12 & November 3, 1927, 26

¹⁰⁸ Brian Lloyd and Howard Combes, *Gold at Gaffney's Creek* (Wangaratta: Shoestring Bookshop 1981) 6-7

Vincent worked as a pupil-teacher at the school until January 1890 when he moved to a city school, Richmond Central and enrolled at the Melbourne Teachers' College, completing his primary teaching qualifications in 1892. This was the year when many banks and building societies closed their doors and thousands of insolvencies shook the confidence of the colony.¹⁰⁹ The disasters of the depression were to multiply; public service retrenchment became widespread and the college closed in December 1893. Vincent obtained some short-term teaching appointments before becoming a Head Teacher in the small tin mining township of Koeting in the Upper Murray region. Unemployment was high and the population was transient. The School Inspector, John McOwan described Vincent as 'an able, zealous, and intelligent young teacher who conducts this school as well as can be expected under very disadvantageous circumstances.'¹¹⁰ The Education Department transferred Nolan as Head Teacher to three more struggling country schools. At each he acquitted himself with distinction and was credited with raising standards.

In 1903 Vincent returned to Melbourne to teach in temporary positions, was elected as the president of the Sixth Class (Primary) Teachers' Association and completed a Bachelor of Arts degree. He resigned from the department at the end of 1906. Perhaps his experience of the uncertainty of teaching tenures led him to study law part-time and he graduated in 1909 in the same class as the first female Catholic lawyer in Victoria, Anna Brennan. In 1911 he established a solo practice at Temple Court, Chancery Lane, Melbourne. Amongst his first clients was Mahon who asked for help in organising the Victorian registration of CCI and framing the first policies. For this he charged the modest fee of six guineas.¹¹¹ Vincent was part of the first generation of Australians born from Irish parents taking advantage of the educational opportunities available in a democratically inclined country and generously used his skills in support of CCI.

At the end of 1903 John Nolan retired as mine manager of Dempsey's Reef but remained a director and shareholder in the company and purchased a stately, stuccoed Italianate Victorian house, *St Comans*, Lisson Grove, Hawthorn. This was in one of Hawthorn's most fashionable avenues; a quiet tree lined street of homes in large gardens, with summer houses, tennis courts, coach houses, orchards and fowl yards. It became the residence for his immediate and extended family. In addition to John and Kate, were five adult children who did not marry. Hubert became a mining agent, Vincent, a solicitor, Josephine, a musician while Catherine and

¹⁰⁹ Vincent Patrick Nolan, *Teacher Records*, VPRS 13718 no 10897, Public Record Office Victoria

¹¹⁰ Vincent Patrick Nolan, *Teacher Records*

¹¹¹ Sydney Receipts and Cash Book, Accounts and Ledgers 1911-1914, CCI Archives

Maude ran the household. John's two brothers also lived at *St Comans* and were investors in Dempsey's Reef. Austin was a widower and a mining agent and Thomas, a commercial traveller. Vincent became a mentor to many aspiring Catholic solicitors, attended to the family's legal requirements and finances and after the death of Austin, took over his position as a director of Dempsey's. Vincent was community minded. In 1911 he became the President of the Hawthorn branch of the Australian Natives Association and a member of the Hawthorn City Council.¹¹² In these roles he was in an ideal position to promote CCI.

The Carroll family

The second solicitor appointed in 1913 to the board of CCI was John Joseph Carroll, affectionately known as JJ in later life. His close association with the company was to span fifty years. John, the first of eight children of William Carroll a baker in Dubbo and Mary McLaughlin, was born at Hartley, New South Wales. He received an early education at the Catholic school in Dubbo run by the Rev John Milne Curran, a Catholic priest and keen geologist. Later when Curran was a lecturer in mineralogy at the Sydney Technical School he officiated at the Carroll's wedding. At the age of fourteen John boarded at the Marist Brothers' school, St Joseph's College, Hunters Hill. As there were few schools in rural communities boarding school was the usual option for a secondary education. The Marists lived frugally and the number of teachers in the secondary department was low.¹¹³

During his years of boarding John passed his examinations with honours and was instrumental in founding and editing the college magazine *Our Golden Days*. After matriculating he was articled to a Dubbo solicitor and was admitted to practice in 1896. While working and studying in Dubbo, John developed a taste for journalism and took a prominent part in public affairs. He became a local correspondent with the *Freeman's Journal*, the *Sydney Mail*, the *Sydney Morning Herald* and Bathurst's *National Advocate*. He was the general secretary for the Catholic Church Parochial Committee, the Dubbo Literary and Debating Society, the local Dramatic Club and was on the committee of management for the District Hospital and the School of Arts.¹¹⁴ Carroll was a part of the growing Catholic laity who formed strong cultural leanings with literature and the arts. John married Eva Crick, daughter of English-born William Crick and Irish-born Margaret Mungovern, who had selected land near Wellington. Eva was born at Wentworth before her parents

¹¹² *The Argus* January 11, 1911, 5

¹¹³ Family Papers, Peter and Barbara Carroll, June 29, 2010 & Alban Doyle 'The Foundation of the Marist Brothers' *Journal of the Australian Catholic Historical Society* (Sydney: The Society 1972) 17-39

¹¹⁴ *Freeman's Journal* (Sydney) January 18, 1902, 12

moved west where she became one of the first boarders with the Sisters of Mercy at St Patrick's Girls College, Dubbo.¹¹⁵

Shortly after their marriage the couple settled in North Sydney and Carroll commenced practice at the Australasian Chambers, Elizabeth Street, Sydney. He became an authority on licensing and betting matters, although he was neither a drinking nor a sporting man. He acted for Chinese immigrants who settled illegally during the gold rushes and helped to secure their rights to stay. His first brief from the Catholic Church was to provide legal assistance for the Sisters of the Good Samaritan. Carroll undertook the legal work for the sale of their High School in Pitt Street which was demolished to make way for the Central Railway in 1901, and for the purchase of the Toxteth Park Estate, Glebe Point which became the mother house for the Good Samaritans.¹¹⁶

But it was through his wife, Eva that Carroll was able to connect with a wide range of religious communities and win their insurance for CCI. Eva was a CCI foundation shareholder in her own right, holding eight hundred shares. She was described as a leading Catholic hostess at the forefront in Catholic charity work in Sydney. 'Her name was to be found on committees of orphanages, hospitals, church functions and no one appealed in vain to her for any help.'¹¹⁷ Carroll's legal practice later led to a quip by Notary Public, Alfred Morgan, that Carroll made all his money out of sisters and Chinamen.¹¹⁸ In 1925 his son, Stanislaus joined the firm and it became known as JJ Carroll & Son. Stan was educated at the Marist Brothers' High School, Darlinghurst. He was a quiet, gentle, pensive and diligent man with a prodigious memory.¹¹⁹ His tasks included CCI business, specialising in property transactions, loans and mortgages. In 1926 he purchased one thousand shares in CCI.

Carroll was appointed CCI's official solicitor and paid appropriately for his legal services. During 1911 he worked on the first company prospectus and framed the Memorandum and Articles of Association for the company's registration in Sydney. In line with Mahon's stringent resolve that the affairs of the company were to be conducted with prudence and rigid economy, the Head Office of the company was registered as 28 Elizabeth Street, Sydney. This was in Carroll's own office.

¹¹⁵ *Freeman's Journal* (Sydney) June 19, 1941, 11

¹¹⁶ 'Story of the Institute of Good Samaritan' *Journal of the Australian Catholic Historical Society* 1954, 30-48

¹¹⁷ *Freeman's Journal* (Sydney) March 21, 1929, 20

¹¹⁸ Justin Fleming, *The vision splendid: a century of Carroll & O'Dea, 1899-1999* (Sydney: Carroll & O'Dea 1999)13

¹¹⁹ Justin Fleming, *The vision splendid*, 15

The first statutory meeting of shareholders was held in his chambers on 31 January 1912 and subsequent meetings of directors were held in his board room, in his presence, even before he was elected to the board. Thereafter the annual meetings were rotated between the legal offices of Nolan and Carroll. When CCI expanded and the number of shareholders grew, the Sydney meetings were held at Southern Cross Hall (Catholic Club) in the Catholic Federation's rooms in Castlereagh Street. These meetings were facilitated by the President of the New South Wales branch of the Catholic Federation, Patrick Scott Cleary, a foundation shareholder.¹²⁰

A clerical response to the formation of CCI

The response from Bishop John Henry Norton of Petersburg, Port Augusta, South Australia to the foundation of CCI was reserved. Before becoming a convert to Catholicism and later a priest, Norton had trained as an architect and had practised in Launceston and Melbourne. During his incumbency at Port Augusta he designed six brick and stone churches and the Bishop's House at Petersburg (renamed Peterborough due to the anti-German sentiments prevalent during the war). He had reason to be cautious as several of his earlier designed timber churches had been destroyed by fire. On 31 December 1921 Bishop Norton of Port Augusta transferred the diocesan insurance policies to CCI.

I am willing to cooperate as far as I can in the establishment of such a Company, provided it can be done on a solid financial basis. The capital of £50,000 appears to me hardly sufficient to meet the great risk connected with perhaps a million pounds' value of properties. I am afraid, too, that the general immunity from fire which at present prevails may not be so secure when the new company commences business. It is bound to meet with much opposition from existing companies, and incendiary may be set to work to ruin it in its earlier career. It is well to look at the question fairly and squarely from the beginning. The £10,000 may soon be exhausted by fires and other causes and then the calling in of the reserve liability fund. However, if the Cardinal and the Archbishops and the Bishops of Australasia can see their way clear to form the Company and to start business I promise not to be a deserter from the ecclesiastical camp.¹²¹

¹²⁰ Chris Cunneen, 'Cleary, Patrick Scott (1861-1941)' *Australian Dictionary of Biography*, Volume 8 (Melbourne: Melbourne University Press 1983) & additional notes supplied by Jeff Kildea

¹²¹ John Norton to Denis O'Haran May 17, 1911, CCI Archives

Conclusion

In 1911 CCI, having secured the patronage and co-operation of the Catholic hierarchy, was finally established. Mahon had organised the structure of the company so that it did not need to employ agents, pay commissions or advertise. It could dispense with the bulk of the usual expenditure. The significance of Mahon's contribution was that he almost singlehandedly carried the formation of the company from gestation to completion in the face of considerable hierarchical reticence. With little support and encouragement at all levels, Mahon devised and executed an enduring and viable business enterprise for the church. Mahon wrote to Archbishop Kelly that for success to be achieved 'the great essential is unanimity and the example of Your Grace in co-operating in this movement will have a great influence on its success in this regard.'¹²² The laity, who formed the Board of Directors of CCI, consisted of members of the upwardly mobile middle class, whose parents or themselves had benefited from the opportunities offered by the developing Australian colonies. With high levels of intelligence they had been educated with a strong sense of commitment to the Church, the common good and the marginalised.

Chapter Five examines the company's operations during the first years, including the difficulties in securing the patronage of many dioceses, priests and congregations and how the composition of an exclusively lay board of directors, led to significant local differences. A factor of particular interest was why the share register was altered to include further lay investors.¹²³

¹²² Hugh Mahon to Michael Kelly July 22, 1911, CCI Archives

¹²³ Hugh Mahon to Michael Kelly July 22, 1911, CCI Archives

Chapter 5: *Early stages of the development of CCI*

Introduction

This chapter explores how the company operated during the first six years through a review of CCI operations covering economic structures, shareholders, policy holders, management decisions and financial constraints. From this, it is clear that Mahon was a dominant, but careful manager, who set high standards. It identifies which sections of the Church joined the company through the numbers of shares and the policies purchased and an examination of case studies the early participants are identified along with their geographical distribution. This investigation helps explain what success was achieved. It demonstrates that CCI was initially a modest undertaking and that transition to the establishment of new company was a lengthy process.

Operations

CCI was designed to operate as a servant of the Church. All Church decisions, even of the smallest import, were handed down strictly and directly from the top but were subject to the informed, conscientious research and analysis by Mahon. In keeping with the hierarchy's stance on the importance of financial privacy, CCI maintained a blanket policy of not advertising or publishing news of annual reports, financial or company events or staff appointments. There were no published accounts concerning the statistical progress or operations of the company, in Catholic or secular journals or newspapers during the first thirty years of operation.¹ The annual reports were circulated only to CCI shareholders. During late 1910 and early 1911, Mahon, with the hierarchy's blessing, had personally interviewed each Australian prelate and obtained from many of them promises of co-operation in the project.² Circulars about how to apply for shares and policies were sent to all dioceses and to the religious groups operating in them.³ Every effort was taken to make the transfer to the new company for priests and religious as straight forward as possible. The circulars stated: 'Should your present policy or contract expire before the date of commencement, the Company will take over same as it stands on receipt of the usual premium and will issue an interim policy

¹ This statement was verified through an examination of the detailed indexes of two leading Catholic papers, the *Freeman's Journal* (Sydney) and *The Advocate* (Melbourne) and an exhaustive search through National Library of Australia newspapers online. The first brief mention of company results appeared in *The Argus* January 11, 1940, 7

² Hugh Mahon *The Catholic Church Property Insurance Company Limited-Its Formation, Operations and Present Position* 1917, CCI Archives.

³ Hugh Mahon 'Circular Letter' July 22, 1911, Series 0019/010, SAA

accepting all the conditions in the contract with the company whose policy you hold now'.⁴

The onus for spreading news about the company was effectively placed with the administrators of the dioceses, on behalf of the bishops. It became their task to promote the scheme internally, and to suggest to other Church entities that they make their own requests to insure with the company. Monsignor Coonan of Sydney remarked that letters and circulars were ineffective unless the Bishop of each diocese intervened.⁵ Mahon responded by pointing out that CCI could not prevent other companies from sending letters to priests but that CCI circulars were necessary for an additional reason, to solicit information about what buildings could be insured. He concluded with:

*If we have to employ canvassers to call on the clergy the expenses will, to a large extent, absorb the fund being accumulated for a bonus. Yet, without some such agency, or direction from His Grace the Archbishop, it is to be feared that a long time must elapse before the whole of the Church property will be insured with the Company.*⁶

In accordance with the hierarchy's wishes, Mahon directed that all marketing should be through internal Catholic channels. As an experienced journalist and politician, he understood the power of the press and achieved one concession from the hierarchy. He was granted permission to publish a piece about the Australian company's foundation in the 1913 *Austral Light*. This strict edict of retaining privacy was then adhered to until the emergence of a rival Catholic company, discussed in Chapter Nine. During the 1920s CCI inserted several disclaimers about the legitimacy of this new company in the *Australasian Catholic Directory*, which was only available to Church entities through subscription.

In his article, *Church Insurance from Within*, Mahon presented a strong case for an Australian Church scheme on the same lines as the Irish one. The title of his article was telling, as the new company was to be for and within the faithful. Mahon's approach was fulsome in its advocacy of CCI, but set in general terms:

The lesson derived from the conspicuous success of the Irish company could not be lost on observers in Australia. It was recognised that in this

⁴ Hugh Mahon 'Circular Letter' 1911, CCI Archives

⁵ Patrick Coonan's notes November 5, 1912, Series 0019/010, SAA

⁶ Hugh Mahon to Peter Murphy November 16, 1912, Series 0019/010, SAA

*country we had an even more spacious field for such an institution. Climatic conditions alone enforced the adoption of even wider measures for protection of Church property from fire than were required in Ireland. Bush fires and other causes of disaster, familiar enough to Australians, are quite unknown in the motherland. Then there is the position of the Catholic community here carrying the burden of two educational systems, 25% of the cost of state education and the whole cost of their own schools. Any reduction in the outlay in protecting church property throughout Australia would therefore be a welcome relief.*⁷

Mahon also wrote that, in his view, the company had left the 'beaten track'. This was a direct reference to how the tariff companies operated. The Catholic company would not employ agents and would deal directly with their clients by eliminating the middle man. Shortly after this publication, however, CCI signed a contract with Queensland Insurance which was a member of the tariff group and did employ agents. Through this association there were agents dealing with larger Catholic risks but Mahon's vision of a specialist insurer dealing directly with Church clients on favourable premiums of fifty percent was upheld in the new contract. Mahon further explained that the new venture was not in competition with any other company and that it did not need an elaborate internal management structure. This was, in fact, an understatement. For the first two years the firm was managed by one unpaid member, Mahon, with a little paid legal assistance from Carroll in Sydney, and a part time typist and a book keeper. At the first meeting of directors held on 6 August 1912 the board insisted that Mahon be reimbursed for his travelling expenses from May 1910 until December 1911 and he had reluctantly agreed.⁸ Prudent financial management was uppermost in Mahon's approach and was officially noted in 1912:

As happened in the case of the Irish company, the initiation of a new enterprise generally involves considerable expense, chiefly in remunerating brokers and agents for the disposal of shares. The promoters of the Australian Catholic Church Property Company broke new ground in this respect. The intervention of brokers for the sale of shares was not sought. It was determined that shares should first of all be offered to the Bishops, clergy and members of the religious communities and this was done by circular. Later on applications were received from the Catholic laity. In

⁷ Hugh Mahon 'Church Insurance from Within' *Austral Light* September 1, 1913, 770-774

⁸ Minutes of the Meeting of Directors August 6, 1912, CCI Archives

*this inexpensive way nearly 30,000 shares have been allotted to subscribers throughout the Commonwealth and New Zealand so as the entire proceeds from the sale have passed to the company's credit, without any deduction whatever. For over half a century, Catholics have been making huge contributions to the treasuries of outside companies without any appreciable return. This Catholic company enables us to stop this waste*⁹

The hierarchy were so delighted with this exposé that they ordered five hundred copies of reprints of the article for distribution to potential clients.¹⁰ But this remained the one and only published delineation about how CCI operated. In contrast, their Irish counterpart effectively used Catholic and secular journals and newspapers, in addition to frequent private circulars, to promote themselves. The Irish company placed advertisements and published references to annual returns and articles about annual meetings for the Irish Catholic Church Property Insurance Company in the *Freeman's Journal*, Dublin, the *Irish Daily Independent*, Dublin, the *Irish News*, Belfast, the *Irish People*, Dublin, the *Cork Examiner* and the *Irish Times*, which were all leading publications.¹¹

Financial structures

When CCI began operating in January 1912, Australia was in drought, interest rates were on the rise and the banks were making noises about tightening monetary conditions. In the 1911 printed prospectus for the company a subscription list was opened to raise sufficient capital to finance the venture. In the section of the prospectus covering Capital and Dividends Mahon explained:

The Irish Catholic Church Insurance Company commenced operations on a paid-up capital of £10,000; but has since found it desirable to call up an additional £10,000. It is anticipated that this company will have a much larger premium income than its Irish prototype and, therefore, carrying a greater aggregate risk, will need a larger paid-up capital from its initiation. In view of this fact, and also of the recent report to the Federal Government of the Royal Commission on Insurance, this Company's paid-up capital has been fixed at £20,000. The reserve liability of the shareholders is £30,000; and these two sums constitute the present security

⁹ Minutes of Directors August 6, 1912, CCI Archives

¹⁰ Accounts Ledger 1923, CCI Archives

¹¹ Valentine Irwin to Thomas Carr April 28, 1903, Correspondence Box 521/1, MDHC

*to policyholders that the Company will promptly meet any liability arising from time to time.*¹²

Under additional particulars Mahon had included that no consideration would be given for the purchase of property and that no sum whatever would be paid to any person as commission, bonus or reward for procuring subscriptions to shares.¹³ It was an ambitious scheme which relied on cooperation between the Church and the company. Success depended on a substantial number of the clergy and religious orders investing in the company's shares and taking out a sufficient number of insurance policies. CCI would operate by taking premiums from those wishing to insure as early as possible in the period of the insurance, generally for one year and invest those premiums, generally to mature over the period of the insurance cover. Then CCI would pay claims and remunerate its management.

The major risk for CCI was that an unexpected run of valid claims (plus the cost of management) would exceed the sum of the premiums and the investment income. This risk could be countered either by having a subscribed capital sufficiently large or by reinsuring those single claims which are so large as to pose a risk to the very business. A second risk was that investments could fail leading to the loss of capital and premiums. Mahon noted in 1914 that the outlay on reinsurance was growing with the expansion of the Company's operations and that this expenditure could not be prudently curtailed until the company's share capital had been significantly augmented.¹⁴

There were also external constraints. At the end of the 1914 report, Mahon wrote:

*The disturbed conditions arising out of the European war have necessarily influenced the policy of the Directors. Thus a much larger portion of our funds is retained on current account, owing to the possibility of depreciation in the value of securities. The same consideration operated against effectuating the direction given at the last annual meeting in respect to increasing the Company's capital. It is, however, confidently expected that during the present year the Board may safely exercise its optional power in this regard.*¹⁵

¹² *Prospectus of the Catholic Church Property Insurance Company of Australasia 1911*, CCI Archives

¹³ *Prospectus 1911*

¹⁴ *Table Two Revenue and Liabilities 1912-1931* (See Appendix 2)

¹⁵ *The Catholic Church Property Insurance Company of Australasia Third Ordinary General Meeting January 25, 1914*, CCI Archives

Mahon was clearly aware of the considerable risks connected with the wider political and economic climate. From inception CCI ensured that the premium income received exceeded claims paid by a considerable margin. The following figures are an analysis of the company's position after four years of trading. The sums under consideration are small and indicate that the uptake of shares and policies by the clergy and religious was modest leaving room for considerable growth. By 1915 CCI had a paid-up capital of £8,922. This capital reserve was to guard against the unwanted run of claims.¹⁶

During 1915 CCI paid £1,070 for claims from the gross premiums received of £6,202. Reinsurance premiums paid were £1,221. After bonuses paid to policy holders of £2,200, the net premium income received, amounted to £ 2,780. Claims were thus 38.52% of the net premium income. Side by side with this percentage were Mahon's careful investment strategies.

The company's funds were placed in the most conservative portfolio of investments by Mahon. For 1915 there were cash deposits in the Bank of New South Wales spread across three bank branches in Melbourne, Sydney and Perth. These accounts totalled £2,783. Fixed deposits were also made at the Bank of New South Wales in Melbourne and Sydney, each of £1,000. In addition CCI purchased stock (often referred to as inscribed stock or state and commonwealth bonds) held by the New South Wales Government at 3% £2,000, at 3½% £300 and at 4% £3,000. In the same year CCI purchased stock in Western Australian Government at 4% £4,800.¹⁷ Mahon could scarcely have selected for CCI a more cautious spread of investments. The Bank of New South Wales was the strongest bank of the time. Mahon's knowledge of government in Sydney, Melbourne and Perth was the impetus for the purchase of state government stock.¹⁸

Responses of clerical and religious shareholders

During 1912 a total of 280 parcels of shares were subscribed to in the first issue of CCI shares. Of these 171 were from New South Wales, 85 from Victoria, 11 from Western Australia, 7 from Queensland, a further 6 from South Australia and 1 from both New Zealand and the United States of America. Tasmania was unrepresented. An overwhelming number: 236 subscribers were purchased by parish priests. Subscriptions from religious orders numbered 21 (19 female orders and 3 male orders) and 30 were laymen and women. The geographical concentration of

¹⁶ Table Three *Capital Raising 1912-1936* (See Appendix 3)

¹⁷ The Catholic Church Property Insurance Company Annual Report January 22, 1916, CCI Archives

¹⁸ These figures are based on an analysis of the Annual Reports of 1912-1916, CCI Archives

shareholders in New South Wales and Victoria is largely explained by the fact that these states had the highest populations of Catholics, that the directors were drawn from these states, and that the location of the legal entity was Sydney and the head office was Melbourne. In Western Australia, CCI business was dealt with by the staff in the archbishop's office at St Mary's Cathedral, Perth. The presence of at least a few shareholders in the less populated state of Western Australia can be explained by Mahon's parliamentary representation of this state in the federal sphere, his contacts with government officials and his personal associations with residents on the goldfields.

Case studies – Western Australia

A foundation of Benedictine monks worked extensively with indigenous communities in Western Australia at New Norcia, eighty two miles north of Perth. The jurisdiction of New Norcia was independent of the Australian church hierarchy as it was designated by Rome as a separate Abbey Diocese. The monks built wells, bred horses, produced silk and olive oil and grew grapes, almonds, dates and carob. Under the jurisdiction of Bishop Fulgentius Torres their ministry extended to the developing wheat-belt east to the Southern Cross and north to the diocese of Geraldton. In 1908 Dean Patrick Phelan, a great supporter of CCI, visited New Norcia, then on the outskirts of civilisation. He found that the mission included ten churches, fifteen priests, forty-one religious brothers, seven sisters and three primary schools. Within the township of New Norcia, Torres extended the monastery, established a convent and a boarding school for Aboriginal girls, *St Gertrude's College* (under the Sisters of St Joseph of the Sacred Heart) and a training college for Aboriginal boys, *St Ildephonsus* (under the Marist Brothers).¹⁹

Phelan described the convent and girls' school as a magnificent building with little of its kind to approach it, except perhaps the Abbotsford Convent in Victoria. He explained:

*St Gertrude's Convent and College is a large structure, erected on the gentle declivity of a picturesque hill, which overlooks the monastery, it is of a modified Gothic design with extensive frontage and ample wings, between which and the main entrance, flanked by two imposing towers, surmounted by flag staffs, extend spacious colonnades, which will afford an agreeable shade and scope for recreation in the summer months.*²⁰

¹⁹ Clement Mulcahy, 'Torres, Fulgentius (1861-1914)' *Australian Dictionary of Biography* Supplementary Volume (Melbourne: Melbourne University Press 2005) 383-384

²⁰ *Austral Light* January 1908, 36

When CCI was established Phelan urged Mahon to secure the insurance of the multiple buildings within the jurisdiction of New Norcia. In the first instance only one parish, Our Lady of Montserrat at Southern Cross, was insured and this was by a secular priest, Rev Edward O'Malley. When Rev O'Malley was moved to Goomalling he insured St Isadore's Church and also persuaded the Presentation sisters, who were foundation shareholders, to insure their local convent.²¹

Amongst the earliest shareholders in Western Australia were two other religious groups, the Pallottine Fathers and Sisters of the Order of St John of God, who with linguistic skills and great physical energy, established missions for Aboriginals in remote communities. The Pallottines began their missions at Beagle Bay, about mid-point between Broome and the tip of the Dampier Peninsula. The first priest to participate in CCI was Rev Thomas Bachmair who purchased three hundred shares in 1912.²² Bachmair was appointed to Beagle Bay at a time when the mission suffered from many setbacks due to illness, the harshness of the land and a shortage of finance and human resources. Paperbark huts served as workshops, dormitories and prayer spaces. There were food shortages, no medical help and constant difficulty in communication with other mission stations at Broome and Lombadina. These missions could only be reached by small boats, bullock trains or donkey carts.²³

Bachmair was put in charge of large herds of cattle which were the economic base of the mission. For weeks, even months he would travel through vast areas with some indigenous helpers to dig wells, construct windmills and drive herds to safe places. He had a dream of building a substantial permanent church for the settlement, began drawing plans but had to content himself with erecting a simple iron and timber chapel. With the arrival in 1907 of nine sisters of the Order of St John of God to found a school and provide health care on the mission, Bachmair changed his focus and concentrated on providing for their needs.²⁴ Eight sisters of the Order of St John of God came to Western Australia where they established a convent and a simple wooden hospital at Subiaco, Perth and purchased CCI shares in 1913.²⁵ At Beagle Bay Bachmair built tin sheds with hessian covers on the windows for the sisters' accommodation and a larger shed as both a school room

²¹ Share Registers 1912-1914, CCI Archives

²² Share Registers 1912-1914

²³ *Historical story – Lombadina Mission*, MS Archives of the Australian Region of the Society of Catholic Apostolate (the Pallottines)

²⁴ www.cathcomm.org/aboriginal (accessed July 27 2010) and www.pallottine.org.au/dampier_peninsula.htm (accessed June 8 2009)

²⁵ Share Register 1912-1914, CCI Archives

and dispensary. Their leader was Bridget O'Brien (Mother Antonio).²⁶ She was well known to Mahon as she had worked in caring for sick miners on the Coolgardie/Kalgoorlie goldfields. She was a forceful woman who persuaded her superiors in Ireland that the proceeds from the sale of her father's house in Wexford (£180) should be put towards the needs of the sisters at Beagle Bay.²⁷

In 1913 a cyclone destroyed Bachmair's rudimentary church and school rooms. He revisited the drawings he had drafted years earlier and talked to the Aboriginals about their building a new church. All of the materials would have to be locally produced, the timber, the bricks, the mortar and the interior decorations. The community response was overwhelming. Day after day parties set off into the bush or to the coast to cut timber, cart sand, dig clay and gather broken shells for lime. In 1915 when the church was half built, Bachmair was transferred to a mission at Lombadina on the Dampier Peninsula, seventy-eight kilometres north of Beagle Bay. In July 1918 he heard news that the church was nearing completion. Without permission he rode fifty miles to help with whitewashing the last parts of the exterior of the church. He had been in poor health but he did not reveal how really ill he felt. Just a few days after the blessing of the new Sacred Heart Church, Bachmair died. His shares were transferred to the Pious Society of Missions, Broome.²⁸ The high and low points of the individual lives and communities that made up the Catholic community impacted on CCI as the number of subscribers increased.

South Australia

The low numbers of shareholders from South Australia related to the relatively small Catholic population in the state and to the specific way the hierarchy structured their property insurance. South Australia established an independent Church insurance model. Their business affairs were placed in the hands of the archbishop's secretary, layman Darcy George Woodards.²⁹ The Archbishop nominated Woodards as the company's representative, but neither the Archbishop nor Woodards purchased shares and consequently did not attend company meetings. His working career was unusual as he served as Secretary to four Archbishops: John O'Reilly, Robert Spence, Andrew Killian and Matthew Beovich and during their tenures dealt with only a handful of CCI fire policies. Woodards

²⁶ www.stmarysbroome.wa.edu.au/home/religiousd/kimberley_church_history (accessed July 24 2010)

²⁷ Mother Antonio also founded missions of St John of God in Broome, 1908 and Lombadina in 1913

²⁸ List of Persons Holding Shares in the Catholic Church Property Insurance Co 1918, SAA & Share Register 1919, CCI Archives

²⁹ This arrangement remained in place until Woodards retired in 1963.

was authorised to run a general insurance agency for the Church throughout South Australia from the Archbishop's House at West Terrace. He concentrated mainly on accident and life insurance and, through agents, insured Church properties. He was a member of the Catholic Church Endowment Society of Adelaide, the Archbishop's central fund.

Mahon visited Archbishop Robert Spence in 1917 and 1919 and again in 1921 to try and persuade him to transfer his fire business to CCI, but did not meet with success. In 1922 CCI the directors received correspondence from Archbishop Spence in connection with the possible need for registration of their company in South Australia. They decided to seek legal advice as to whether the company was considered to be carrying out business in South Australia and therefore needed to be registered in that state. The legal advice from Carroll confirmed that they could continue to work through Woodards while their dealings with the Catholic Church Endowment Society of Adelaide were of a small nature and did not need to register with the company.³⁰ Later in 1922 Archbishop Spence applied to CCI for a loan £14,785 @ 6% to which the directors graciously agreed.³¹ In return, the Archbishop purchased four hundred CCI shares through the Catholic Church Endowment Society of Adelaide. By 1929 CCI was paying Woodards an allowance of £25 per annum, but the company was not receiving any South Australian premiums.³²

It was not until 1936 that the Catholic Church Endowment Society of South Australia Incorporated invested in CCI and became a named shareholder. Woodards was honoured by two Popes: Pius XII awarded him the cross of St Leo and John XXIII with the Knighthood of St Gregory. The lack of general cooperation in South Australia, particularity from parish priests and religious orders where no parish or religious order purchased shares and only a handful took out policies, was an unexpected development for Mahon. It was surprising in the light of his close association with two influential South Australian Catholic laymen, federal parliamentarian and lawyer, Patrick McMahon Glynn and William Joseph Denny, state parliamentarian and lawyer, who both became CCI shareholders.

Mahon's initial response

In the first CCI Annual Report Mahon expressed disappointment that so much Church property was still on the books of other institutions as he had hoped for far greater participation and wider patronage. His aim was to see the operations of the company extended to every diocese and religious order in Australia. A difficulty

³⁰ Minutes of Meeting of Directors March 1, 1922, 6, CCI Archives

³¹ Directors' Minutes March 22, 1922, 7, CCI Archives

³² Directors' Minutes November 22, 1929, 69, CCI Archives

lay in the fact that each archdiocese or diocese parish property often belonged to archdiocesan and diocesan trust corporations. If the hierarchy had not made the move to participate in CCI then the parish priest had to follow hierarchical direction. Even though Archbishop Carr of Melbourne was a great supporter of Mahon many parishes in his jurisdiction remained with *General Accident Fire and Life Assurance Corporation* and with Queensland Insurance, for fire insurance but not reinsurance. This situation existed in Melbourne until after Carr's death in 1917.³³ The Archbishop wrote to Mahon in 1912 'I learnt from Fr McCarthy (Rev John McCarthy, the Cathedral administrator) that all the premiums on the property insured in the Queensland Company connected with St Patrick's Cathedral were paid on the 15th December last. Nothing can be done now till the end of the year.'³⁴ Only twenty nine of the sixty two parishes in Melbourne had joined CCI during the 1912 financial year.³⁵

A Scottish company, *General Accident Fire and Life Assurance Corporation* had opened branches throughout Australia in 1903. General Accident held the bulk of Church insurance for the dioceses of Maitland, Lismore and Wilcannia-Forbes and had acquired substantial holdings in other dioceses. The transition from secular enterprises to the Church entity was a slow process. In June 1911 four Victorian bishops from Melbourne, Sandhurst, Sale and Ballarat, had signed a letter with seven resolutions approving the formation of CCI. 'We are of the opinion that a most valuable asset, which is sure to be considerably increased within the next twenty years, will be secured to the Church by the operations of the proposed new Catholic Church Property Insurance Company.'³⁶

Carr purchased 1,000 shares and the suffragan bishops 500 shares each, but all were tardy in purchasing policies. The results for Ballarat were particularly disappointing to Mahon. Bishop Joseph Higgins was a friend and mentor of the Ballarat agent for General Accident, Edward Joseph Haydon, who was a prominent local Catholic. In spite of ill health Higgins had established ten new parishes, ten new convents and thirty new schools. Higgins wrote to Mahon that he had sent the new proposals to all of the priests in his dioceses but 'I anticipate that they may be slow to change from the Company in which they have insured under such favourable conditions until your Company is in full and prosperous operations.'³⁷ By the end of 1912 only

³³ Examples of fire policies held with these companies included Diamond Creek, Yarraville, Ferntree Gully & St Kilda, Parish Files, MDHC

³⁴ Thomas Carr to Hugh Mahon, December 15, 1912, CCI Archives

³⁵ CCI Company Statement October 15, 1912, 0009/015, SAA

³⁶ Minutes of meeting held at St Patrick's Cathedral, Melbourne June 27, 1911, CCI Archives

³⁷ Joseph Higgins to Hugh Mahon July 17, 1911, CCI Archives

two out of the thirty one parishes in Ballarat had ensured with the company.³⁸ Higgins' successor Bishop Daniel Foley wrote to CCI in 1917 'That he did not propose interfering with the discretion of the priests in charge of his various missions.'³⁹ In Mahon's personal notes there is a stinging draft response typed on the House of Representatives' letterhead.

*It is obvious that if 'the wait till we see how it gets on' attitude were generally adopted, there would be no company at all. Every district which abstains from transferring its insurance to the new company weakens the latter financially at perhaps the most critical moment of its existence. Moreover, such abstention injures those who do give their insurances to the Company. It reduces the capacity of the Company to return substantial bonuses to the policy holders. The Company with the larger income may have to pay more for losses by fire, but its office expenses will be about the same as the other. Hence, the refusal to patronise the New Company will entail on those who do insure higher proportionate expenses and a corresponding reduction in their bonuses.'*⁴⁰

In October 1912 Mahon wrote to Archbishop Kelly:

It will be observed that the Company's operations are at present confined to New South Wales, Victoria and Western Australia; and that even in these States its business is somewhat limited. In the Province of Sydney some 31% and in the Province of Melbourne over 58% of the parishes have transacted no business whatever with this Company so that their Church property is presumably being insured with, and premiums paid to, other Institutions. As to the many of the parishes which have placed insurances with this Company, there is reason to believe that the whole of the Church property therein is not covered by our Policies. With some exceptions, the principal Churches in the chief cities, the larger colleges, convents and schools are apparently protected by Policies of other Companies. The objection that most of these buildings are too valuable to be risked with a Company of such limited resources, is met by the fact that due provision has been made for reinsurance of any excess amount which it was not deemed prudent for this Company to hold. This deprivation of a large

³⁸ CCI Company Statement October 15, 1912, Series 0009/015, SAA

³⁹ Minutes of the Meeting of Directors October 31, 1917, CCI Archives

⁴⁰ Hugh Mahon *The Catholic Church Property Insurance Company-some considerations both affecting the Company and the Church Property which is being insured elsewhere*, undated, CCI Archives

*amount of anticipated support, while minimizing the Company premium income, had adversely affected its interests.*⁴¹

Encouraging church members to take out policies and invest in shares in the new company was a protracted process. In a confidential note to the hierarchy Mahon stated that only three hundred and thirty policies of a possible four thousand had been written.⁴² Mahon acknowledged that local insurance agents were often of great assistance in parish undertakings and that might have explained why some priests were disinclined to deprive them of their business. In Mahon's view this meagre response was deeply regrettable as the Church authorities were missing out on a share of the enormous profits which were passing entirely into the hands of private investors. He stated bluntly that the interests of those whose patronage is building up the company are not served by those whose support is withheld.

*From its comparatively small achievements may be appraised the possibilities of work in that larger sphere to which it will be advanced by unity of action on the part of the Trustees of Catholic Church property. In their hands, indeed, the destiny of the enterprise largely rests. Doubtless, we shall eventually secure their unanimous co-operation; and support will not be long delayed when there is a full realization of the potential unity of this institution for the promotion of Catholic interests in Australasia.*⁴³

One way to strengthen the financial status of the company was to appeal to the broader Church, the Catholic parishioners. At the outset it was planned that shares were to be offered only to Bishops, priests and members of Religious Orders. This became impractical by June 1912 when share allocations were not filled and the directors, all laymen, voted to offer the unissued shares to the Catholic laity. Mahon wrote:

No attempt has hitherto been made to secure the co-operation of the Catholic laity or the general public as shareholders in this Company, the shares being reserved (though not exclusively) for the Hierarchy, the Clergy and members of Religious Communities. The requirements of the latter appear to have been supplied by the present issue of shares. The Directors therefore intend to offer the unissued shares to the catholic laity. As shares are entitled to a cumulative dividend of 7½ per cent per annum, it is not apprehended that much difficulty will be encountered in disposing of

⁴¹ Hugh Mahon to Michael Kelly, October 26, 1912, Series 0009/015, SAA

⁴² Hugh Mahon to the Archbishops and Bishops March 31, 1912, CCI Archives

⁴³ *The Catholic Church Property Insurance Company of Australasia Ltd, Report of proceedings at the First Ordinary General Meeting of Shareholders* January 2, 1913, CCI Archives

*the unissued portion, or of raising the paid-up capital of £10,000 which the Directors consider ample for the present purposes of the company.*⁴⁴

Lay shareholders: men and women of Catholic action

By 1915 the number of lay shareholders had grown from thirty to fifty-four subscribers. The holders were committed Catholics and engaged in practical help for the Church. Many were the families and associates of the first directors. Their financial backing enabled the company to continue successfully from 1912 in the provision of insurance necessary for the effective running of dioceses, parishes, hospitals, orphanages and schools. The viability of CCI over the first years of operation owed a great deal to the faith in the company demonstrated by Catholic lay shareholders who shouldered the economic responsibility by investing in shares. They committed themselves to the company without the benefit of becoming either policy holders, thus sharing in CCI reduced rates, or eligible for charitable loans from the company. Both aspects were the central factors emphasised by the hierarchy to attract clerical patronage.

The following names of lay shareholders were identified through the Sydney Share Register and Cash Book 1911-1914, the Melbourne Share Register and the Cash Book 1912-1914, as well as the Minutes of Directors' Meetings and Annual General Meetings for the same period.⁴⁵ Their backgrounds and occupations were sourced externally through primary and secondary sources.⁴⁶

Amongst the shareholders were outstanding leaders of the wider community in the professions, the fields of business and in welfare agencies. There were also the quiet achievers – housekeepers for parish priests included Hannah Bridget Cregan in Ben Lomand, New South Wales, Julia Marr in Millicent, South Australia and Mary Ward in Bombala, New South Wales.

There were six solicitors. William Joseph Denny, lawyer and South Australian Labor Party politician, after purchasing CCI shares, he promptly enlisted and was sent to France. There he was wounded at Ypres while leading a convoy of bombs and ammunition and subsequently awarded the Military Cross.⁴⁷ The other solicitors included Bernard Gatzemeyer of Adelaide whose three brothers were priests and shareholders; Solomon Levey, a Jewish lawyer in Sydney (the only non-

⁴⁴ *The Catholic Church Property Insurance Company of Australasia, Progress Report for the half-year ending 30 June 1912*, CCI Archives

⁴⁵ These documents form part of CCI Archives

⁴⁶ Biographical profiles of the lay shareholders were researched through births, deaths and marriage certificates, census material and commercial directories

⁴⁷ Marilyn Lincoln, 'Denny, William Joseph (Bill) (1872-1946)' *Australian Dictionary of Biography*, Volume 8 (Melbourne: Melbourne University Press 1981) 287-288

Catholic on the register), Joseph Christie of Parramatta; Matthew Percy Daly of Sea Lake and *Tyrell House*, St Kilda; and John Gavan Duffy, a Victorian politician who in retirement conducted most of the legal business for the Church in Melbourne and was made a papal knight of St Gregory.⁴⁸

The only engineer to invest in shares was Edward Patrick Hollingdale, a member of a well-known Catholic Sydney family. He was the son of Edward John Hollingdale, watchmaker and jeweller, and Mary Freehill. He commenced his mechanical engineering career at Noyes Brothers and became a director and joint manager of John McGrath Pty Ltd in Sydney.⁴⁹ Hollingdale was prominent in New South Wales Catholic circles, serving on the boards of the Catholic Church Trust for the Archdiocese of Sydney and the Rookwood Catholic Cemetery, both insured with CCI. Hollingdale also became influential in the development of Lewisham Hospital established in 1889 by the order of Little Company of Mary in Petersham. In addition he assisted his aunt, papal Countess Eileen Freehill in her work for St John's College at Sydney University and with the Cerretti Chapel at Manly College.⁵⁰ In 1929 he received the papal title of Privy Chamberlain of the Sword and Cape and became a gentleman-in-waiting for the Melbourne Eucharistic Congresses of 1934 and later for the 1938 Newcastle congress.⁵¹

Hollingdale knew Mahon well as they were both directors of Mutual Life and Citizens' Assurance Company. In 1916 he wrote to Mahon requesting his help to gain a commission with the Army Medical Corps. This approach was ultimately unsuccessful as he was deemed to be employed in a protected industry. In the same letter he wrote 'Had a chat this afternoon with Carroll re Catholic Insurance Coy – intend to take up 500 or 600 shares. The concern in my opinion is good from all points of view.'⁵²

One Melbourne surgeon, William Joseph Newing took an active interest in the company over many years. Newing was educated at the *Christian Brothers College*, East St Kilda and was a contemporary of Mahon's sons at the school. In 1918 he enlisted in the Australian Army Medical Corps and served as a captain in France. At St Vincent's Hospital in Melbourne, where he worked for over forty years, he was remembered as a tall, military looking, distinguished figure. Some seven or

⁴⁸ John Grigsby, 'Duffy, John Gavan (1844-1917) *Australian Dictionary of Biography*, Volume 4 (Melbourne: Melbourne University Press 1972) 113-114

⁴⁹ Suzanne Welborn, *Freehills: a history of Australia's first national law firm* (Sydney: University of New South Wales Press 2011) 42 & 71

⁵⁰ *Catholic Weekly* December 13, 1956, 23

⁵¹ *Catholic Directory* 1930, 22, *The Argus* December 3, 1934, 7 & February 18, 1938, 2

⁵² Edward Hollingdale to Hugh Mahon, Papers of Hugh Mahon MS 937/122 February 10, 1916, NLA

eight years older than his contemporaries, due to war service interrupting his career, Newing's demonstrations of clinical findings impressed his students. His specialty was chest diseases, especially pulmonary tuberculosis from which he suffered as a result of his war experiences.⁵³ Mahon became one of his longstanding patients.

Other shareholders worked in a wide variety of businesses. Patrick, Michael and Mary Hennessy were members of the famous bakery firm established in Fitzroy by their father, James, which later became known under the Austral and Home Pride brands.⁵⁴ There was one grocer, John Thomas Murphy of Crown Street, Surry Hills, New South Wales. Patrick Hannan, a bachelor, was credited as the discoverer of Kalgoorlie, the richest gold field in Australia. He knew Mahon as his federal member and became a shareholder and generous benefactor to the Church.⁵⁵ Stuart Patterson of Kellerberrin Western Australia, holder of four thousand shares, was the publican of the beautiful Kellerberrin Hotel and a major donor to the first church at Kellerberrin, St Joseph's, opened in 1916.⁵⁶ An associate of his, Michael John Barry, a hotel-keeper in North Bundaberg, became a shareholder.

A prominent early shareholder in CCI was grazier, Emmanuel James Gorman who established *Nangunia Station*, Berrigan in the Riverina. Reputedly Emmanuel attended the school at Beveridge, Victoria with Ned Kelly. Gorman was a foundation member of the local branch of the Federation League, convenor of their first meetings held at Berrigan and Corowa and became Berrigan's first shire president. Gorman supported Cardinal Moran during his quest for federation.⁵⁷ The Loreto Sisters were strong supporters of CCI and insured their Melbourne foundations of St Mary's College, Parkville and Mandeville Hall Toorak with the company. In 1933 through the auspices of their solicitor Bernard Nolan, who was also CCI's solicitor, they were granted a loan of £5,000 to secure their Toorak property.⁵⁸ The Loreto sisters influenced some of their generous benefactors to become shareholders, including Edward John Doran, tramway superintendent in Sydney, brother of Rev Patrick Doran of Corowa and Hugh McCartin an auctioneer and owner of the *Commercial Hotel*, Leongatha, Victoria.

⁵³ Bryan Egan *Ways of a hospital: St. Vincent's Melbourne 1890s-1990s* (St Leonards: Allen & Unwin 1993) 142

⁵⁴ David Dunstan, 'Hennessy, Sir David (1858-1923) *Australian Dictionary of Biography*, Volume 9 (Melbourne: Melbourne University Press 1983) 262-263

⁵⁵ Geoffrey Blainey, 'Hannan, Patrick (1840-1925) *Australian Dictionary of Biography*, Volume 9 (Melbourne: Melbourne University Press 1983) 188-189

⁵⁶ www.kellerberrin.wa.gov.au (accessed July 8 2009)

⁵⁷ *The Argus* September 3, 1929, 6

⁵⁸ Minutes of the Meeting of Directors May 13, 1933, CCI Archives

There were two school teachers on the share register. Sarah Byrne taught at the Catholic Ladies College founded in 1902 in East Melbourne by the Sisters of Charity. In 1929 she became a founding staff member St Anne's Hostel, Carlton, run by the Daughters of Charity of St Vincent de Paul.⁵⁹ This was a hostel and club for Catholic working girls who received little remuneration and otherwise would have been compelled to live in boarding houses. The hostel catered for a hundred residents mainly from the country. Amongst them were students, clerks, stenographers, teachers, domestics and hospital workers. On the top floor in St Anne's Hall, the Daughters established a library, reading room and lecture theatre and invited speakers to address the girls in the evenings, not just on religion but about current social concerns. It is clear that these early lay supporters of CCI were civic minded.

The second teacher shareholder, Teresa Magner, was an outspoken and independent thinking person. Her parents were Irish and her father a boot maker. Teresa had contributed a paper for the Third Australasian Catholic Congress held in Sydney in 1909. Her essay *The Training of an Australian Girl* was delivered by Annie Golding at the Sacred Heart Convent, Rose Bay with Cardinal Moran presiding. In 1903 Teresa was appointed by Archbishop Carr as the first directress of *Girls' Club*, Cathedral Hall in Melbourne, established to provide a Catholic meeting place for young girls in employment.⁶⁰ In the same year she published a piece on the *Education of Girls* where she delineated that, women who had been taught in an old fashioned way with an emphasis on refinements had become successful in spite of the teaching they had received.⁶¹ Teresa was a progressive educationalist but was against women's franchise. She wrote a paper on *Women's Rights* in which she stated that it was foolish for women to agitate for voting rights or for a seat in parliament. She described women's roles as comforters, helpers and trainers of the next generation.⁶² From her perspective it was the method of teaching and how the child's faculties were trained which were of the most importance, ideas she shared with Peter Board and the New Education Movement.⁶³

Women's organisations have forced the Government to do many things that might otherwise be left undone, whether it is providing better

⁵⁹ *The Catholic Press* November 28, 1929, 2

⁶⁰ *The Advocate* May 30, 1903, 16

⁶¹ *Austral Light* July 1, 1903, 482-485

⁶² *Austral Light* September 1, 1903, 639

⁶³ Peter Board, inspector of schools gave evidence to the Royal Commission on Education in 1904 about new developments he had examined overseas. In 1905 he was appointed the Director of Education in New South Wales and undertook comprehensive reforms in both the primary and secondary sectors.

*accommodation for the nurses in its hospitals or establishing a Children's Court. It is out-of-date now to discuss the question of women in politics; the fact remains that she is there and should be prepared for the position she must take. The majority are not fitted to fill this position, and it remains for the Church to examine and remedy the defects of her education.*⁶⁴

After her time in Melbourne Teresa became a secondary teacher in girls' schools. She worked firstly with the Sisters of St Joseph at the Sacred Heart Convent, Goulburn and moved to their St Joseph's Convent School at Gunnedah, finishing her teaching days at the Sacred Heart Convent School at Inverell. This was run by the Sisters of Mercy and the Teresa observed that the Sisters were often hampered by the lack of books and school materials and were working against great odds.

*The Religious orders are realising the innumerable problems that remain to be solved and the ever-increasing work ahead, but they cannot do everything single-handed. The Catholics who can afford it, must wake up to their responsibilities, must do something, and must keep on doing it, for education is no petty craze of the day. The teacher works for time and eternity.*⁶⁵

Teresa's contribution was to become a CCI shareholder. She purchased one hundred shares in 1915.

One of the key early drivers in expanding CCI's business in Victoria was lay shareholder Pierce Cody. He was described by Archbishop Mannix as an exemplary Catholic and a splendid citizen.⁶⁶ Cody was the oldest son of nine surviving children of Richard Cody and Maria Dunphy. He was born at Inistioge, Kilkenny, Ireland where his father worked a small farm at Old Court and ran the Woodstock Arms Hotel, the post office and grocery store in the village. Catholic devotions were central to the Cody family with two of Pierce's sisters becoming Presentation Sisters in Ireland. Pierce attended *St Kieran's College* before joining his father in business. He expanded the grocery store and became a wine and spirit merchant. In 1888 he married Anastasia Galavan and their first child, May, was born in Inistioge, Ireland.

Cody was a capable and astute businessman and keen to make his own mark. With his father's blessing he set out with Anastasia to Australia to make his fortune. The

⁶⁴ *Proceedings of the Third Australasian Catholic Congress*, 26 September – 3 October 1909 (Sydney: William Brooks & Company, 1909) 201

⁶⁵ *Proceedings* 1909, 208

⁶⁶ *The Advocate* October 4, 1923, 18

journey through the Red Sea was extremely rough and hot and Pierce feared for Anastasia's life as she was six months pregnant with their second child, but they all arrived safely in Melbourne. In 1905 Cody wrote to his family 'I remember well when our plans were maturing to embark for Australia, father encouraged me on its material prospects and impressed upon me that we could serve the same Almighty Lord in Australia as in Ireland, that important trust has been faithfully carried out in the past and we shall not in the future swerve from the path of rectitude.'⁶⁷ Cody remained faithful to the Church and his Irish connections. In Melbourne he joined the St Patrick's Society, a confraternity founded in 1842 by Rev Patrick Bonaventure Geoghegan. The group aimed to unite all Irishmen, irrespective of religion or politics, to foster good fellowship and for social and philanthropic causes.⁶⁸ In 1883 Cody was the delegate for the St Patrick's Society at the Land League Convention held in St Patrick's Hall presided over by Dr Kevin Izod O'Doherty MLC and President of the Brisbane Branch.⁶⁹

In 1912 May, his eldest daughter entered the Loreto order and became Sister Mary Pia Cody.⁷⁰ Cody became a staunch supporter of the Loreto Sisters, often upgrading their travel tickets to first class.⁷¹ He was a generous supporter of the Kew parish, contributing funds for a new church and a stained glass window.⁷² Clearly the Cody family's roots in the Catholic Church and Ireland were strong. When Count Thomas O'Loughlin took leave to travel overseas Pierce Cody took his place on the CCI board and when Mahon also took leave to attend to CCI business overseas, Cody became the acting chairman of the CCI board.

A leading lay shareholder in CCI and close friend of Mahon was journalist, Tighe Ryan. He was editor of the weekly *Catholic Press* in Sydney from 1897-1922. Three of Ryan's sisters had entered the religious life and the *Bulletin* regarded him as a priest in all but ordination as he never married and lived with his mother and was a dedicated worker for the Church. The *Catholic Press* supported Home Rule for Ireland and called for a fairer distribution of wealth and political justice for the Irish nation but it was the fight against conscription that became Ryan's great

⁶⁷ Pierce Cody December 24, 1905, MS Roth House Historical Society Kilkenny, Ireland

⁶⁸ Denis Francis Bourke, *A History of the Catholic Church in Australia* (Melbourne: Catholic Bishops of Victoria 1988) 10

⁶⁹ Nicholas O'Donnell, *Michael Davitt, Land League Ireland* undated MS Nicholas O'Donnell Collection, St Mary's College and Newman College Academic Centre Melbourne

⁷⁰ *Biography of the Cody family of Old Court*, undated, MS Roth House Historical Society, Kilkenny, Ireland

⁷¹ Theresa Elliott *Resting Beneath the Rainbow* (Normanhurst: Loreto Normanhurst 2007) 63

⁷² *The Argus* December 16, 1918, 8

crusade in the paper.⁷³ In 1916 Ryan wrote to Mahon ‘The censor has instructions to tie me up. Every reference to Ireland must be submitted. There must be no criticism of Hughes, no discussion of his intentions, Billy is a dictator.’⁷⁴ Ryan was decorated with the Cross Pro Ecclesia et Pontifice for his literary services for the Church.

His successor as editor, Patrick Scott Cleary was also a CCI shareholder. Cleary was an advocate of Irish affairs but was considered to be more measured in his writings than Ryan.⁷⁵ Cleary was the president of the Catholic Recruits’ Assistance Committee established in October 1915. This group set up tents in military camps around Sydney to provide community centres to enable Catholic soldiers to hear mass, receive the sacraments and support one another.⁷⁶ In December 1920 a papal knighthood of St Sylvester the Great was conferred on him.

Offices and staff

In 1912 the first CCI office in Melbourne was in rented premises in the Mercantile Chambers, Collins Street, but this was short lived. In July they moved to Oxford Chambers, Bourke Street (where Gresham had their offices), in 1919 to Arnott House, Queen Street, in 1923 to National Mutual Buildings, Collins Street and in May 1926 to more commodious offices in the Metropolitan Building, Queen Street, where they remained until 1936. Mahon was in charge in every sense. He kept expenditure to a minimum and shouldered most of the workload. Much of the company’s information was in his head and apart from the share register and statutory regulations, he committed little to paper. He wrote copious scribbled notes in pencil, often in shorthand, on the back of the Parliamentary Library’s notepaper. In October 1912 Mahon engaged the services of Henry John Chadwick, a fellow parishioner at St Joseph’s East Malvern, as his book-keeper at £2/10/0 a week. In November he employed Mary Conway as his typist at 10/- a week. In repose to a request concerning the early history of CCI Mary wrote the following which situates CCI within its immediate domestic Catholic context:

I knew Mr Mahon’s family as my mother’s friends. Just as I completed my Commercial Course at Zercho’s Business College, (the college was founded by Frederick William Zercho in 1906 and by 1911 when it moved to Collins Street was the largest business college in Australia). Mr Mahon

⁷³ Michael McKernan, ‘Ryan, John Tighe (1870?-1922)’ *Australian Dictionary of Biography*, Volume 11, (Melbourne: Melbourne University Press, 1988) 494-495

⁷⁴ Tighe Ryan to Hugh Mahon, Papers of Hugh Mahon, MS 937/237 September 13, 1916, NLA

⁷⁵ Chris Cunneen, ‘Cleary, Patrick Scott (1861-1941)’ *Australian Dictionary of Biography*, Volume 8 (Melbourne: Melbourne University Press, 1981) 20-21

⁷⁶ Archbishop Kelly Correspondence Series 0009/015 July 22, 1916, SAA

told me and Mum about his idea of beginning CCI, and asked if I might help as a typist. I accepted this in preference to a choice offered by Mr Zercho, knowing that I was going to Sacred Heart Boarding School, Geelong to do two years of Secondary Studies prior to entering the Sisters of Mercy Novitiate, then at Ascot Vale. Mr Mahon gave me the correspondence and the filling in of the first policies. So it was my privilege to formulate and type letters to Church Dignitaries, introducing the new firm and often to meet them as they, almost daily called to interview Mr Mahon. Our office with three workers was in a basement under Lonsdale Street (this was part of the Bourke Street offices).⁷⁷

Mahon's style was to deal with the clergy and religious on a case by case basis and make decisions about their policies on the run. Apart from one confidential note to the Bishops accompanying his Progress Report, dated 11 April 1912, Mahon used the Annual Report as his chief means of communication with shareholders. It was not until 1918 that Mahon addressed a meeting of the Bishops about the status of the company. At the suggestion of Michael Meagher, Mahon organised a function for all of the board members to welcome the hierarchy who were holding a conference in Melbourne. Mahon described this meeting and hospitality which followed as 'satisfactory' but was in no great hurry to repeat it.⁷⁸ Although he preferred to keep a low profile and beaver away on his own, Mahon was compelled to produce statutory financial reports, which he did faithfully.

In 1911 Mahon appointed a public accountant Albert Wilhelm Borchard, Equitable Building, George Street, Sydney, to assist in framing the financial details for the first prospectus. Unfortunately Mahon misspelt Borchard's name and wrongly stated his qualifications in the prospectus. Apparently this faux pas was not overlooked by Borchard and Mahon subsequently engaged the services of a local firm, Strangward & Shackell, Commercial Union Building in Collins Street, Melbourne, to prepare the financial statements for 1912. Mahon was friendly with Robert Henry Shackell, who was secretary of the Malvern-Prahran Railways Trust. But the choice of this firm was a mismatch – the majority of Strangward & Shackell's work was with the Baillieu family's mining conglomerates directed through their head office, Collins House in Melbourne. Mahon chose two Catholic accountants, Francis Edward Dixon, Collins House, Collins Street, who audited the books from 1913-1915 and Thomas Bowden, Flinders Street, who undertook the

⁷⁷ Sister Mary Sabina Conway to Christopher O'Malley October 23, 1979, CCI Archives, Sister Mary Sabina Conway celebrated her Diamond Jubilee in 1979 as a Sister of Mercy, having served in Lilydale, Victoria, and Burnie, Tasmania

⁷⁸ Minutes of the Meeting of Directors October 8, 1918, CCI Archives

task in 1916 and 1917. Minimalism in both numbers and cost was the main criteria by which Mahon chose his staff and offices. Personal knowledge of a prospective staff member or his family connections formed Mahon's decisions in these matters.

Board member and shareholder Carroll was given the role of running the New South Wales side of the business. Carroll's approach was not sophisticated and provided a modest beginning. He worked with two exercise books using one for the cover notes and policies and the other for cash transactions in which he recorded the shareholders at the front and the expenses at the back. Mahon kept a large leather bound register of all the claims in the Melbourne office and Carroll sent him the details of those that he handled. On 30 June 1912 Carroll was paid £60/19/6 for legal costs and for his Sydney agency charges. In 1922 when Carroll moved his law offices to the seventh floor of Cathcart House, Castlereagh Street, CCI moved offices with him. In 1929 Pope Pius XI recognised Carroll's work in the church with a papal knighthood in the Order of St Sylvester the Great.

Recognition of Hugh Mahon's work for the Church

In contrast to fellow board members and prominent shareholders, Mahon was not openly recognised for his contributions to Catholic life by the Australian hierarchy, either through papal decorations or local Catholic tributes. Mahon did, however, receive a strong personal commendation and affirmation about the work of the company from the first Apostolic Delegate of Australasia, Bonaventura Cerretti. The new appointee came from a distinguished family in Orvieto, south western Umbria in Italy. At an early age Cerretti entered the Vatican seminary in Rome where he completed a brilliant course in ecclesiastical studies, gained two doctorates, one in philosophy and theology and another in canon and civil law. Cerretti was a proficient linguist and an adept diplomat, skills which he had honed during placements in Mexico and Washington. As a representative of the Pope, Cerretti regarded his role in Australasia as ambassadorial, national and independent of local bishops.⁷⁹ This placed him in conflict with Archbishop Kelly who considered that all Catholic clergy were under his jurisdiction.⁸⁰ Mahon was invited to attend a special private luncheon with leading New South Wales politicians and prominent Catholic laymen on 6 October 1915 to welcome the new delegate.⁸¹ The next day Cerretti wrote a letter by hand to Mahon:

⁷⁹*Advocate* (Burnie) May 10, 1933, 7

⁸⁰ Patrick O'Farrell, 'Kelly, Michael (1850-1940)' *Australian Dictionary of Biography*, Volume 9, (Melbourne: Melbourne University Press, 1983) 558

⁸¹ Hugh Mahon Papers MS 937/371 October 6, 1915, NLA

I have examined the booklet you were good enough to send me in connection with "The Catholic Church Property Insurance Company. The statement of accounts furnished by the Auditor and Directors show very conclusively that the Company is flourishing and under excellent management. The company, which from its foundations enjoyed the support of the late lamented Cardinal Moran, supplies a want, and is of immense advantage to the Catholic Church in this country; consequently I am not the least bit surprised to learn that many members of the Hierarchy encourage it in every way. I do not for a moment hesitate to recommend it to the Bishops and to those in charge of religious institutions in Australia. The (Apostolic) Delegation (Edward Street, North Sydney) has been insured by the Catholic Church Property Insurance Company.⁸²

Mahon's remuneration

Mahon's hard work to secure the financial success of the company was often taken for granted by the hierarchy. Henry Chadwick, CCI's bookkeeper, wrote a letter to Mahon in 1916 expressing his outrage that Mahon had been refused back payments by the company's auditor, Francis Dixon. Apparently the subject had not been documented by the bishops and Dixon was awaiting confirmation. Chadwick expressed his strong indignation:

The matter of arrears of salary to the Managing Director I consider ridiculous. How many reputable businesses change hands, where the former Managers or Heads are paid large salaries for the retention of the trade name and I venture to say that if there had been no Hugh Mahon there would not have been any Catholic Church Insurance Company, nor the Company retain its business as it has done up to the present; and the salary paid has been returned tenfold to the policyholders and shareholders by bonuses and dividends derived from the fact of the Company being in existence.⁸³

The only extant records concerning Mahon's remuneration are entries in a cash book dating from December 1912 to December 1914. These indicate that Mahon claimed expenses only during this period.⁸⁴ He may well have later been paid a salary but this information is not documented in annual reports or the minutes of directors' meetings. Mahon was a stickler for detail and it is likely that he had a

⁸² The Apostolic Delegate's official letter was incorporated in the 1915 Annual Report, CCI Archives

⁸³ Henry Chadwick to Hugh Mahon August 20, 1916, CCI Archives

⁸⁴ Cash Book 1912-1914, CCI Archives

personal confidential arrangement with the hierarchy. That Chadwick knew of an arrangement suggests that Mahon had let the matter of arrears in pay, slip past on purpose. In February 1915 Mahon wrote to Archbishop Kelly that he had not drawn any salary since the end of July 1914 and did not intend to do so during the continuance of the war, describing his approach as a ‘self-denying ordinance’.⁸⁵ During the economic constraints of the war, Mahon had developed almost an obsession to serve the best interests of the company before his own.

Expansion of staff – the Downey dynasty

With the business slowly expanding it was time to increase the number of CCI staff members. On 29 June 1917 the board asked Mahon to reorganize the Melbourne office and employ an accountant. Mahon’s choice was Esmond Foley Downey. It heralded the arrival of a dynasty as Downey in turn recruited members of his extended family. The first was his brother-in-law Ted Ryan who was appointed the company’s auditor and served in this role from 1918-1934. Ted was educated at *St Patrick’s College*, East Melbourne and established an accountancy firm in Collins Street, where he floated several innovative companies, one involved with sulphates and the other with water filtration. ‘With his ease and charm of manner anyone who ever met Ted could not but be impressed and the more so as he appeared to be quite unconscious of his natural gifts. Hence his success, he was welcome wherever he went.’⁸⁶ The second appointee was Alphonse Carew Ryan who was also Downey’s brother-in-law. Alphonse, like his brother was educated at St Patrick’s and had entered the seminary before taking up accountancy. He was appointed to the staff of CCI in 1925 and was later transferred to Sydney as the company’s representative and agent. Before his transfer, Alphonse married Eileen Kennedy who had been Downey’s secretary for ten years.⁸⁷

Downey was born in Malvern, one of five children of Irish immigrants. His father, Goodwin Carleton Downey was a non-Catholic from Belfast and his mother Matilda Foley was a Catholic from Cork. The couple married at St George’s Church, Carlton. Their first children were twin boys. They named the first born Gladstone after the English Prime Minister who introduced the first Irish Home Rule Bill and the second, Esmond, after an Irish politician, Sir Thomas Esmonde who spelt his name slightly differently. Sir Thomas Esmonde, with John Dillon MP and John Deasy MP, were members of the third Irish delegation which toured Australia in 1889 raising £30,000 in support of Irish tenant farmers who had been

⁸⁵ Hugh Mahon to Archbishop Michael Kelly February 19, 1915, SAA

⁸⁶ *The Patrician* December 1938, 10-11

⁸⁷ Francis Kennedy on behalf of her sister Eileen to Lawrence Moran June 10, 1957, MDHC

evicted.⁸⁸ Goodwin worked as a warehouseman for Craig Williamsons' Department Store in Elizabeth Street, Melbourne and made regular visits to the United Kingdom as a buyer for the firm to procure merchandise. The boys attended the *Christian Brothers College*, East St Kilda and walked there and back from their home in East Malvern. This was the best part of four miles each way.⁸⁹

The Downey and Ryan families had strong Irish roots and were well known to Mahon as they were members of his own parish, St Joseph's East Malvern. The two families were involved in the choral society and parish fund-raising activities. At the age of fourteen Downey left school and became a junior clerk at Equity Trustees, Queen Street where he worked for fourteen years while studying accountancy at night. According to the Victorian Catholic Directory:

*His scholastic course was a brilliant one and he showed remarkable aptitude in mathematics and commercial principles. It is not surprising therefore that he has distinguished himself in commercial circles. He holds the Diploma of Commerce from the Melbourne University and has passed all the leading accountancy examinations of the state.*⁹⁰

Downey was keen to establish his own accountancy business. In his letter of offer, Mahon couched his terms carefully, ensuring that as Managing Director he could assess Downey's private business role and the company's role on a regular basis: "Private Practice – Subject to the efficient conduct of the Company's business by you, as to which the Managing Director will be the sole judge, and to the prior approval of the Managing Director, in each instance, you will be allowed private practice as a certified accountant."⁹¹ Downey accepted but added 'I shall be pleased if the Directors will see their way at an early date to have my position defined as that of Secretary to the Company.'⁹²

In October 1917, Downey was appointed as Public Officer and Secretary to CCI. During the next twenty-five years Downey ran his own accounting office within CCI. His clients included many Catholic religious congregations and there was significant synergy between his private work and that of CCI. He became adept at handling Church clients and was an asset in securing new policies. In particular Downey held an influential post as Public Accountant and advisor for the Roman Catholic Church Trusts Corporation for the Archdiocese of Melbourne. In 1923

⁸⁸ *Austral Light* April 1, 1916, 218

⁸⁹ Downey family manuscript and notes September 15, 1977, CCI Archives

⁹⁰ *Victorian Catholic Directory* 1928, 72

⁹¹ Hugh Mahon to Esmond F Downey Papers of Hugh Mahon, MS 937/53 August 9, 1917, NLA

⁹² Esmond F Downey to Hugh Mahon Papers of Hugh Mahon, MS 937/54 August 11, 1917, NLA

Downey advised the Loreto Sisters against buying a property in Parkville for their new Catholic college, *St Mary's Hall* at the University of Melbourne. His concern was based on the grounds that the order might be held accountable for debt if changes were made in ecclesiastical authority. Instead he recommended that the property should be owned by the Roman Catholic Trusts Corporation. The trust would be responsible for repairs, rates, and fire insurance with CCI, relieving the order of considerable expenses. This position was not reversed until during the 1930s depression when the order took over the responsibility for these items in 1932.⁹³ In a similar way during 1934, Downey negotiated with the Building Surveyor of the city of Melbourne on behalf of the Roman Catholic Church Trusts Corporation to enable the Fathers of the Blessed Sacrament to build a new monastery adjacent to St Francis Church, Lonsdale St, Melbourne.⁹⁴

Modest beginnings

By 1916 a large proportion of Church property still remained insured with secular companies. Mahon wrote of his frustration to the Bishops. The company had been unable to secure the co-operation of the many dioceses, for example, Adelaide, Port Augusta, Ballarat, Brisbane and virtually all of Northern Queensland. He observed that the company's rates of premiums were identical to those enforced by other fire insurance companies operating in Australia. In addition to the rebate, Mahon pointed out that the company granted concessions not extended by other companies. For instance, the company kept insured properties on which the premiums were overdue from three to nine months.⁹⁵ Mahon wrote in the 1917 Annual Report that 'The Company could handle a much larger volume of business without materially adding to its expenditure. Increased business would mean increased bonuses with corresponding lightening of the growing burden borne by the Catholic community. It is earnestly desired that the potential usefulness of the company in this connection may be more widely recognised in the immediate future.'⁹⁶ In 1912 Mahon wrote to Archbishop Kelly that:

Every effort has been made by letters and circulars to arouse interest in and co-operation with the objects of this company. But our inability in so many cases to evoke a response, even to postage prepaid requests for information, raises doubts whether any appreciable results will accrue

⁹³ Private Papers of Brian Fleming, Rector of Newman College, August 11, 1983, Newman College Archives

⁹⁴ Esmond F Downey Public Accountant, to Building Surveyor, Town Hall Melbourne, July 25 & August 21, 1934, VPRS11200/P4, Unit 152, Item 18579, Public Record Office Victoria

⁹⁵ *The Catholic Church Property Company Limited Its Formation, Operations and Present Position 1916*, CCI Archives

⁹⁶ Managing Director's Report, note 4, 1917, CCI Archives

*from a continuance of this attempt to enlarge the Company's operations. As the limits of voluntary action appear to have been reached, it is suggested that agents should be employed to canvass for business in the various parishes. But this course is contrary to the original directions given by their Lordships of the Sydney province when the Company was first projected. Moreover, since payment of agents would materially deplete the fund accumulated for a bonus to Policy holders, it would be scarcely fair to those who, having transferred their business without the intervention of agents, relieved this Company of all expense in connection with it.*⁹⁷

Clerical support

A handful of priests in religious orders purchased shares but did not become policy holders. Individual priests had to make their own decisions on a case by case basis. A typical example was the first Carmelite shareholder in CCI, Prior Robert Power of Albert Park.⁹⁸ According to *The Advocate* 'He was a Dublin Irishman with the wit of a Frenchman with occasional lapses into rollicking Irish humour. It is a matter of history that he once took off his socks in the street and gave them to a poor man. The sisters who looked after the monastery laundry knitted pair after pair of socks to replace his derelict footwear. In vain they were never seen again.'⁹⁹

Geographical isolation was a potent force endured by priests in remote areas, particularly during the severe droughts when community resources were spread thinly and parishioners were struggling. The widely known priest-poet, Rev Patrick Joseph Hartigan, retained the insurance on his parish through thick and thin for twenty-seven years and managed to generate a little income through writing. Hartigan was born in Yass, the eldest son of Irish immigrants. He was educated at St Patrick's College, Manly and St Patrick's College, Goulburn. In 1917 Hartigan was sent to St Mel's, Narrandera in the diocese of Wagga Wagga where he remained until his retirement. It was during this time that he purchased CCI shares and collected together earlier poems.¹⁰⁰ He had a typically Australian suspicion of pomposity and pretension and his poems record the solid piety and everyday lives of the parish community.¹⁰¹

John Cyril Hawes was an atypical CCI share and policy holder. He was born and educated in England. Hawes practised as an architect in London where he came

⁹⁷ Hugh Mahon to Michael Kelly October 26, 1912, Series 0009/015, SAA

⁹⁸ CCI Share Register February 26, 1913, CCI Archives

⁹⁹ *The Advocate* June 14, 1962, 6

¹⁰⁰ CCI Share Register 1918, CCI Archives

¹⁰¹ Edmund Morris Miller, *Australian Literature, A bibliography to 1938, extended to 1950* by Frederick Thomas Macartney (Melbourne: Angus and Robertson 1956) 360

under the influence of the Arts and Crafts movement and was greatly influenced by the splendour of Canterbury Cathedral and entered Lincoln Theological College. In 1903 he was ordained an Anglican priest. After serving as a curate he volunteered for Church of England mission in the Bahamas Islands where many churches had been damaged by a hurricane. He administered to the native parishioners, repaired the churches and designed new ones. Following an experience of contemplative prayer Hawes experienced a second conversion and left the Bahamas to become a Catholic. He entered Beda College, Rome and was ordained. In Rome, Hawes met Bishop William Bernard Kelly from Western Australia and was recruited for the desert diocese of Geraldton. Earlier in May 1911 Kelly wrote to Monsignor Denis O'Haran:

*Allow me to offer a very hearty welcome to the project for establishing a Company for the insurance against fire of Catholic Church property in Australia. It promises the fulfilment of a hope I have long cherished, and no doubt will supply a need which for years past has been keenly felt by every bishop in the Commonwealth.*¹⁰²

Bishop Kelly encouraged Hawes to design and supervise the building of churches, convents, grave sites and institutions that his diocese could scarcely afford under normal circumstances. Kelly appointed Hawes to the parish of Mullewa in 1916 where he commenced Mission Doleres – his aboriginal mission and built their church, 'Mass Rock'.¹⁰³ Each was insured with CCI and Hawes purchased four hundred shares.¹⁰⁴ He did not share the contemporary enthusiasm for neo-Gothic architecture, especially the artificial kind so loved by colonial builders with its buttresses flying in the wind and supporting nothing but imagination. Hawes went back further to solid Romanesque, Norman and even Saxon influences.¹⁰⁵ His Geraldton Cathedral of St Francis was one of the most striking churches in Australia. Its roughcast simplicity and dignity were totally in harmony with its surroundings. It was said that he made stones speak the praises of God, sermons in stone and most importantly it was insured with CCI.¹⁰⁶

¹⁰² William Kelly to Denis Francis O'Haran May 5, 1911, CCI Archives

¹⁰³ John Taylor, *Between Devotion and Design The Architecture of John Cyril Hawes 1876-1956* (Nedlands: university of Western Australia Press 2000) 64-65

¹⁰⁴ CCI Share Register June 30, 1925, CCI Archives

¹⁰⁵ Anthony Evans, *The Conscious Stone, a biography of John Cyril Hawes* (Melbourne: Polding Press 1984) 106

¹⁰⁶ Edmund Campion, *Great Australian Catholics* (Richmond: Aurora Books 1997) 77-79

Support of Religious Congregations

During the first six years of operation only twelve administrators out of the twenty-two dioceses in Australia placed some, but not all, of their insurance with CCI. In contrast, the female religious orders were enthusiastic patrons. Monasteries, chapels, convents, hospitals, schools, orphanages, refuges and laundries throughout Australia were insured by: Sisters of Mercy, Dominicans Sisters, Ursuline Sisters, Presentation Sisters, Good Shepherd Sisters, Good Samaritan Sisters, Faithful Companions of Jesus, Loreto Sisters, Benedictine Sisters, the Sisters of St John of God and the Sisters of St Joseph. The support of the Sisters of St Joseph was commendable. Not only did they have the monastic vow of poverty in common with other female religious orders, they did not accept dowries and were often financially vulnerable.¹⁰⁷ The insurance cover undertaken by religious, priests and brothers, by comparison, was modest. The Marists insured their Kilmore College, Christian Brothers their East St Kilda College, and Redemptorist Fathers their Ballarat monastery.¹⁰⁸

Conclusion

Emerging in this chapter, alongside the mixed response to CCI from the ordained and consecrated members of the Australian Catholic Church, was the hidden presence of a number of dedicated laity, mainly from the middle class, who acted with a strong sense of responsibility towards the establishment of CCI. Not only did they purchase shares but a marked number freely gave time and resources to the service of the company, which they clearly saw as serving the wider good of the Australian Catholic community. The biographical data on this group of supporters highlights and brings living flesh and blood to the diverse, gifted, faith-inspired and intellectually critical members of the Catholic middle class laity.

Chapter Six explores what initiatives and measures were taken to expand the business of CCI and to what extent they were successful. It examines the impact of the role of Catholic property trusts, the efforts made to minimise the risks of underinsuring, the role of ex gratia payments and the geographical location of the early fire claims. Through an overview of the archdioceses and dioceses, the distribution of claims and therefore the risks, for CCI, are examined.

¹⁰⁷ Beverley Zimmerman, 'She came from a Fine Catholic Family' *Australian Historical Studies* vol 31 no 115 (October 2000) 265

¹⁰⁸ Sydney and Melbourne Policy Registers 1912-1914, CCI Archives

Chapter 6: CCI - a Gospel informed business

Introduction

This chapter investigates the third tier of the company – the claimants. Unlike the shareholders, all of the claimants were church administrators with varying degrees of property responsibilities. CCI differed from other insurance companies in that few of the CCI claimants were business people. The guardians of Church property were generally an educated class – welfare workers and spiritual directors trained in theology, education and pastoral work. Every parish priest and all religious communities had material responsibilities, including financing, building, repairing and extending facilities and maintenance. Only a handful of CCI claimants had experience in banking, book keeping or an understanding of building and maintenance. This chapter demonstrates how CCI, which was shaped by Mahon, became a valuable, practical utility for the Church.

A company based on Catholic values

An examination of the early CCI Loss and Claims Register from 1912-1936, held in CCI Archives, reveals who the administrators of the Catholic Church were, what their requirements were, and how they were served by CCI. In most cases insurance covers are not tested until there is a claim. CCI's response to claims from its clients, all of which were Church entities, was often less rigid than those adopted by commercial insurers. From the outset Mahon maintained adequate reserves to accommodate the company's generous approach to claim settlement. It will be seen that there were many claims where a strict interpretation of the conditions and stipulations referred to in each policy, might enable other companies to disallow claims, especially when payments on policies were in arrears, or the properties underrated, or were insured with a commercial company or were uninsured.

Mahon took the view that as Church entities paid the premiums all claims must be paid where the intention of both parties was for the cover to be in place. He generously introduced *ex gratia* payments to cover those CCI claimants in great need. *Ex gratia* was a general term used in the insurance industry for payments where the claim did not meet the terms and conditions of the policy, but the company choose to make a voluntary payment out of kindness or compassion, without the recognition of any obligation to make such a payment. On several occasions Mahon directed his staff to make payments to Church entities, who were not shareholders or insurers with CCI. As delineated in the CCI Loss and Claims Register, the references to the descriptions of the losses in the following discussion

indicate the loss number followed by the policy number, or the loss number followed by *ex gratia* for each claim.

Trusts and trustees

As a religious institution, the Catholic Church in Australia is not a legal entity *per se*. From the days of early settlement in New South Wales Church leaders understood that legal protection for property ownership was crucial. In 1862 the first government legislation was passed vesting the right for small parcels of Sydney land owned by the Church to be held in trust and developed as the Church saw fit. A pattern emerged whereby a series of specific pieces of legislation were passed in each colony enabling Church property to be held in trust. The objective of these small trusts was to advance the interests of the Church on a case by case basis. As the number of Catholic properties grew the need to protect significant holdings increased and achieving legal entities for each was a costly, laborious and unwieldy process for the archdioceses and dioceses.

Following federation the largest population of Catholics was in Victoria. Archbishop Carr looked for a solution and approached John Gavan Duffy, of Gavan Duffy & King, the Church's solicitors. Duffy, who had been a member of Legislative Assembly of Victoria from 1874 until 1904, consulted with his two brothers, one a King's Counsel and the other an expert in parliamentary procedure.¹ Later in 1914 this firm became a CCI policy holder on behalf of the Society of Jesuits at Xavier College.² In 1907 the Roman Catholic Trusts Act was passed by the Victorian state government and was the first of its kind in Australia. This act was followed by two similar acts in New South Wales and another for Western Australia.³ The Victorian act vested the power of ownership of church land to church property trusts covering all of Victoria, known as Roman Catholic Trust Corporations. The act provided for each diocese in Victoria to nominate trustees to form a diocesan council for the purpose of holding, managing and dealing with property for the benefit of the Church. The powers of disposition were broad: 'To sell, transfer, mortgage, charge, lease, exchange, give, grant or dispose of the whole or any part of the said land.'⁴

¹ John Grigsby, 'Duffy, John Gavan (1844-1917)' *Australian Dictionary of Biography*, Volume 4 (Melbourne: Melbourne University Press 1972) 113-114

² Melbourne Receipts and Cash Book, February 1, 1914, policy number 1490, CCI Archives

³ Roman Catholic Diocese of Lismore Church Lands Act 1908 Edward V11 no 22, Western Australia Roman Catholic Church Property Trust Act 1911 George V no 36 & St Patrick's College (Manly) Act 1914 George V no SPC

⁴ Roman Catholic Trusts Act 1907 Edward V11 no 2100

Under this act each Victorian diocese established a Diocesan Council of trustees to manage their property portfolio. In Melbourne the new council consisted of the Archbishop, four priests and two prominent Catholic laymen, Michael Mornane, a lawyer and Dr Augustus Leo Kenny an eye specialist. The councils for Sandhurst and Sale, headed by the incumbent bishop were totally clerical, whereas the Ballarat council included Count Thomas O' Loughlin, a director of CCI and generous benefactor to the diocese. In 1910 O'Loughlin purchased a block of land, adjoining the Ballarat East church for £1,220, which he donated to the Ballarat trust for a new boys' school.⁵ At their meeting on 11 January 1912 the following was minuted: 'Sunday School Building Site, Warrenheip. Mr O'Loughlin intimated his intention of transferring to the Corporation the site procured by him for the Sunday School Building at Warrenheip. The members of the Corporation expressed their gratitude to Mr O'Loughlin for this further mark of his generosity.'⁶

With legal ownership of the land each trust operated as a powerful centralising tool with a mandate to protect the property they held. This mandate, by implication, included prudent management of the buildings and contents erected on that land. The majority of the buildings and furnishings had been made possible through the benefaction of parishioners. Without insurance major losses through fire damage would incur heavy financial burdens. Other states and religious orders later established property trusts. The idea of incorporation was slowly accepted as a form of Church protection. Mahon stated that the possessors of property should insure themselves:

The Company is virtually a co-operative society, established under ecclesiastical authority, and having Archbishops, Bishops, and clergy throughout Australia for its principal shareholders. It is not by any means an innovation or an experiment. Other religious bodies, as well as Governments and large trading and shipping concerns, have long since found it advantageous to wholly withdraw from the ordinary fire companies and arrange for the insurance by themselves of their own possessions. Several factors have to be weighed in order to determine the feasibility of such projects. But it will be scarcely denied that many conditions combine to make the insurance of Catholic Church property from within not only practicable, but extremely desirable. In such circumstances the appearance of a company owned and controlled by the

⁵ *The Advocate* August 6, 1910, 22

⁶ Roman Catholic Trusts Corporation for the Diocese of Ballarat, Minutes January 11, 1912, 27, Ballarat Diocesan Archives

*possessors of the property to be insured is a natural development which many persons think has been too long delayed.*⁷

Geelong – an exceptional response

The Archpriest of Geelong, Rev Maurice McKenna undertook the stewardship of protecting Geelong Church property seriously and documented his affairs carefully. McKenna was born in Kerry, Ireland and educated at *All Hallows* where he was ordained. Shortly after ordination, McKenna was appointed to the Archdiocese of Melbourne and posted to Geelong where he embarked on a vigorous building program and became a CCI foundation shareholder.⁸ In 1913 Archbishop Carr and his retinue visited Geelong to administer the sacraments, officiate at a fete to raise funds to liquidate the debt on the newly formed Ashby parish school and collect the latest figures concerning Geelong Catholics. The Geelong parish debt at this time related to the amalgamation in 1911 of two schools, *St Peter's and St Paul's*, Ashby with *St Patrick's*, Kildare to form a new school *St Patrick's* in Geelong West. In the ten years since McKenna had considerably extended the building facilities in his jurisdiction and conscientiously insured them.⁹

In 1912 McKenna meticulously drafted schedules for seventeen individual policies with CCI covering contents and structure for four churches, seven primary schools, three infant schools, one hall and two orphanages. His first policy was number eleven, indicating that only ten policies had been placed with the company before his application. McKenna supervised extensive renovation to St Mary's Hall, Myers Street and the replacement of gas lamps with electric lights in all of the Geelong Catholic premises. The jewel in his crown was St Mary of the Angels Church in Yarra Street, Geelong. It was dramatically sited on a prominent rise to dominate the early settlement at Corio Bay. The adjacent presbytery was a Victorian villa designed and set in expansive gardens. McKenna was an enthusiastic gardener and planted a wide variety of flowers much to the delight of his visitors. Two additional parishes were added by McKenna to his list of policies in 1913.¹⁰ *St Anthony's*, Lara was a weatherboard dwelling with a school room built by voluntary labour and a new church, vestry and school were established at *St Bernard's*, Belmont. McKenna's Geelong responsibilities came under the jurisdiction of the Roman Catholic Church Trusts Corporation of the Archdiocese of Melbourne.

⁷ First Ordinary General Meeting of Shareholders, Catholic Church Property Insurance of Australasia, January 8, 1913, CCI Archives

⁸ CCI Share Register 1912, CCI Archives

⁹ *The Argus* May 19, 1913, 7 & November 13, 1913, 9

¹⁰ Copies of CCI policies 1912-1913, Geelong Parish Files, MDHC

Risky business

While Mahon's aim was for CCI to be competitive in the insurance field, his real purpose was to ensure that entities of the Catholic Church were fully protected in line with the responsibilities which accrued to the trustees of these entities. Mahon identified a further underlying consideration of moral hazard, the term used in insurance circles for the practice of competitive companies in overvaluing or underrating risks. This hazard was direct and indirect. The direct moral hazard was where the property was fired by the owner for gain. The indirect was where the owner might not be prospering and had little or no incentive to safeguard the property, or at the very least it was underinsured. It was the indirect moral hazard that Mahon was keen to address, particularly in remote country locations where access to expert advice was difficult. His aim was to warn and instruct, not to blame:

The fire insurance companies do not appear to have in the past made due allowance for the special immunity from fire of properties vested in religious and other corporate bodies. Given two buildings of similar construction, with external and internal conditions practically identical as regards liability to fire, the fact that one was used as a church and the other for business or residential purposes made no difference in the rate of premium. There was not any adequate abatement for the absence of "moral hazard" in the risk on the church, although costly experience with property in the same grade (in which "moral hazard" did exist) should have dictated a discrimination.¹¹

Ex gratia payments

A policy of *ex gratia* payments was strongly adhered to by Mahon especially during the First World War and the difficulties experienced during the 1930s Great Depression. The depression bore heavily upon Catholics as upon the rest of the population. With so many parishioners out of work there was a fall in the number of Catholic marriages and in the number of births with a commensurate decline in parish incomes derived through marriages and baptisms and weekly offerings diminished. Not surprisingly CCI policies were frequently in arrears or not renewed.

On Sunday afternoon of the 5 March 1932 the directors held a special meeting at the presbytery in Daylesford, Victoria to discuss two specific claims. The first was to review a claim for a fire in the sacristy of St Brigid's Church in Maldon, which

¹¹ Hugh Mahon 'Church Insurance from Within' *Austral Light* September 1, 1913, 770-771

was under the jurisdiction of the Roman Catholic Church Property Trust of the Archdiocese of Melbourne. The fire occurred on the 10 January. The premiums on the cover of this property, valued at £1,400, had lapsed several years earlier and therefore the property was technically uninsured.¹² The directors graciously voted to pay a sum of £150 as full settlement.¹³ The second claim related to the extensive damage of St Augustine's Church, at Narromine in the Wilcannia-Forbes diocese. This occurred during a tornado on 1 February 1932.¹⁴ St Augustine's was built in 1911 under the direction of Bishop John Dunne, a foundation CCI share and policy holder. 'The church was one of the strongest buildings in Narromine yet the wind lifted the roof like a piece of paper and laid low the walls.'¹⁵ As the company only covered fire insurance and did not cover storms, the directors voted that subject to any claims for damage by fire being waived by the insured, the company would make an *ex gratia* payment of £200.¹⁶

The uninsured and the under-insured

Unfortunately it took a major disaster for Church groups to appreciate the significance of utilising their own insurance company. The Marist Sisters of the Archdiocese of Sydney established their first Australian community in 1908 at Hunter's Hill, Sydney. They took on the responsibility of running the parish school at St Peter Chanel Church, Futuna Street and opened a boarding and day college for girls in Woolwich Road. Neither the Archdiocese of Sydney, which owned the land, nor the Marist Sisters, took out any insurance. The Marist Sisters experienced great difficulties when in 1916 their uninsured, debt-free timber parish school completely burnt down. They replaced the building with a brick structure, comprising two classrooms, a stage, teachers' room and a twelve foot wide verandah, costing an almost prohibitive amount of £636 which was raised totally through lay donations.¹⁷ The sisters then insured this new building in 1916 with CCI.

In the Lismore Diocese a small group of Mercy sisters had arrived from Bermondsey, England to establish a convent school at Grafton, New South Wales. In their first letter home to England the sisters described Grafton as opposite from

¹² CCI Loss and Claims Register, claim no 216, policy no 2600, CCI Archives

¹³ Minutes of the Special Meeting of Directors, March 5 1932, 100, CCI Archives

¹⁴ CCI Loss and Claims Register, claim no 218, policy no, 3341, CCI Archives

¹⁵ *The Narromine & Trangie News* February 5, 1932, 3

¹⁶ Minutes of Special Meeting of Directors, March 5, 1932, CCI Archives Insurance cover against loss or damage by 'Storm or Tempest' was not introduced by CCI until 1948, Esmond F Downey to Norman Gilroy March 8, 1948, series 0019/010, SAA

¹⁷ Arthur Boyd, *History of St Peter Chanel* undated manuscript, CCI Archives

London as black is from white, with cows grazing in the middle of the street and vineyards all around. They reported:

*Our new convent is being built on the bank overlooking the Clarence (River), a lovely view all round no houses near – except one or two the other side of the bank and the priests' house and church on the same ground – so you see we are quiet isolated. There is no fear of being kept awake at night by the noises of carriages or carts or people singing – nothing is to be heard but now and then some dogs or cows and frogs.*¹⁸

The impressive neo-gothic parish church of St Mary's was built in the late 1880s shortly after the arrival of the sisters and included a personal chapel on the south side. During the morning of 29 April 1913, a fire broke out in St Mary's Church. It was thought that the fire was caused by bats inhabiting the building as an eye-witness suggested that these bats knocked over the sanctuary candle and this set the interior alight. The fire brigade attended but could do little as the church was beyond the range of the street water's outlet. The roof was made of iron and the ceiling was lined with timber, but all fell in with a great crash. The walls remained in a tottering condition. The building was not insured. Practically all of the valuable contents, insured for only £300, were destroyed, although the damage was estimated at £3,000. All of the vestments, including a set worked in France for the Mercy sisters, a gold chalice studded with diamonds, gold and silver candlesticks, altar fittings, paintings, cedar seating and the pipe organ were lost. Only a couple of chairs and the Holy Water font were rescued.¹⁹ The property was underinsured with General Accident and Fire Insurance.

Providentially the Bishop of the Lismore Diocese, John Joseph Carroll, was a dedicated administrator and pastor. During his forty years, Carroll was a staunch supporter of the work of CCI in protecting and facilitating repairs to Church properties.²⁰ Born and educated in Ireland, Carroll was ordained by Cardinal Moran in Sydney in 1890 and enthroned at the Lismore Cathedral by the Cardinal in 1910. Carroll immediately embarked on a diocesan fundraising drive for the restoration of this impressive church. It had been originally designed as a cathedral for the diocese of Lismore when Grafton was the leading commercial town of the region.²¹ Carroll was also a man of vision with concern beyond his own needs to the future development of the Church in Australia. In 1917 when his assistant priest at Casino,

¹⁸ Letter from the New Foundation at Grafton to Mother Mary Aloysius at Bermondsey, April 24, 1884, www.lismorediocese.org/index (accessed December 1 2012)

¹⁹ *The Argus* April 30, 1913, 5 & *The Mercury* (Hobart) April 30, 1913, 5

²⁰ Carroll had purchased 500 shares in 1912, CCI Share Register 1912

²¹ *Footprints* vol. 2 no1, January 1974, 29

Rev Joachim Francis Hennessy, asked for leave to serve as a military chaplain he not only agreed but insisted that the priest avail himself of further studies in Ireland while waiting to be demobbed. Following Carroll's directions, Hennessy undertook a course of training in oratory and elocution at the Dublin School of Elocution and Dramatic Art. Carroll's confidence in the young priest bore fruit in his practical administration on the home front. On his return Hennessy became the Administrator of St Carthage's Cathedral, Lismore and Diocesan Secretary of the 29th International Eucharistic Congress held in Sydney in September 1928.²² Hennessy insured St Carthage's Cathedral with CCI. Through his long associations with Carroll, Hennessy was a convinced supporter of CCI.

The living conditions for the Catholics at Nymagee, in the diocese of Wilcannia-Forbes, were challenging. Standing as a sign of faith on the bare red soil was the small wooden Catholic Church of St Mary's. There was no resident priest and the people heard Mass twice a month when Rev John Moran of Nyngan drove over in his sulky. Close by was the convent of the Sisters of St Joseph. It was little more than a tiny tin box of three rooms in which four sisters lived. The sisters had a lonely and challenging existence running a small local school in the church. In February 1919 the church burnt to the ground and although insured for £100, CCI made an *ex gratia* payment of £500 to enable the church to be rebuilt and the school to continue.²³ Too soon after the calamity of the fire, the new church was severely damaged during a cyclone on the 10 December 1922 and the community were assisted with the cost of repairing the church through a further CCI *ex gratia* of £200.²⁴ Rev Kieran Behan, holder of nine hundred CCI shares, took a great interest in this community when he was stationed at Bourke in the Wilcannia-Forbes diocese.²⁵ It may have been through his influence that the company looked after the church properties of Nymagee and Nyngan so generously.

After a disastrous fire on 23 February 1924 destroyed St Michael's Noviciate and Convent in Clovelly, the Good Samaritan sisters had a rethink about their insurance. The convent was insured with the Lancashire London Company for £5,000 but the damage incurred was estimated at over £10,000. Subsequently, as recorded in the Annals of the Sisters, the direction was given by the Provincial to the Superiors on 6 May 1925 to insure all thirty properties, including convents,

²² *Who's Who in Australia* (Melbourne: Herald and Weekly Times 1933/1934) 159

²³ CCI Loss and Claims Register, claim no 37, policy no, 659, CCI Archives

²⁴ CCI Loss and Claims Register, claim no 37, *ex gratia* payment, CCI Archives

²⁵ CCI Share Register, December 31, 1916, CCI Archives

chapels, laundries and schools with CCI.²⁶ News of the advantages of insuring with CCI was clearly being communicated internally through the annals of the twenty-seven communities of the Good Samaritans around Australia.²⁷ Carroll, who was the solicitor for the Good Samaritan sisters in Sydney, may well have been influential in their decision to turn all of their policies over to the protection of CCI. He had earlier negotiated for the sisters to purchase Toxteth Park Estate at Glebe Point.

Geographical location of the early fire claims

The pattern of claims between 1913 and 1935 accorded with Mahon's assertion in 1913 that, as Church buildings were widely scattered, no single fire would cause a disastrous loss for the company. Mahon had explained to the first meeting of shareholders that:

*Church buildings are not concentrated in a limited area where a single fire might cause disastrous loss. They are widely scattered, almost invariably detached from privately-owned tenements, generally constructed of stone or brick, and are carefully looked after by the occupants or trustees, who are vitally interested in their preservation from fire, which is not always the case with those in charge of private buildings. Church property is, in short, the best insurance risk extant, as is proved by the eager competition of Insurance Companies to obtain it.*²⁸

The early claims were widely spread, occurring in the dioceses of Maitland, Wilcannia-Forbes and the archdioceses of Melbourne, Sydney, Perth and Hobart.

Diocese of Maitland

The first CCI fire claim was in the jurisdiction of Bishop Patrick Vincent Dwyer of Maitland.²⁹ Dwyer was an astute accountant and became a foundation shareholder in the company. He had the distinction of becoming the first Australian-born member of the hierarchy, although he saw himself as an Irish-Australian. He was an accomplished pianist and interested in history and archaeology. His pastoral work was wide ranging – as a schoolmaster as well as spiritual leader.³⁰ In 1912 the Bishop wrote 'I am glad to know the Company is in a position to make a large

²⁶ Sisters of the Good Samaritan List of Insurances CCI 1925, MS May 6, 1925, Good Samaritan Archives Glebe, New South Wales

²⁷ *The Annals of the Sisters Good Samaritan of the Order of St Benedict from 1857-1938*, compiled by Sister Mary de Sales Smith, Good Samaritan Archives Glebe, New South Wales

²⁸ CCI First Ordinary General Meeting of Shareholders, January 8, 1913, CCI Archives

²⁹ CCI Loss and Claims Register, claim no 1, policy no 501, CCI Archives

³⁰ Winston Gregory McMinn, 'Dwyer, Patrick Vincent (1858-1931)' *Australian Dictionary of Biography*, Volume 8 (Melbourne: Melbourne University Press, 1981) 387-389

rebate to policy holders so soon.³¹ This first CCI claim was lodged by Monsignor Peter Meagher on behalf of the Bishop of Maitland. Meagher was parish priest of St Patrick's Catholic Church Singleton. The claim related to a fire which occurred in the primary school section of the Singleton convent school on 9 July 1912. Meagher held the cover note on the convent and school because they were built on parish land. The school building was insured for £700 in 1912. Three days after the receipt of the claim notice, £20 was paid.³² This was the only claim lodged during the first year of the company's operations. The year had not started well for Monsignor Meagher. His assistant, Rev James Kelly, aged twenty-six and ordained only two years earlier, drowned on 11 February.

*He left at an early hour to celebrate mass at Glennie's Creek (some 12 kilometres north of Singleton) at 10 o'clock. Owing to recent rains the creek rose rapidly and a resident living opposite Noble's Crossing posted a boy to warn the priest. The latter, however reached the crossing earlier than was anticipated. When the priest failed to arrive at the church, the congregation dispersed. Some little time afterwards two fishermen found a horse and sulky about 300 yards below the crossing. There was no sign of the priest and he was presumed to have drowned.*³³

Flood prone localities were, indeed, dangerous areas in which to minister and, alas, CCI was powerless to address such loss as their insurance cover did not encompass compensation for accidents or floods.

Meagher was a genial, learned and cultured man who had studied in Ireland for his Doctor of Divinity. He became a mentor for the Irish Mercy sisters whom he tutored in mathematics and Latin. In 1924 he bequeathed his personal library of books, manuscripts and bookcases to the Convent.³⁴ The Mercy complex included a covered walkway with a beautifully tiled floor connecting the convent to St Patrick's church. After years of fundraising and saving they built St Patrick's Convent, St Catherine's College and established a primary school charging modest fees. St Catherine's supplied funds to support the primary section and other charitable works undertaken by the Mercy sisters at Singleton. A second claim was

³¹ First Meeting of Shareholders 1913, CCI Archives

³² Progress Report, Catholic Church Property Insurance Company Ltd June 30, 1912, CCI Archives

³³ *The Mercury* (Hobart) February 15, 1912, 3

³⁴ Michael Sternbeck, *The Catholic Church in Singleton: an historical look at its people and progress* (New South Wales: Broadmeadows 1981) 84

lodged when a fire occurred in the school rooms on 27 July 1913.³⁵ The claim was for £1 and was paid promptly. Mahon commented on the first year of CCI trading:

*In view of the Company's modest expenditure, the results of its first year's operations must be regarded as highly satisfactory. In making any comparison, it is necessary to remember that this Company differs in some essential particulars from other institutions carrying on the business of fire insurance. Unlike them we do not seek to effect contracts with the general public. Our functions are confined entirely to the insurance of Catholic property throughout Australia.*³⁶

Mahon then included some less favourable comments drawing the shareholders' attention to the small number of policies secured and stated that the interest of those whose patronage was building up the company are not served by those whose support was withheld.

*Confidence in the Company's stability and success is making steady headway. From its comparatively small achievements may be appraised the possibilities of work in the larger sphere to which it will be advanced by unity of action on the part of The Trustees of Catholic Church property.*³⁷

By the end of 1913 the annual total of claims increased from £20 to £673. Two small claims had been lodged. The first was by the Archbishop of Sydney for Rev John O'Reilly of St Columba's Church School, Leichhardt, £6.³⁸ The second was by the Trustees of the Catholic Church Gundagai for Rev Patrick Joseph Donovan of St Patrick's Church Gundagai, when a blazing log caused a fire in his presbytery amounting to a claim of £3 which was paid.³⁹

Diocese of Wilcannia-Forbes

A larger claim was lodged in 1913 by John Dunne, Bishop of Wilcannia-Forbes. At this time there were an estimated 20,000 parishioners, 21 priests and 146 sisters under Dr Dunne's care. Dunne was born on Rhode, King's County, Ireland. He was educated at St Patrick's Carlow and ordained in Kildare. His intention was to work in the Sydney archdiocese but at the request of his uncle, Rev Dr Patrick Dunne, Vicar-General of Goulburn, he began his Australian work in his jurisdiction. It was during this time that he met Mahon. In 1887 he was appointed as the first bishop of

³⁵ CCI Loss and Claims Register, claim no 4, policy no 501, CCI Archives

³⁶ First Ordinary General Meeting of Shareholders, January 8, 1913, CCI Archives

³⁷ First Meeting of Shareholders 1913, CCI Archives

³⁸ CCI Loss and Claims Register, claim no 2, policy no 249, CCI Archives

³⁹ CCI Loss and Claims Register, claim no 3, policy no 779, CCI Archives

the diocese of Wilcannia-Forbes. His foremost achievement was the opening of the pro-cathedral of Wilcannia-Forbes at Broken Hill in 1905.⁴⁰ In December 1913 Bishop Dunne wrote to Mahon:

*I am weathering out the heat here for some time but will be glad when able to get away. The glass marked 100° (Fahrenheit) today in the forenoon. I propose to leave Adelaide for Sydney by the Kaloola on the 12th January and to spend some time in the cool of the Blue Mountains. I hope to be able to attend the Annual Meeting of the Catholic Insurance Company. I hope that there will be granted a gratuity or a fixed salary to you as MD with everything on a good business basis, the success of the company is assured and the waverers will come in.*⁴¹

Although the support of Bishop Dunne bore long term fruits for the company, by the end of 1913 Mahon responded that ‘They had still to regret that a very large portion of Catholic Church property in Australia was either unprotected by insurance policies or was insured by other institutions.’⁴²

Dunne was a hardworking and practical leader of the vast bush parishes of Wilcannia Forbes, where the hardships of dust and distance were felt. His jurisdiction covered half of New South Wales, 150,000 square miles. Dunne travelled great distances on horseback establishing new parishes, churches and schools. He decided to act as his own inspector of schools as he could not spare a priest for this duty. Every year he visited all of his parishes to conduct school examinations. Dunne’s pastoral work was severely hampered by rolling strikes, fires and frequent accidents that occurred in the Broken Hill mines leaving many of his parishioners destitute.⁴³ He lobbied state premiers to arrange local housing for his Broken Hill parishioners who were injured, aged, orphaned or neglected children. Many of these unfortunates had been sent away to Sydney to be cared for. Boys as young as thirteen were often employed in the local underground mines.⁴⁴ Dunne was acutely aware of the importance of insurance to the welfare of society.

CCI’s first test case with Queensland Insurance

Amongst the buildings in Dunne’s parishes was the first wooden church and school at Hillston. In 1913 he opened Hillston’s first presbytery for Rev Michael Barron. Just a year later on 12 July 1914 this presbytery was burnt down and a claim lodged

⁴⁰ *Northern Star* December 26, 1916, 5 & *Barrier Miner* December 26, 1916, 2-3

⁴¹ John Dunne to Hugh Mahon, Papers of Hugh Mahon, MS 937/66, December 29, 1913, NLA

⁴² Hugh Mahon Managing Director’s Report December 31, 1913, CCI Archives

⁴³ *Barrier Miner* December 26, 1916, 2-3

⁴⁴ *Advertiser* (Broken Hill) April 19, 1907, 2

for £600.⁴⁵ The Hillston fire became the first test case for CCI with its reinsurers, the Queensland Insurance Company, and their employed agent, Frank Leslie, a fire adjuster. Leslie prepared the Hillston claim to include only the building, as he deemed that the furniture and effects were the property of Father Barron and not included in the policy. Mahon was adamant that presbytery furniture was vested in the parish which belonged to the diocese:

*I suggest that as church property is held and transmitted under conditions entirely different to those relating to the property of a private person the rules applicable to the latter be not strictly adhered to in adjustments of such claims as this. Unless some arrangement can be come to I fear it will be difficult to continue our reinsurance business with the Queensland Insurance Company.*⁴⁶

The matter was disputed over many months with Mahon corresponding from Western Australia where he was visiting his constituents. In early November, Leslie agreed to adjust the claim to include the furniture and sent CCI a bill for £23. Leslie had increased the premium to be paid to reflect the inclusion of the furniture. Mahon was livid and threatened to withdraw CCI business from the Queensland Insurance Company.

*At the inception of our business with your company I pointed out that this company does not admit the possibility of fraud in any claim submitted by our policy holders, all of whom are Catholic clergymen or members of Catholic communities, having no personal interest in the properties...we are always prepared to accept a statutory declaration in the usual form from the clergyman in charge of the parish, supplemented by an estimate from one or more builders in the locality, similarly attested. We do not require, owing to the character of the assured and his personal relationship towards the property damaged or destroyed, to take precautions against fraud on over-valuation which ordinary fire insurance companies very properly take for their own protection.*⁴⁷

In a letter to Mahon, Bishop Dunne wrote:

I am sending under separate cover the papers in connection with the fire at Hillston duly signed and witnessed by a magistrate. I need not say that I regretted the loss by fire to the company and thank you for such liberal

⁴⁵ CCI Loss and Claims Register, claim no 7, policy no 1633, CCI Archives

⁴⁶ Hugh Mahon to Frank Leslie, November 10, 1914, CCI Archives

⁴⁷ Hugh Mahon to Frederick Holland, November 30, 1914, CCI Archives

*treatment of our claims. Such a fire sets forth the necessity of insuring Church buildings. But let us hope that there will be few such claims. If the war is prolonged all mining here (Broken Hill) will cease and there will be no employment. As it is, our large community of Sisters of Mercy cannot pay current expenses and we are not much better off.*⁴⁸

On Friday evening of 21 June 1918 a fire occurred in the solid brick Cobar Convent of Mercy. A claim was made by Bishop Dunne for £400.⁴⁹ According to the local paper, 'The fire bell and the Great Cobar mine whistle rudely disturbed the usual quietude of the town and it was soon discovered that a big blaze was well under way in the interior of the fine two-storey convent building.'⁵⁰

The damage was considerable, only the charred framework of the stairway remained. The heat enveloping the ground floor must have been intense as a metal ceiling in the nun's chapel completely melted. Fortunately no one was injured as the sisters were all attending a mission in the adjacent St Lawrence O'Toole Church. The township's prosperity relied on the great Cobar Copper Mine which was the largest of its kind in Australia. At its height the company employed over two thousand in the mines and ran fourteen smelters. The major problem for Cobar was the lack of a reliable water supply which added to the difficulty of fighting the fire. Water was carted via the railway from Nyngan and it was not until decades later that a permanent pipeline was constructed. When the copper mine closed in 1920, employment opportunities were reduced and the population of the town rapidly diminished. Such was the ever-changing situations faced by CCI and its clientele.

Wider contextual situations also impacted on this insurer. There was little to attract newcomers to Cobar. The town was situated in a semi-arid zone and was subject to devastating winds, violent dust-storms and monsoonal rains. Trees had been ruthlessly cut down for the smelting process and the surrounding area was covered in dull-coloured mulga scrub. The closure of the mine was due to a fall in copper prices as the urgency for munitions ceased after 1918 and to a serious fire in its main shaft. The mine was sealed but the fire continued to burn for the next sixteen years. The Mercy sisters became a central part of this struggling community. They ran St Xavier's Convent School in the original old wooden parish church and later in purpose built class rooms. On 9 May 1935 disaster struck again when the parish school rooms were completely destroyed by fire. The claim made on CCI was for

⁴⁸ John Dunne to Hugh Mahon, Papers of Hugh Mahon, MS 937/413, November 18, 1914, NLA

⁴⁹ CCI Loss and Claims Register, claim no 26, policy no 1303, CCI Archives

⁵⁰ *The Western Age and Cobar Herald* June 25, 1918, 2

£340.⁵¹ It was paid promptly. Subsequently lessons were conducted from nine to twelve in the mornings and then from two to four in the afternoons. This provided for a long midday break in which the sisters could undertake charitable works; visiting the sick, the infirm and bereaved as well as the poor and unemployed of all denominations. The ‘Mercies’ became a familiar sight in Cobar as they walked in pairs to their visitations dressed in their distinctive long black habits.⁵² Mahon was well aware of the difficulties that his clients in these remote areas, having visited similar mining communities in his electorates of Kalgoorlie and Coolgardie.

Archdiocese of Melbourne

The largest claim in the Melbourne Archdiocese related to a working class suburb of Collingwood, Melbourne. In December 1913 parish priests, Rev Edward James Keating and Rev Edward O’Brien lodged a claim for £650.⁵³ Students of St Josephs’ School, Otter Street, were taught by the Sisters of Charity. Many famous and infamous pupils passed through including future league footballers, musicians and union officials.⁵⁴ *The Argus* reported this event:

At a few minutes to 2 o’clock in the afternoon a fire, through some unknown cause, (perhaps the fusing of electrical wires) broke out in the roof over St Joseph’s School Hall and Club Rooms in Otter Street, Collingwood. The brick building had been completed in July 1904 to accommodate the infants’ class and primary school, lecture room and facilities for the Collingwood Men’s Club. Twenty-five fire men with appliances were turned out and the flames were checked just as they were destroying the wooden ceiling. However, some water to fight the fire drained down from the roof and severely damaged the billiard tables. The building was insured for £1,000 with the Catholic Church Property.⁵⁵

On 15 March 1916 the presbytery of St Thomas Church, Drysdale near Geelong, caught fire when the oil stove overheated. The brick church and wooden presbytery had been built in 1856 on a two acre site and a wooden school hall was added in 1904. The church was substantial, indicative of the strength and aspirations of the early Bellarine Catholic community. In contrast the presbytery under the jurisdiction of the Trustees of Drysdale Catholic Church was humble and the cover

⁵¹ CCI Loss and Claims Register, claim no 266, policy no 938, CCI Archives

⁵² Notes concerning the Mercy Sisters in Cobar, undated, Box C 2418, SAA

⁵³ CCI Loss and Claims Register, claim no 5, policy no 773, CCI Archives

⁵⁴ Karen Cummings, *Bitter Roots, Sweet Fruit, A History of Schools in Collingwood, Abbotsford and Clifton Hill* (Collingwood: Collingwood Historical Association 2008) 68-70

⁵⁵ *The Argus* December 2, 1913, 8

against fire was a mere £20 which was duly paid by CCI.⁵⁶ The local Catholic Church community approached noted Catholic Church architect, Augustus Andrew Fritsch, to design a new presbytery east of the church. He intended that this new building be substantial and modern according to a simple plan. It was a large residence, in early Californian Bungalow style. The foundation stone was laid on 9 December 1917 by Archbishop Mannix before an estimated crowd of eight thousand. The completion of the presbytery was a remarkable achievement since country areas at that time were crippled by the lack of able-bodied workers in the building industry, many of whom would never return from the war. The new presbytery was insured with CCI, this time adequately for £2,000.⁵⁷

Archdiocese of Sydney

The largest claim in the Sydney Archdiocese during 1915 was for £530, lodged by the Archbishop of Sydney on behalf of Rev Edward Kearney and Rev William Stevens, parish priests of the Holy Name of Mary Church, Rydalmere.⁵⁸ The church had been gutted by fire in mysterious circumstances on the 9 September 1915 as neither light nor fire had been used in the Church since the previous Sunday. Amongst the many valuable fittings destroyed were vestments, altar cloths, statues, the Stations of the Cross, the organ and the confessional box. A lengthy account of this fire appeared in the *Freeman's Journal*.⁵⁹

Rydalmere was situated on the outskirts of the city of Sydney, in a picturesque-semi rural area close to bushlands on the Parramatta River. It was a small parish with only sixty families and 312 parishioners. Records indicate that in 1912 there were 360 patients in the Hospital for the Insane.⁶⁰ Rev Stevens was responsible for ministering to the local Hospital for the Insane and the Bush Farm Reformatory. The Holy Name Church had recently been renovated and was used as a school by the Mercy sisters on weekdays, with all classes held in the one room. On Friday afternoons the children reversed their desks to become pews for Sunday Mass. On Monday mornings they were changed back again. The parish responded promptly to the fire disaster. In 1916 Archbishop Kelly laid the foundation stone for the second church-school in this parish which served complex and demanding apostolic works.⁶¹ The new church was insured with CCI.

⁵⁶ CCI Loss and Claims Register, claim no 21, policy no 311, CCI Archives

⁵⁷ *Geelong Advertiser* December 30, 1918, 1

⁵⁸ CCI Loss and Claims Register, claim no 15, policy no 189, CCI Archives

⁵⁹ *Freeman's Journal* (Sydney) September 16, 1915, 2

⁶⁰ *Holy Name of Mary Parish Rydalmere*, MS Episcopal Visitation, Archives Catholic Diocese of Parramatta

⁶¹ *The Catholic Press* June 1, 1916, 13

Archdiocese of Perth

On 18 December 1915, the St Mary's Church presbytery, in Porter Street, Kalgoorlie was destroyed by fire. At this time the parish priest was Rev Dean James Kiely. He was well known to Mahon, his local parliamentary representative, and was one of the few priests in the west to take up Mahon's suggestion of insuring his parish properties with CCI. His claim was for £500.⁶² The Archbishop of Perth, Patrick Joseph Clune, suggested that the old, disused St Columba Convent at Menzies be brought down to Kalgoorlie and used as a new presbytery. In 1911 the Archbishop had been consecrated as the fourth Bishop of the Diocese of Perth and in 1913, when Perth was elevated to an archbishopric, Clune had the honour of becoming the first incumbent. With this, however, he inherited a see burdened with a debt of £204,039.⁶³ Although by 1915 the debt had been substantially reduced, Clune remained cautious. When the price of transporting the convent from Menzies was quoted at £800 he quickly abandoned the idea.

At this time the residence of Dr John Maxwell *The Grange*, just a stone's throw from the church, was placed on the market. The building was purchased and furnished for £1,130 and blessed by the Archbishop just prior to his leaving to inspect the forces overseas in his role as Senior Chaplain to the Catholic members of the Australian Imperial Force. The Archbishop described St Mary's Church and new presbytery as monuments to those Catholics serving overseas. In particular the Archbishop referred to the noble work of a Kalgoorlie priest and CCI shareholder, Rev John Fahey, who had been awarded the Distinguished Service Order for his actions on the Gallipoli Peninsula.⁶⁴ The presbytery was dutifully insured with CCI.

Archdiocese of Brisbane

The second largest claim for CCI during 1916 was £250 for St Mary's Church presbytery fire in Charleville, Queensland.⁶⁵ The fire occurred on 20 December 1915. The claimant was the forty-year old Rev William Patrick Cashman, an Irishman of perpetual good humour and bustling with zeal. He had been educated at Waterford and Mount Melleray, the Cistercian seminary near Lismore, before travelling to Vienna for further theological studies. After arranging to refurbish the Charleville presbytery, Cashman enlisted as a military chaplain and set sail for France where he served until the conclusion of hostilities. In 1917 he was awarded a Military Cross.

⁶² CCI Loss and Claims Register, claim no 20, policy no 985, CCI Archives

⁶³ Denis Francis Bourke, 'Clune, Patrick Joseph (1864-1935)' *Australian Dictionary of Biography* Volume 9 (Melbourne: Melbourne University Press 1981) 32-33

⁶⁴ *Kalgoorlie Western Argus* May 16, 1916,15

⁶⁵ CCI Loss and Claims Register, claim no 19, policy no 1401, CCI Archives

Overall, the work of CCI continued in the face of war time constraints. In 1917 Mahon, noted that the amount remitted by the company to the bishops and priests had reached £9,100, an increase of £2,500 on the previous year, but there was more to accomplish. Mahon omitted any mention of arrears in subscriptions for shares. In personal notes he calculated that the amount overdue in September 1917 was £71/15/6 from eighteen shareholders, sixteen of whom were priests.⁶⁶ Mahon lamented:

So far, the company has been unable to secure the co-operation of the dioceses of Adelaide, Port Augusta, Ballarat (with few exceptions) Brisbane (with one exception, New Norcia (with one exception) and North Queensland. Some portion of the properties controlled by the Christian Brothers, the Marist Brothers, the Vincentian Fathers and the Sisters of St John of God are insured with the Company. If this Company were favoured with the insurance of all Church property in Australia, the ratio of expense to income would be greatly reduced and the rebate to Bishops and Clergy increased. We would probably reduce the cost of insuring Church property by 50%. In view of the heavier taxation due to the war, the reduction in the cost of protecting Church property becomes important. In addition to the rebate we give concessions not extended by other companies. For instance we have kept insured properties on which premiums were overdue from three to nine months.⁶⁷

During the final year of the war, insurance claims amounted to £947. Many were small fires in parish presbyteries, stables, sheds and storerooms. The Sisters of Mercy at Monte Sant' Angelo Convent, North Sydney lodged a claim of £22 for a fire in their Mater Misericordiae Hospital for Women and Children.⁶⁸ The sisters were fortunate as they had taken out insurance with CCI on this property in the previous year. On the 15 March 1918 a larger fire occurred at St Joseph's Convent School, James Street, Northcote and a claim was lodged by the Roman Catholic Church Trusts Corporation for Archdiocese of Melbourne for £300.⁶⁹ St Joseph's school was originally established by the Sisters of Mercy in Arthurton Road in 1893. In 1904 the school came under the care of the Good Samaritan Sisters, who travelled daily by horse and cart from their convent school, Santa Maria, in Caroline Street, South Yarra. With increasing number of students the James Street

⁶⁶ Hugh Mahon's notes September 19, 1917, CCI Archives

⁶⁷ Hugh Mahon *The Catholic Church Property Insurance Company Limited – its Formation, Operations and Present Position 1917*, CCI Archives

⁶⁸ CCI Loss and Claims Register, claim no 30, policy no 2626, CCI Archives

⁶⁹ CCI Loss and Claims Register, claim no 24, policy no 1433, CCI Archives

site was purchased and a new large two-storey brick school was opened in 1916. The enrolment at the time when the fire gutted the classrooms was approximately 800 students and the classes taught were from preparatory to grade eight.⁷⁰ CCI was pleased to be at the service of a considerable Catholic educational enterprise.

Archdiocese of Hobart

The Archdiocese of Hobart was exceedingly slow in placing their insurance with CCI. During the 1920s and 1930s Tasmanian claims were disproportionate to the number of policies and support from shareholders in Tasmania. In these early days of CCI the Archdiocese of Hobart was a considerable burden to the company as this small pocket of Christendom taxed the company's resources heavily. This placed a great burden on the company. The destruction of a church in any of the tightly knit rural communities around Tasmania was a communal disaster. The diocese included the whole island and the surrounding smaller islands of Bruny, King and Flinders. In 1911, when CCI began, the population of Australia was 4.5 million. Catholics in Tasmania comprised 17% of an estimated population of 100,000. By 1939 the Catholic population numbered 33,106 and maintained 98 churches with 42 priests. There were 14 brothers and 213 sisters who taught 3,660 children.⁷¹

Tasmania's first Catholics were convicts and most of their co-religionists who arrived free were economic refugees from Ireland. It was only when succeeding generations began to prosper through farming, small-business and in other professions that the church began to construct substantial buildings in Tasmania. The first policy holders in 1914 were individual priests, Rev James Ryan, in New Norfolk, Rev Patrick Hayes in Burnie; and three nephews of Archbishop Daniel Murphy – Rev Michael Beechinor in Campbell Town, Monsignor Daniel Beechinor in Hobart and Rev Patrick Gleeson in Launceston.⁷² It was not until 1924 that the Coadjuter Archbishop of Hobart, Rev William Barry, purchased eight hundred shares on behalf of the archdiocese.⁷³

There were four small claims from Tasmania during 1919 amounting to £60. The first claim was to cover minor repairs to the temporary presbytery at Zeehan for Rev Bernard Murphy who ministered to the mining communities of Zeehan and Rosebery.⁷⁴ At Zeehan, his main mission was caring for the families of those killed

⁷⁰ St Joseph's School History <http://web.ceo.melb.edu.au?sectionid=60&searchfor=E1022> (accessed December 12, 2009)

⁷¹ Archival Statistics, Wallis Centre, Archdiocese of Hobart, Tasmania

⁷² Melbourne CCI Share Register and Cash Book, premiums paid March 16 & April 21, 1914, CCI Archives

⁷³ Melbourne CCI Share Register, June 30, 1924, CCI Archives

⁷⁴ CCI Loss and Claims Register, claim no 36, policy no 2988, CCI Archives

or maimed in the Mt Lyell mine disaster of 1912. He built a new church St Joseph's, Rosebery and travelled between the two parishes. The second claim, lodged by Rev Patrick Hayes in 1919, was for a fire in the vestry of the church of St Brigid's Church, Wynyard.⁷⁵ This substantial church was established in 1911 by shareholder Rev Thomas O'Donnell, who raised the finance and oversaw the construction.⁷⁶ The third claim in 1919 was made for the Sisters of St Joseph who had come to Newtown, Hobart in 1908 to run the Sacred Heart parish school. The school consisted of four classrooms constructed of wood and freestone and a small fire destroyed the timber ceilings in one of the rooms. This fire was caused by boys playing with matches.⁷⁷

A fourth claim in 1919 was made for a small fire at the orphanage at the convent of the Good Shepherd, Mt St Canice, Hobart.⁷⁸ The Sisters established their convent on a hill site facing the Derwent River evocatively titled Sandy Bay. The order was run by the Mother Provincial Superior and she designated in 1918 that that all foundations were to be insured with CCI.⁷⁹ Following the model of the provincial house established at Abbotsford, Victoria, the Sandy Bay Sisters strove to be self-sufficient. They set up a dairy for household milk, planted an orchard and vegetable garden. The main employment for residents was laundry work. In 1925 a fire destroyed their cart sheds and stables and the claim was covered by CCI.⁸⁰ A larger fire on 16 August 1932 led to a claim by the Sisters of Good Shepherd Incorporated for £540.⁸¹ In January 1933 the sisters announced that they had completed extensive additions and renovations. Over the eighty years Mt St Canice grew to be the largest private charitable institution in the state.⁸²

On 25 March 1925 the church and school at St Finn Barr's, Invermay, Launceston, were completely destroyed by fire and the claim was for £910.⁸³ The land had been purchased by Monsignor Daniel Beechinor and the parish was still paying off a debt of £880 on the church and school which he had built.⁸⁴ The cost of rebuilding was estimated at £2,000. The school was run by the Presentation Sisters who before the fire were struggling to support themselves through teaching alone. The local community rallied and the school was reopened in the Invermay Drill Hall and two

⁷⁵ CCI Loss and Claims Register, claim no 34, policy no 1897, CCI Archives

⁷⁶ State Library of Tasmania, heritage.statelibrary.tas.gov.au (accessed August 22, 2010)

⁷⁷ CCI Loss and Claims Register, claim no 33, *ex gratia* payment, CCI Archives

⁷⁸ CCI Loss and Claims Register, claim no 32, *ex gratia* payment, CCI Archives

⁷⁹ *Abbotsford Annals* volumes 1-5 Sisters of the Good Shepherd Archives, Melbourne

⁸⁰ CCI Loss and Claims Register, claim no 101 policy no 3294, CCI Archives

⁸¹ CCI Loss and Claims Register, claim no 225, policy no 6456, CCI Archives

⁸² *The Tasmanian Catholic* Easter 2006, 2-4

⁸³ CCI Loss and Claims Register, claim no 91, policy no 1723, CCI Archives

⁸⁴ *The Mercury* (Hobart) April 27, 1925, 8

subscriptions were organised to raise funds, one for the buildings and the other for the sisters at their Invermay convent.⁸⁵ The new buildings were opened in 1926 and cost £7,000.⁸⁶

The parish priest was Rev Peter Adlum, who in spite of a large parish debt, had insisted on insurance. In turn he insured the community drill hall with CCI through the Trustees of the Roman Catholic Church of Tasmania for £1850. This was providential as the hall was damaged by fire on the 29 July 1926.⁸⁷ A further claim of £314 was paid to the parish bringing the total outlay by CCI for St Finn Barr's to £1,224.⁸⁸ Adlum was born in Westmeath, Ireland and educated at the National University of Ireland and All Hallows College, Dublin where he was ordained. He served in Hobart before being appointed to Invermay at the age of thirty and worked tirelessly for his parishioners. After St Finn Barr's, Adlum was responsible for the building of churches at Stanley and Bothwell and a presbytery at New Norfolk where he was equally judicious. Adlum died at the age of fifty-five.⁸⁹ CCI was pleased to support such a man.

It was unusual for Catholic primary schools run by religious orders and not attached to a parish to be insured. St Columba's School, Sandhill, South Launceston established in 1900 was an exception. The school was founded by Sister Mary Bernard Moore who was born in Kilkenny, Ireland and entered the Presentation Convent, Launceston. St Columba's was a small school of fifty boys and girls in one schoolroom and operated as a free primary school for the poor of the district. For the able students, it was a feeder school for the secondary schools of Sacred Heart, Launceston run by the Presentation Sisters and St Patrick's College, Launceston under the Christian Brothers. On the 13 July 1932 St Columba's was deliberately set on fire and burnt to the ground. The claim for £890 to CCI was lodged by the Trustees of the Roman Catholic Church of Tasmania.⁹⁰ After much consideration the Presentation sisters, who were experiencing enormous financial difficulties during the depression, decided to close the school. All students were offered places at local Presentation primary schools.

On 5 September 1927 St Matthew's Church, Pontville, was gutted by fire on the eve of its sixtieth anniversary. Only the walls of what was a beautiful church remained. Parishioners had held a meeting with their parish priest, Rev Donald

⁸⁵ *The Mercury* (Hobart) May 15, 1926, 5

⁸⁶ *The Mercury* (Hobart) February 12, 1954, 6

⁸⁷ CCI Loss and Claims Register, claim no 92, policy no 1725, CCI Archives

⁸⁸ CCI Loss and Claims Register, claim no 112, policy no 6077, CCI Archives

⁸⁹ *The Mercury* (Hobart) November 13, 1946, 6

⁹⁰ CCI Loss and Claims Register, claim no 222, policy no 8607, CCI Archives

Shaw, during the previous evening to finalise proceedings for the anniversary celebrations. These included the blessing of Stations of the Cross which had recently been erected at the cost of £200. Pontville had experienced an earlier disaster when their uninsured Catholic school and Sunday school, just twenty-five yards from the church, was destroyed by fire in July 1912.⁹¹ At the time they had to rely on their own resources for its replacement. St Matthew's was a fine church situated on the hill on the southern side of Pontville looking back towards the township of Brighton. The church was constructed from cut freestone quarried in the local area and carted by farmers of the surrounding district, under the supervision of John Gillon, a noted mason of Macquarie Street, Hobart. The interior had beautiful furnishings, including four stained glass memorial windows.⁹² The church was only partly insured with CCI by the Archbishop of Tasmania for £2,440, but the cost of the repairs was estimated to exceed £4,000.⁹³

Rev Shaw was born and educated in country Victoria and ordained in St Patrick's Cathedral Melbourne. He was suited to a rural parish and ably set about making arrangements for the reconstruction of the church, which was completed in 1930. He received support from clergy and people of all denominations in the Pontville, Brighton, and Kempton districts. *The Hobart Mercury* reported that 'Its recent restoration to something of its former magnificence in building and equipment at considerable cost in a comparatively short period speaks well for the great zeal displayed in church work by the people of the Brighton parish and the Rev Donald Shaw, priest in charge.'⁹⁴ CCI assisted, but this fire was a considerable drain on resources.

Geographical distribution of minor disasters

During the summer of 1914/1915 bushfires were raging throughout Victoria and New South Wales resulting in CCI claims amounting to more than £1,200. Amongst the claims in New South Wales were two presbytery stables destroyed by bushfires. John Carroll, Bishop of Lismore claimed £75 on behalf of Monsignor Terence Bernard McGuire of St Mary's Bellingen.⁹⁵ McGuire was born in Moree, NSW and educated for the priesthood at St Patrick's College, Manly. In 1914 a group of priests, who were the products of the college, formed the Manly Union under the presidency of McGuire who later became the Bishop of Goulburn and Archbishop of Canberra and Goulburn. Before the war, as seventy percent of

⁹¹ *The Mercury* (Hobart) July 20, 1912, 3

⁹² *The Mercury* (Hobart) September 1927, 5

⁹³ CCI Loss and Claims Register, claim no 130, policy no 4785, CCI Archives

⁹⁴ *The Mercury* (Hobart) November 17, 1930, 3

⁹⁵ CCI Loss and Claims Register, claim no 8, policy no 1852, CCI Archives

priests working in Australia were born in Ireland, the Manly Union priests were still a minority in Australian Catholicism, but they had a strong sense of their missionary obligations to Australia.⁹⁶ The union's general objectives were to stress the Australian character of the church and its need for an Australian priesthood and hierarchy.⁹⁷ Through Manly graduates the Australian born clergy began to assume a major and significant leadership position in the new Commonwealth of Australia.

The Very Rev Dean Joachim Guerrini, an Italian Franciscan missionary, claimed £5 when his church at St Mary's Bundarra NSW was struck by lightning.⁹⁸ This church was in the jurisdiction of Bishop Patrick Joseph O'Connor in the Diocese of Armidale. In 1913 the Bishop wrote to the CCI directors 'I have to thank you for a very successful and very economical working of the new Society during the year 1912, and to congratulate you on the results of the year's operations.'⁹⁹ The Bishop of Bathurst, John Mary Dunne, claimed £60 for the stables at St Vincent's Portland.¹⁰⁰ Dunne was widely known as the 'Builder Bishop' as he ensured that every parish had a church, a school, a presbytery and a convent. 'He was a prudent and skilful administrator and a near-genius at raising money and made the voluntary system work in his diocese.'¹⁰¹ In 1913 he wrote to the CCI board that 'The Catholic Company is worthy of all sympathy and support to ensure the final success of a very worthy and important undertaking - praying that it may be entirely successful and assuring you that the Bathurst Diocese will do its part.'¹⁰²

Claims were also registered by the Bishop of Sandhurst, Stephan Reville, for bushfire damage to the presbytery and furniture at Sacred Heart, Tatura, Victoria, receiving £11.¹⁰³ The Bishop of Maitland, Patrick Vincent Dwyer, another early Australian born bishop, lodged a claim for £5 on behalf of Rev James Meagher of Dungog when the church was damaged by some young boys throwing fire crackers, in addition to a claim of £50 for a fire that destroyed the little Catholic Church at Oxley Island.¹⁰⁴ The loss of the church at Oxley was a severe blow for a small farming community isolated and dependent on ferries and punts to cross the Manning River. The wooden church had been built in 1892 next to a nature reserve. For the next forty years, services were held at the Oxley Island Literary Institute

⁹⁶ Edmund Campion, *Australian Catholics* (Melbourne: Viking 1987) 78

⁹⁷ Patrick O'Farrell, *The Church in Australia a short history:1788-1967* (Melbourne: Thomas Nelson Australia Limited 1968) 245

⁹⁸ CCI Loss and Claims Register, claim no 9, policy no 305, CCI Archives

⁹⁹ First Ordinary General Meeting of Shareholders, January 9, 1912, CCI Archives

¹⁰⁰ CCI Loss and Claims Register, claim no 6, policy no 1756, CCI Archives

¹⁰¹ Kevin Manning, 'Dunne, John (1845-1919)' *Australian Dictionary of Biography*, Volume 8 (Melbourne: Melbourne University Press, 1981) 375

¹⁰² First Ordinary General Meeting of Shareholders, January 31, 1912, CCI Archives

¹⁰³ CCI Loss and Claims Register, claim no 17, policy no 1236, CCI Archives

¹⁰⁴ CCI Loss and Claims Register, claim no 14, policy no 412, CCI Archives

Hall until a parishioner donated a block of land and a new timber church was erected.¹⁰⁵

Small claims continued to be made during 1915, amounting to £1,305. Some fires were due to accidents. At St Patricks Primary School, Stawell a few children had been seen playing with matches and threw a lighted match under the ventilators. The flame caught a quantity of rubbish under the building and burnt fiercely.¹⁰⁶ A new and more disturbing trend emerged during 1915. There were a number of the claims relating to fires which had been deliberately lit on church property. Monsignor Michael Buckley, Vicar General of the Goulburn Diocese, a crack shot and a breeder of coursing dogs, was well known in sporting circles outside of his congregation. When he claimed £12 for damages to the stables at St Michael's Church, Wagga Wagga he gently indicated that the fire was not due to natural causes.¹⁰⁷ A series of smaller claims for presbytery fires in New South Wales were lodged. Rev Richard Henry Williams of St Kevin's Bangalow, in the Diocese of Lismore £35¹⁰⁸, Rev Kieran Behan of Canbelego, a station church for St Lawrence O'Toole, Cobar, in the Diocese of Wilcannia-Forbes for £31¹⁰⁹ and Rev John Considine of St Joseph's Church, Megalong in the Archdiocese of Sydney for £35.¹¹⁰ There was also a fire claim of £195 lodged by the Rev David Tobin of the St John the Evangelist Church at Euroa, built for the Diocese of Sandhurst. The interior of this brick church, insured for £1,290, was severely damaged.¹¹¹

Two hundred and eighty-eight claims were lodged with CCI for the period of 1913-1935. During this period there were few incorporated Catholic entities and the number of their claims reflects their position. Of the nineteen claims lodged by Catholic trustee bodies, fourteen were from the Melbourne Archdiocese, two through the Trustees of the Roman Catholic Church of Tasmania, one for the Trustees of the Catholic Church, Gundagai and another for the Trustees of the Drysdale Catholic Church. The religious orders who were claimants in this first group were not shareholders, although other branches of their orders later became shareholders when they became incorporated entities. There was just one claim from an incorporated congregation. This was lodged in 1932 by the Sisters of Good Shepherd Incorporated. Seven other religious orders lodged claims during the early

¹⁰⁵ Notes from Manning Valley Historical Society <http://www.manninghistoricalorg.P&E4.htm> (accessed March 21, 2010)

¹⁰⁶ *The Argus* November 4, 1915, 8

¹⁰⁷ CCI Loss and Claims Register, claim no 10, policy no 558, CCI Archives

¹⁰⁸ CCI Loss and Claims Register, claim no 11, policy no 258, CCI Archives

¹⁰⁹ CCI Loss and Claims Register, claim no 12, policy no 1410, CCI Archives

¹¹⁰ CCI Loss and Claims Register, claim no 13, policy no 1424, CCI Archives

¹¹¹ CCI Loss and Claims Register, claim no 16, policy no 884, CCI Archives

period, the Mercy Sisters of Malvern, Cobar, Sydney, Adelaide and Galong, the Dominican Sisters of Moss Vale and Tamworth, the Christian Brothers of South Melbourne, the Passionist Fathers and St John of God Sisters in Goulburn, the Jesuit Fathers of Kew and the Augustinian Fathers of Kyabram.¹¹² Their commitment to paying premiums on multiple policies was the lifeblood of the company.

Conclusion

Mahon's assertion that Church buildings were not concentrated in a limited area where a single fire might cause disastrous loss proved to be correct. That the buildings were scattered meant that no fire caused other buildings to catch alight and therefore these fires could be contained to a specific location. He was also accurate in his assumption that most of the buildings were constructed in stone or brick and were a reasonable risk. Through a consideration of the early claims made upon the company, this chapter has also highlighted the wide geographical spread of the Church's mission in Australia and the hard-working, responsible and conscientious leadership of the missionaries CCI was supporting. This dedication, no doubt encouraged Mahon in his role as 'the apostle of insurance.' But Mahon raised another issue:

*Apart from weakening our position financially, the abstinence from the Company of any Diocese or parish may lead to difficulties later on when it is desired to join. For instance, unless struck by some great disaster, this Company will have accumulated a substantial Reserve Fund in a few years. This Fund will be earning interest adding to the security of the policyholders and increasing their bonus. But those whose contribution has built up the reserve Fund might object to others coming in then and participating equally with the profits. They might ask "Why should we who undertook the trouble, the liability and the risk of creating this Company – Why should we admit as equal partners others, who, having the same opportunity to join in originally, stood aloof until our efforts and money had given the Company assured success?"*¹¹³

In Chapter Seven this inequity is further studied alongside the role of shareholders and policy holders in the company during the duration of the First World War. It also considers the external demands placed on Mahon, as Minister for External

¹¹² This analysis was based on the CCI Loss and Claims Register, 1912-1936, CCI Archives

¹¹³ Hugh Mahon to Michael Kelly, July 22, 1911, CCI Archives

Affairs, by the Church hierarchy. Frequently these were matters pertaining to the Church rather than those exclusive to company operations.

Chapter 7: CCI during World War One

Introduction

The challenges set by Australians fighting an overseas war became a priority for the Catholic hierarchy. Affairs of the insurance business were left almost entirely in Mahon's hands. This chapter looks at the benefits of Mahon's political advocacy on behalf of the hierarchy, as well as share and policy holders, both at the front and at home. It explores the impact of CCI director Vincent Nolan's deputation to Archbishop Thomas Carr and Coadjutor Archbishop Daniel Mannix, concerning overt support of the war effort by Catholics. The study shows that, although Mahon's ambitious plans to introduce new forms of insurance were blocked by the hierarchy, he was innovative in increasing the number of shares on offer, establishing a priests' sustentation fund from CCI profits and by granting loans to priests in need. In addition, Mahon dealt with the thorny problem of the establishment of the State Government Insurance Office in Queensland and successfully secured the support of Archbishop James Duhig of Brisbane for CCI.

Impact of World War One on the Catholic Hierarchy

Before war was declared, Archbishop Carr was appointed as the bishop to nominate Catholic chaplains for the care of Catholic personnel in the forces. He was designated as Army Chaplain-General (Roman Catholic) by the Department of Defence. When Carr's health began to deteriorate he asked Archbishop Patrick Clune of Perth to act on his behalf. During 1916 Archbishop Clune, accompanied by Private George Patrick Wyburn his orderly and chauffeur, visited troops in England and Ypres. Following Carr's death in 1917 the Catholic Bishops voted unanimously for Archbishop Mannix's appointment as Catholic Chaplain-General, a position he held for life. It was a challenging appointment for Mannix who developed strong views on Australia's participation in the First World War. Mannix had arrived in Melbourne in March 1913. It was a time of hope for Mannix, with Home Rule for Ireland seemingly assured. The situation changed at the outbreak of the war, when Britain decided to delay the measure of independence that Ireland had been promised and the Easter Rising of 1916 followed. Mannix's initial response to this protest was temperate, but with the summary execution of many of its leaders, he emerged as an uncompromising Irish nationalist. Edmund Campion described him as a leader who seized the opportunity to speak out for Catholics who had been submerged and disregarded.¹

¹ Edmund Campion, 'Troublesome Cleric' *Australian Book Review* May 2004, 64

Rev Edmund McAuliffe, a long serving priest from St Mary's Cathedral, Sydney had purchased nine hundred and forty-five shares in 1912.² McAuliffe served at Gallipoli and Pozieres, received a Mention in Despatches and was later honoured as an Officer of the Order of the British Empire in 1919. In December 1915 McAuliffe wrote to Archbishop Kelly describing some of the difficulties involved in his ministry. A section of his letter was published in *The Advocate*:

*Seven months of trench warfare has taken its toll not only in life and blood, but in the appearance and spirit of the men. As soldiers their reputation is world-wide. They need no apologists to explain away their defects, for they never had any; nor will they ever need any apologists while Australian bone and muscle stand behind a rifle and bayonet. But the continued strain, and I might say privation, leave their mark on the survivors, and those who return will be different men.*³

War time appeals to Hugh Mahon

The Catholic Church experienced great difficulty in supplying Catholic chaplains for the forces. Added to this was the tangled process in order to gain exemption from military service for those studying for the priesthood or for students working in religious orders. A CCI shareholder, Brother Patrick Jerome Barron, a teacher at Mount Carmel, Middle Park and a former Superior of the Christian Brothers, was deeply concerned about this problem.⁴ In 1916 he wrote to Mahon.

*I am anxious to know how the Christian Brothers will fare if conscription be carried in the forthcoming referendum. We are practically exempt (through a tiresome process) under the Defence Act and I am anxious to know if that exemption will hold good under the Compulsory Act. If not may I count on your good services and influence with the Cabinet to secure us exemption? Also we have in our schools all over the Commonwealth young men employed as Assistant Teachers and if they have to leave us and become soldiers, our work will be much hampered. I believe there is an understanding between the Defence Department and the various state Education Departments that state teachers will not be accepted for service. If this is so, and if it were extended so as to include all teachers, we would be safe.*⁵

² CCI Share Register, November 11, 1912, CCI Archives

³ *The Advocate* February 12, 1916, 13

⁴ CCI Share Register, December 4, 1911, CCI Archives

⁵ Patrick Barron to Hugh Mahon, Papers of Hugh Mahon, MS 937/416, September 20, 1916, NLA

In addition Monsignor Thomas Hayden, President of St Stanislaus' College, Bathurst and Dr Mannix lobbied Mahon about this anomaly and after strong pressure the government granted the exemption.⁶ However, eighty-six Catholic priests were sent to the war zones and another seventeen served as chaplains on transport and hospital ships.⁷ Forty-six of this small, specialised group of non-combatants received decorations for valour which included the Military Cross, the French Croix de Guerre and Order of the British Empire.⁸

As the war casualties mounted, hysteria grew about the possible threat to Australia of so called 'enemy aliens' and the need to isolate them. The Defence Department established a policy of interning leaders of the German-Australian community, especially in South Australia and Queensland, where the highest proportion of people with German backgrounds lived. From 1914-1918, 6,890 were interned of whom 4,500 were Australian residents before 1914. Soon after the war started the government established accommodation camps in each of the six states but as numbers grew the decision was made to move all of the internees to New South Wales. The Holsworthy Camp was enlarged and two internal camps in disused jails were established at Berrima in the southern highlands and Trial Bay on the north coast.

In 1916 Mahon, then Minister for External Affairs wrote to fellow insurer, John Garvan, that 'There are 529 Germans at Trial Bay. Many of them are Barons or Counts from Ceylon and India together with various 'vons' of several degrees and tonnage. Amongst them are fourteen Catholic priests. My business there was in regard to the latter.'⁹ The case of one internee, Rev Charles Adolph Jerger, created bitter divisions within both Catholic and Protestant groups. Jerger was born in Germany and educated in England. He migrated with his family to Sydney and became a priest in Goulburn and later in Sydney. After a sermon at Marrickville in September 1916, a parishioner complained that Jerger had expressed disloyal sentiments calculated to discourage enlistment in the AIF. He denied these allegations and decided to seek help from Carroll, a Sydney Board Member of CCI, who in turn asked Mahon to intercede.

⁶ Thomas Hayden and Daniel Mannix to Hugh Mahon, Papers of Hugh Mahon, MS 937/420, October 7, 1916 & October 19, 1916, NLA

⁷ Tom Johnstone, *The Cross of ANZAC, Australian Catholic Service Chaplains* (Queensland: Church Archivists' Press 2003) 338-340

⁸ The decorations of Catholic chaplains in the Australian forces were checked against their entries in the Australian War Memorial and the National Archives of Australia

⁹ Hugh Mahon to John Garvan, Papers of Hugh Mahon, MS 937/368, February 23, 1916, NLA

Carroll reminded Mahon that he had met Jerger at Tumut in 1912. Jerger was giving a mission at the Church of the Immaculate Conception for Rev Richard Butler, CCI policy and shareholder.¹⁰ Rev Jerger visited Melbourne to explain his position to Mahon but after being interviewed by military intelligence was registered as an alien. Jerger mistakenly believed that he was a naturalised British subject. He was born in Germany to German parents, but his father died when he was young and his mother remarried an Englishman and he came to Australia as a British dependent. In 1917 he was again accused of anti-British sentiments and interned at Holsworthy where he worked as a Catholic chaplain. According to his biographer, 'Jerger was aggressive and volatile, claiming that he was persecuted and thwarted. His tactlessness and obstinacy did not help his case.'¹¹ Despite public demonstrations and High Court appeals, Jerger remained in interment until 1920 and was later deported. He became the symbol of disloyalty of Catholics. Mannix was a passionate defender of Jerger and was particularly colourful and angry in attacking the prejudice involved in the deportation of an Australian-trained Catholic priest.¹²

The Australian government was keen to prevent companies run by businessmen of German descent from competing with British companies. The rationale was that these companies could somehow help the German war effort in Europe. Under the 1915 War Precautions Act, all shareholders of 'enemy origin' were removed from the share registers of public companies. Public Trustees with offices in each state were set up to implement this regulation. The shares had to be transferred to the Public Trustee or sold by the holders. In 1916 Rev James O'Dwyer, Rector of Xavier College Kew, wrote to Mahon on behalf of one concerned family.

I am sorry to be one of many, I fear, to encroach on your busy life at the present moment, but I shall be brief. Mr J (John) Hagemann, 42 Foley Street, Kew is a Hanoverian refugee who has been thirty years in Australia and is a naturalised citizen. He is Catholic, his wife (Mary) an Irish Australian, and his son Eddie who was for many years at Xavier has gone into the Jesuit Novitiate. Mr Hagemann and his wife have investments in some companies. They have asked me to write to you about their case. I have known the family for years and I can assure you that in every way

¹⁰ JJ Carroll to Hugh Mahon, Papers of Hugh Mahon, MS 937/452, October 10, 1916, NLA

¹¹ Peter L'Estrange, 'Jerger, Charles Adolph (1869-1927)' *Australian Dictionary of Biography*, Volume 9, (Melbourne: Melbourne University Press, 1983) 484

¹² *Freeman's Journal* (Sydney) June 10, 1920, 18

*they are law-abiding citizens. You may be able to do a good turn when their names come before you.*¹³

General Church business was disrupted during the war in other ways. War census papers were sent to all clergymen in Australia. The Commonwealth Statistician, George Knibbs, explained to Archbishop Kelly that given war time shortages ‘If members of any order have personal wealth or income they should make a personal return.’¹⁴ A deeper irritant for the clergy was government censorship. In December 1914 Bishop Joseph Shiel of Rockhampton wrote to Mahon:

*Sometimes in the fulfilment of our official duties we have to carry most confidential correspondence dealing partly with matters of conscience with the Congregations of the Holy See, Rome. It is horribly odious thing to have such correspondence opened and read by censors. This has been done recently with such confidential sealed correspondence addressed to me. Could nothing be done to prevent it? Surely the persons to whom such correspondence is addressed ought to be a significant guarantee that it was not containing communications with the enemy. I am writing to you as you are the only member of the ministry I know; and besides as a Catholic you understand the dimensions of the matter I write about.*¹⁵

Bishop Shiel was not alone in his anxiety. Similar requests from Bishops all around Australia arrived on Mahon’s desk. Mahon’s solution was to arrange for all future correspondence from Rome to be directed through the Archbishop Carr and his successor, Mannix, in their role as Army Chaplain General for the Roman Catholic Church.¹⁶

CCI in war-time mode

The work of CCI continued in the face of wartime difficulties. In the CCI Annual report of 1916 Mahon expressed some concern that the war could depress rates of return on their investments.¹⁷ In 1917 Mahon noted that the amount remitted by the company to the bishops and priests had reached £9,100, an increase of £2,500 on

¹³ James O’Dwyer to Hugh Mahon, Papers of Hugh Mahon, MS 937/434, February 3, 1916, NLA

¹⁴ George Knibbs to Michael Kelly July 21, 1915 Series 0009/015 Kelly Correspondence-Organizations-War Chaplains, SAA

¹⁵ Joseph Shiel to Hugh Mahon, Papers of Hugh Mahon, MS 937/421, December 16, 1914, NLA

¹⁶ Letters to Mahon were received from Bishop James Duhig MS 937/423, Bishop John O’Reilly MS 937/426 & Bishop Daniel Mannix MS 937/428, NLA

¹⁷ The Catholic Church Property Insurance Company Annual Report January 22 1916, CCI Archives. An analysis of Mahon’s investment portfolio is outlined in Chapter Five p. 113-114, summarised in Table Two, Revenue and Liabilities 1912-1931 Appendix 2 and in Table Six, Income and Profit 1912-1936 Appendix 6. Both tables show a steady growth in CCI during the war period.

the previous year, but he indicated that there was more to accomplish. Mahon omitted any mention of arrears in subscriptions for shares. In personal notes he calculated that the amount overdue in September 1917 was £71/15/6 from eighteen shareholders, sixteen of whom were diocesan priests.¹⁸ He stated:

So far, the Company has been unable to secure the co-operation of the dioceses of Adelaide, Port Augusta, Ballarat (with a few exceptions) Brisbane (with one exception), New Norcia (with one exception) and North Queensland. Some portion of the properties controlled by the Christian Brothers, the Marist Brothers, the Vincentian Fathers and the Sisters of St John of God are insured with the Company. With these exceptions, scarcely any property of the Religious Orders is insured by us. If this Company were favoured with the insurance of all Church property in Australia, the ratio of expense to income would be greatly reduced and the rebate to Bishops and Clergy increased. We could probably reduce the cost of insuring Church property by 50%. In view of the heavier taxation due to the war, the reduction in the cost of protecting Church property becomes important. In addition to the rebate we give concessions not extended by other companies. For instance we have kept insured properties on which premiums were overdue from three to nine months.¹⁹

Extraordinary General Meetings of CCI shareholders

The First Extraordinary General Meeting of Shareholders was held on 8 March 1917. Shareholder approval was necessary to alter clauses in the company's 1911 Memorandum and Articles of Association. The first consideration was a matter of housekeeping to inform all shareholders that the company account books would be made available for consultation at the Melbourne office during the hours of 10am and 3pm each day, except Saturdays. The second was to change the financial year for the company from the calendar year to one ending on 30 June. This was implemented by issuing a half yearly report from 1 January to 30 June 1918. Thirdly Members were asked to consider altering the clauses concerning directors. The proposal was to increase the number of directors from a minimum of three to a maximum of seven. In the light of Mahon's indifferent health, this was not a contentious issue.

Carroll considered that the change was desirable as it could pave the way for a director in the future to represent other states like South Australia, Western

¹⁸ Hugh Mahon's notes, September 19, 1917, CCI Archives.

¹⁹ Hugh Mahon, *The Catholic Church Property Insurance Co. Ltd. – its Formation, Operations and Present Position* 1917, CCI Archives.

Australia or Queensland.²⁰ In practice the number remained at five from 1913 until 1936. All of the board members were selected from New South Wales and Victoria. Years later Carroll wrote to Mahon:

*I met Monsignor O'Haran today, and as usual he resents the preponderance of Victorian influence. Monsignor states that at a shareholders' meeting in Sydney about two or three years ago (this meeting was actually held some ten years earlier) the Shareholders passed a resolution recommending the Directors to increase the number of Directors to seven so that there can be additional Clerical Directors on the Board. He desires to know whether such a resolution is recorded in the minutes and the date the same was passed. (The minutes made no reference to clerical representation.) As he is not able to go over to Melbourne, he intends to reopen the matter at the next Annual meeting in Sydney next year.*²¹

At the same time the directors, led by Mahon, were exploring ways to build the business. Underlying the question of increasing capital, reducing the amount of reinsurance, and reviewing investment strategies, was an opportunity for a fundamental rethink about opening new lines of insurance and targeting a wider sphere than the Catholic Church. At a meeting of directors held in Melbourne during May 1918, Mahon floated the idea of extending the business by substantially increasing the number of shares, opening the insurance to the general public and introducing different forms of insurance instead of confining the operations to fire insurance.²² The consensus reached at this meeting was that these radical ideas should be presented to the shareholders. In July 1918 Carroll wrote to O'Haran:

The Auditor reports that he does not deem it opportune for the Directors to declare a dividend at the ensuing meeting on 6th August in view of a yearly dividend having been paid last March. The Federal Government have also anticipated our proposed amendment of the Articles of Association by making in their last Amending Taxation Bill, Co-Operative Companies liable to taxation so that it is now very doubtful whether we will gain anything from an Income Tax point of view by paying 'interest' instead of 'dividend'. To meet such additional taxation the shareholders will be asked at the next meeting to consider the question of extending the Company's operations to General Fire Insurance business as if we are made liable to

²⁰ JJ Carroll to Hugh Mahon February 12, 1917, CCI Archives

²¹ JJ Carroll to Hugh Mahon August 8, 1929, CCI Archives

²² Minutes of the Meeting of Directors May 17, 1918, CCI Archives

*taxation the same as ordinary trading Companies, we may as well step in and if possible, reap some extra profits.*²³

Two Extraordinary General Meetings of shareholders were held in Sydney during August 1918. The ensuing discussions, about possible changes to the business, turned these meetings into a battlefield. Present were Mahon, Nolan, Meagher, Carroll, Monsignors Coonan and O'Haran, Rev Richard Collender, Rev Edward O'Brien and lay shareholders, Edward Hollingdale, Tighe Ryan and Patrick Cleary. Perhaps anticipating some dissent about his new proposals, Mahon asked Meagher to act as chairman for the meetings.²⁴ Nolan took a conservative approach. He was opposed to increasing the capital of the company and extending its operations in any way. He thought that the field of Church insurance should be further exploited and he had a strong point.²⁵ A vast number of parishes and religious orders still remained insured with secular companies. In 1917 Mahon had noted:

*The Company could handle a much larger volume of business without materially adding to its expenditure. Increased business would mean increased bonuses with corresponding lightening of the growing burden borne by the Catholic community. It is earnestly desired that the potential usefulness of the Company in this connection may be widely recognised in the immediate future.*²⁶

Apart from Nolan, the lay shareholders were supportive of Mahon's proposals. The clergy were not in favour. By emphasising that priority would be given to the clergy and religious orders, Mahon was successful in passing the motion for increasing the capital of the company from £50,000 to £100,000 with 25,000 shares being offered immediately.²⁷ Mahon made a further commitment that the new capital would not be invested in government stock. His ambitious ideas for expanding the business in other ways were overruled. Mahon spent the greater part of each meeting assuring Monsignor O'Haran that the scheme for embarking into general insurance would be abandoned and that priests would be given preferential treatment in the allocation of the new shares. Laity would be offered shares only as a last resort. During the meeting Mahon scribbled notes on his agenda papers indicating how the shareholders were thinking: "prevent the company passing out

²³ JJ Carroll to Denis O'Haran July 17, 1918, Series 0019/009 Australasian Catholic Church Assurance, SAA

²⁴ Minutes of the Shareholders Extraordinary Meetings August 6, 1918 & Minutes of Confirmatory Meeting August 21, 1918, CCI Archives

²⁵ Minutes of the Board of Directors May 17, 1918, CCI Archives

²⁶ The Catholic Church Property Insurance Company of Australasia Limited Director's Report 1917, SAA

²⁷ Minutes of the Extraordinary General Meeting of Shareholders August 6, 1918, CCI Archives

of ecclesiastical hands and into the hands of speculators – prevent the monopoly of shares and secure the interest of the safe insurances of the church.”²⁸

By December 1918 all new CCI shares were allocated. Not all shareholders were impressed with this success. During 1917 when Carroll visited a leading shareholder, Monsignor O’Haran at his Sacred Heart Presbytery, Darlinghurst, he met with a barrage of criticism. Carroll explained to Mahon that the prelate felt, in his own words, that he had been ‘cavalierly treated’. Mahon had promised to call on him personally with information about taking up further shares and had not communicated with him at all during his Sydney visits. The Monsignor was deliberately withholding the payment of premiums and ignoring renewal notices until he had seen Mahon. Carroll explained that Mahon had been unwell and on one occasion was admitted to the Lewisham Hospital. Carroll told O’Haran that from September 1916 until February 1917 Mahon was unable to transact any company business.²⁹

During the meeting with Carroll, O’Haran dealt at great length with the work he had done whilst private secretary to the late Cardinal. This included assisting Mahon to have the company considered by the hierarchy. Since the Cardinal’s death, he felt insulted that he was no longer regarded as a key person to consult or confer with on the company’s business. O’Haran considered that the company was not acting fairly towards the original shareholders who took a much greater risk at a time when the company was struggling than those who had come in later when the company’s financial position was assured. He believed that the original shareholders should be allocated a separate additional bonus. Carroll’s letter to Mahon concluded with:

*Whilst I do not for a moment consider that he has any legitimate grounds for complaint whatever, or excuse for not paying the premiums, still as a matter of prudence, in view of the great influence he still exercises amongst parish priests, not only in the archdiocese but throughout the state, I think that it would be well to humour him by writing a personal letter expressing your surprise at hearing his views from me. I think you are as familiar as I am with the Monsignor’s peculiarities and will fully understand and appreciate how I had to handle the position.*³⁰

²⁸ Hugh Mahon notes, Series 0009/015, SAA

²⁹ JJ Carroll to Hugh Mahon February 12, 1917, CCI Archives

³⁰ JJ Carroll to Hugh Mahon February 1, 1917, CCI Archives

Personal ‘peculiarities’ of the clergy were clearly a challenge to the lay leaders of CCI. Their response to the clergy was intelligently diplomatic not docile.

In March 1918, when the demand for shares continued to be a problem the board resolved that:

In view of frequent enquiries made by prospective buyers for shares that the Managing Director should settle a form of circular to be sent to all shareholders notifying them that in the event of any shareholder wanting to dispose of his shares the Company would supply the name and address of any applicant for shares so that the seller and buyer could deal direct with one another, but that it was to be understood that in so doing the company in no way acted as Agents regarding the sale of shares.³¹

Monsignor O’Haran’s complaints prompted the company to instigate more frequent communication with their shareholders through official circulars and embark on some subtle changes to its operations.

Resolutions passed at the Second Extraordinary General Meeting of Shareholders held on 21 August 1918 had potentially far reaching implications. The changes were prompted initially by the steep increases in state and federal taxes and fees paid to Fire Brigade Boards. A resolution was passed to delete the word ‘dividend’ anywhere in the Articles of Association and substitute this word with ‘interest’ in order for the company to be recognised as a charitable or religious institution and decrease their taxation.

A new idea – establishing a sustentation fund

In April 1916 Mahon had received a letter from his great supporter, Patrick Phelan, in his capacity as the Bishop of Sale.

Here is a question I want you to consider before you come to Sale next Saturday. When I came here I found there was no Infirm Priests’ Fund, no provision made for a priest who might have a long illness, or might be permanently injured – invalided. So I set at once to create such a fund and in two years we have over £1,000. One rule of the society is that the capital must never be less than £1,000. And what occurred to me is this: to recommend to the four priests who form the committee with me, to invest half or the entire of that sum in the Catholic Church Insurance Company. What would you advise? We hold the money in trust, and cannot afford to

³¹ Minutes of the Board of Directors March 18, 1918, CCI Archives

*gamble: we must get the best security even though the interest is small, but of course if we got good security and good interest better still. Most of our stock is in fixed deposit in the bank, but we could invest £500 immediately.*³²

Mahon thoroughly agreed with his suggestion. Phelan's timely letter became the catalyst for Mahon's next idea. The company could serve the clergy shareholders by setting aside surplus company funds for sustentation. Mahon believed that the 1918 special resolutions passed by shareholders for raising additional capital and the change in nomenclature in the Articles of Association, enabled the company to raise further capital and be recognised as a charitable operation and thereby minimising taxation.³³ He began to plan for the establishment of a separate fund for sick and infirm priests, known as a sustentation fund. Meagher thought this was an inspired idea but suggested to Mahon that his first course of action should be to send an introductory letter to Monsignors Coonan and O'Haran about this possible new venture so as it would not be seen as a Melbourne plot.³⁴ This highlighted the frailties of human nature which were strongly evident in the CCI saga.

Mahon obliged and drafted a circular to send to all dioceses asking for particulars of existing societies as it would be necessary for the directors to understand the financial position of similar funds in each diocese to enable them to apportion the income from the proposed Central Fund. Carroll considered that the circular was an excellent suggestion but thought that it should include:

*The various Orders of Religious Women as well as the male teaching Orders, seeing that the various convents, hospitals and orphanages, probably form the greater part of our premium income and are probably more loyal to our Company than the male teaching Orders. More especially as it will bring the business of the Company directly under the notice of the Clergy and Religious Orders who may in the past have not taken the trouble to read circulars sent out to them by the Company.*³⁵

Mahon sent a circular letter about the proposed Catholic Religious Sustentation Fund to each archdiocese and diocese. This letter, with some words underlined, stated:

³² Patrick Phelan to Hugh Mahon Papers of Hugh Mahon, MS 937/406, April 11, 1916, NLA

³³ Minutes of the Extraordinary General Meeting Shareholders August 21, 1918, CCI Archives

³⁴ Michael Meagher to Hugh Mahon April 1, 1919, CCI Archives

³⁵ JJ Carroll to Hugh Mahon February 24, 1919, CCI Archives

The Catholic Church Property Insurance Co. Ltd. proposes to set aside £20,000 – To assist in providing sustentation for Catholic Clergymen and other Religious incapacitated from the active discharge of their duties by reason of old age, illness, or other infirmity – This Fund is intended to be supplementary to, but not a substitute for, any existing fund with similar or kindred objects. The profits of the Company have been obtained from the insurance of a portion only, not the whole, of Church Property in Australia. Church Property in certain Dioceses is not yet insured with the Catholic Church Property Insurance Co, despite that the Company has been in active operation for nearly eight years, that its rates are no higher than those of other Companies, and that it has returned rebates of over £12,000 to the Church authorities.³⁶

In private notes Mahon wrote that the annual parish collection for sick priests would continue. The fund would only apply to priests on sick leave, or incapacitated from duty as certified by the bishop, or retired on account of age.³⁷ In his circular Mahon asked three questions, whether the fund would be extended to non-participating CCI dioceses, what proportion of the fund should be applied to participating dioceses and whether the fund should embrace grants to religious orders. Carroll reported to Mahon that Rev Peter Byrne of St Martha's, Strathfield, holder of five hundred shares, had raised the question of payment of shareholders' interest:

Very Rev P Byrne, Strathfield, called today and inquired whether it is proposed to pay an interim dividend to the shareholders or are the shareholders to wait until it is declared at the first general meeting after 30 June 1919. I will be glad if you write by return post to the very Rev P Byrne as I strongly suspect that he was sent here by a higher Ecclesiastic (O'Haran) with whom we have had much correspondence.³⁸

Mahon responded 'We have had a few similar inquiries here on the same subject. Now that the government is raiding our profits there is no reason why we should be economical at the expense of our shareholders. I am therefore in favour of paying an equivalent to 18 months dividend after 30 June next.'³⁹ Mahon received an overwhelming number of favourable responses to the creation of a sustentation fund including one from Archbishop Patrick Clune, who replied:

³⁶ Catholic Religious Sustentation Fund July 1, 1919, CCI Archives

³⁷ Hugh Mahon notes c1919, CCI Archives.

³⁸ JJ Carroll to Hugh Mahon April 11, 1919, CCI Archives

³⁹ Hugh Mahon to JJ Carroll April 14, 1919, CCI Archives

*I think your idea of pulling a sum from your surplus profits to the sustentation of Catholic clergymen a good one. I am sorry to say that there is no Sick Priests' Fund in the Archdiocese of Perth. There was a flourishing one in existence prior to my appointment. Unfortunately the funds were allocated to other purposes, and I could not get the priests to start afresh after the bitter experience they went through. At present the infirm priests are being supported by myself.*⁴⁰

When Clune was appointed in 1911, the Perth diocese had a huge debt of £204,039. To reduce the debt he appointed a committee of experienced lay financial administrators who over the years managed to reduce this debt but in 1919 there was still a residue of liabilities.⁴¹ Bishop Andrew Killian of Peterborough, Diocese of Port Augusta, South Australia later wrote:

*At present sick priests in this diocese have to manage as best they can. Of course the obligation to their support in time of sickness falls on the bishop, and he has to manage as best he can. I hope that the Catholic Insurance Company will give special consideration to a poor struggling diocese such as ours: sixteen priests, sixty Sisters and a territory of three hundred thousand square miles is a big burden on twelve thousand struggling Catholics.*⁴²

Rev John Kerin, administrator of St Patrick's Cathedral, Ballarat wrote:

I am glad to know that your company has got on so well, I also wish to express my appreciation of the kind feeling that prompted your directors to set aside £20,000 for the purpose. I think that every diocese ought to be given twelve months from May 1919 to come into your Company. I don't suggest this because our diocese is one of the laggards but because I think that your action in allocating this sum will bring home to the minds of the priests very forcibly the benefits of doing business with you. If this suggestion was acted on I think you would find that the number of your subscribers would increase rapidly. Personally if I were in a parish of my own I would transfer every property immediately to your company. If you divide the fund pro rata for the properties insured you will help the dioceses who are in the best positions to help themselves, e.g. Melbourne, Sydney, Brisbane, while poor dioceses like Wilcannia Forbes, Port

⁴⁰ Patrick Clune to Hugh Mahon June 11, 1919, CCI Archives

⁴¹ Denis Francis Bourke, 'Clune Patrick Joseph (1864-1935)' *Australian Dictionary of Biography* volume 8 (Melbourne: Melbourne University Press 1981) 32

⁴² Andrew Killian to Esmond F Downey March 17, 1926, CCI Archives

*Augusta, Tasmania and others who certainly have the best claim will be left in the cold. I respectfully suggest that you keep well before your minds the claims of priests who are working in poor dioceses. Generally they are only a small number consequently they cannot make a success of a fund of their own. Besides they have to work very hard and as far as this world goes in many cases they get very little reward.*⁴³

Mahon replied: 'My own long residence in the interior, on the Western goldfields, enables me to endorse your opinion that the most deserving cases will be found in the remoter Dioceses.'⁴⁴

O'Haran was the main dissenting voice:

*Please, let me say at once that at present and for some time to come, that I regard our Church Property insurance Co as a business concern only, to be managed on the strictest lines. The Bishop, Priest or layman who makes unsound business proposals on mere pietistic lines should be ostracised and the management or directorate who accepts them deserves to be impeached. So far as resultants to the Company are concerned it is exactly the same to apply £20,000 of the fresh Capital to benevolent purposes as it would be to reserve £20,000 out of Capital already the property of the Company. It would be naked madness to apply £20,000 out of the £25,000 which it is now proposed to call in through share issues as fresh Capital. That is clear even to the uninitiated. Well juggling with Capital and pietism can clothe it only in nakedness.*⁴⁵

Mahon with courage responded to O'Haran's letter point by point:

The board has acted on a business conception throughout and will continue to do so. Every business may be tested by its result and a comparison with those of any similar Company operating in Australia. I do not know what is meant by the phrase 'pietistic lines' but any implication that we are proceeding or have proceeded on 'unsound business' lines is erroneous. This contention rests on the supposition that the whole of the surplus profits of the Company belong to shareholders. This is not so. Our Articles

⁴³ John Kerin to Hugh Mahon June 4, 1919, CCI Archives

⁴⁴ Hugh Mahon to John Kerin June 10, 1919, CCI Archives

⁴⁵ Denis O'Haran to Hugh Mahon August 6, 1919, CCI Archives

*of Association clearly limits shareholders to 7½% per annum on their paid-up capital.*⁴⁶

Mahon concluded his rebuttal with:

*Perhaps a more effective action would be if the Monsignor were to exert his great personal influence to induce the transfer to the Company of insurances bestowed elsewhere, so that the Company might be able to render the Catholic community all the advantages which His Eminence, the late Cardinal Moran, hoped and expected it would confer.*⁴⁷

Possibly the CCI board members emitted a collective sigh of relief when O'Haran finally went to his heavenly reward in 1931. However there was one other vocal critic, Monsignor James Joseph Norris of St Patrick's Church Cooma who wrote:

*I cannot agree with the principle of allocating some of the surplus profits of above company for the purposes of a 'Catholic Religious Sustentation Fund', tho I approve theoretically of the idea of such a fund, but not subsidised from the profits of the company. As a shareholder (200 shares) I wish to enter my emphatic protest against the proposal; and to notify the Company that as far as I am concerned my interest in it will cease if it carries through the proposal, which would proceed to alienate the people's money for purposes that in some dioceses and Religious Orders that are uncalled for and unnecessary, in a manner that is undemocratic and outrageous.*⁴⁸

Mahon suggested that he look at the proposition again and offered to send him more information in the hope that he would view project more favourably.⁴⁹ Mahon must have been successful as the Norris remained a shareholder.⁵⁰

The clergy generally disagreed with O'Haran's views. However, receiving the desired tax concessions to build a sustentation fund was not all plain sailing. From 1918, CCI still remained subject to federal and state income tax amounting to around £400 annually. These taxes included a license fee, stamp duty and fire brigade contributions. Mahon was however successful in securing a rebate of £50 on CCI's licence fee of £100 from the Treasurer, William Murray McPherson on

⁴⁶ Hugh Mahon to Denis O'Haran August 6, 1919, CCI Archives

⁴⁷ Hugh Mahon to Denis O'Haran August 6, 1919, CCI Archives

⁴⁸ James Norris to Hugh Mahon July 24, 1919, CCI Archives

⁴⁹ Hugh Mahon to James Norris July 28, 1919, CCI Archives

⁵⁰ James Norris to Hugh Mahon August 1, 1919, CCI Archives

the grounds that the company was not out to make a profit!⁵¹ This rebate promoted some angry letters in the press from the Switzerland and General Insurance Company.⁵² Mahon estimated that out of every pound received as income three shillings were absorbed by taxes. He wrote ‘Seeing that the company’s operations were restricted to Church insurance, the fees mentioned were felt more keenly than by other companies with a wider sphere of operations.’⁵³

In January 1919 Mahon wrote to Carroll that:

*We have received a Federal Income Tax Assessment for £110. 7. 6. An appeal is being made about this impost. Our contention is that under clause 105 our surplus profits belong to the bishops for charitable purposes and are therefore exempt under the Act. We shall probably be met by the contention that whatever may be the ultimate destination of the money it is in fact surplus profit from our operations and is so described by our own Articles. Hence, as profit it is taxable. To get over this difficulty I have drafted two new clauses for your consideration and suggest that before submitting them or any amendment of them for shareholders’ approval, we should take counsel’s opinion on the matter. It seems to me out of the question that we should go on paying one-eighth of our profits to the Government.*⁵⁴

The directors voted in favour of Mahon’s new, but cautious, clauses that: £20,000 be set aside when available from surplus profits, that the first contribution of £7,000 be immediately allocated and that the trustees (members of the hierarchy) be empowered to frame the regulations for the investment, control, administration and distribution of the fund.⁵⁵ In June 1919 Mahon reported to the directors that he had conferred with Mannix who had agreed to this much lower starting capital for the sick priests’ fund. Not only was the fund smaller than envisaged by Mahon but membership and benefits were to be confined to diocesan clergy. The funds were to be taken from accumulated surplus profit after payment of interest to shareholders. The income from investments of the fund was to be divided in accordance with the instructions of the hierarchy. The corpus of the fund, which would be topped up each year from surplus profits of CCI, was to be kept intact until it had accumulated to £20,000 but this was subsequently amended to £50,000. This was to ensure that there was a reserve to draw on if CCI experienced financial difficulties. This first

⁵¹ *Barrier Miner* March 23, 1918, 6

⁵² *The Argus* March 20, 1918, 8 & March 21, 1918, 7

⁵³ Minutes of the Seventh General Meeting of Shareholders, August 21, 1918, CCI Archives

⁵⁴ Hugh Mahon to JJ Carroll January 22, 1919, CCI Archives

⁵⁵ Minutes of the Meeting of Directors April 9, 1919, CCI Archives

trust was named The Infirm Catholic Ecclesiastics' Sustentation Fund and the CCI Directors were appointed to act as the trustees with Edmond Ryan appointed as the auditor.⁵⁶

While a modest beginning had been made to accumulate funds, there were two operational problems underlying the allocation of surplus funds for sick priests. The first was underinsurance of properties and the second was the increasing number of claims. During 1922-1923 claims were numerous and heavy amounting to over £2,186, double the amount of the previous financial year. This pattern was to be repeated in the following two financial years. In July 1922 Carroll wrote to Archbishop Kelly:

During the last twelve months, the number of claims dealt with by this Company for damage by fires, have constituted a record in the history of the Company and the losses have been serious. In practically every case it has been found that the property covered has been very much underinsured and the Directors deem it their duty to bring the matter under the notice of Your Grace. The matter of underinsuring is unfair at least in two respects; it is unfair to the Catholic community upon whom lies the responsibility of making good the loss; and it is unfair to the Company as it is called upon to carry the total risk for only a portion of the premium.⁵⁷

In 1924 Mahon reiterated the position to Archbishop Clune of Perth:

The capital sum, now over £20,000 constitutes the company's reserves to meet any abnormal loss or losses. But when the annual income reaches say £1,500 (which it should do in a year or two) the present intention is to hand the amount over to the Archbishops and Bishops for allocation as they may decide. Your Grace will recognise that the Directors have not the knowledge of the needs of the various Dioceses or of individual Priests to warrant them in making any division of the Fund. We hope, however that the first recipients may be those whose need is greatest, which doubtless means that the first benefactions would be made to dioceses remote and sparsely settled, where it has been found impossible to establish such a Fund. Personally I should like to see the first instalments given to Dioceses from which the Company received support from its inception in which Perth and Geraldton are included.⁵⁸

⁵⁶ Minutes of Meeting of Directors June 27, 1919, CCI Archives

⁵⁷ JJ Carroll to Michael Kelly July 15, 1922, Series 0009/036, SAA

⁵⁸ Hugh Mahon to Patrick Clune September 12, 1924, CCI Archives

CCI loans to share and policy holders

In May 1916 Dr Joseph Shiel, Bishop of Rockhampton, Queensland, applied for a loan of £3,000 from the company. Mahon responded by telegram that the funds were immediately available at local bank overdraft rate and conditions. Shiel cabled back that:

*'Bank overdraft rate -no advantage'. No business on such terms. It seems that you have loaned out your money already at 3½% and 4% to the various governments. You can hardly expect the Church (which is at least as good security) to give you 6% or 6½%. If you give the money at 4% or 4½% I shall take it – otherwise I can make just as advantageous terms locally. I hope your directorate will realize that the terms offered are altogether inconsistent with its professed intention of helping Church extension. The banks are always prepared to advance any amount of money to the Church on the terms you suggest but what we want your company to do is to save us the excessive interest for constructive works.'*⁵⁹

A compromise was reached. Mahon offered Shiel a reduced loan of £1,500. This was based on the Bishop's surety with Mahon arguing that in Victoria banks advanced money to bishops without mortgages and entirely on personal guarantees. *The Catholic Press* reported on the situation:

*In the year the Bishop paid two mortgages which the AMP Society held over part of his property, and released the deeds of £650 on the Christian Brothers' residence and the other of £1,500 on the Christian Brothers' School and property adjoining. The latter sum was paid by the Catholic Church Property Insurance Company at the rate of 5 per cent given on the Bishop's personal guarantee that the loan would be a parish debt.'*⁶⁰

Bishop Shiel was gracious in acceptance:

*I must express my sincere regret at hearing that you were unwell. I can well understand how terribly anxious and health racking are the duties of Cabinet Ministers in the present troubled times – with the additional worries of the Insurance Co on your shoulders the burden must be overwhelming. I sincerely trust that you will not overtax yourself.*⁶¹ He did however add:

⁵⁹ Bishop Joseph Shiel to Hugh Mahon June 2, 1916, CCI Archives

⁶⁰ *The Catholic Press* July 27, 1916, 29

⁶¹ Bishop Joseph Shiel to Hugh Mahon June 20, 1916, CCI Archives

My advice to your company would be – to trust your Bishops rather than the lay lawyers and you will save both them and yourselves much trouble and expense. The Bishop’s written guarantee is amply sufficient, I consider, and even if his engagement does not legally bind his successor has it ever been known that a Bishop repudiates his predecessor’s debts? ⁶²

When the loan was finalised Shiel wrote again to Mahon, ‘I am delighted that I was able to pay off the AMP policy. They are getting stiffer in their dealings every year and their actions towards our Insurance Company, is one that has always met with my strong disapproval.’⁶³ Good relations were maintained by CCI with the Diocese of Rockhampton. During the war, CCI reserves accumulated and CCI began lending funds to the hierarchy and the clergy on an ad hoc basis, largely reliant on goodwill. Uneasy with this approach in December 1916 CCI lawyers, Nolan and Carroll, drew up a set of protocols to ensure that future loans would have the security of adequate collateral and that repayments were fixed at bank interest rates.⁶⁴

Conflicting political opinions and CCI

CCI Director, Vincent Nolan emphasised that hard work was required for success in the law, but honesty was the most important quality. It was honesty that was to be Nolan’s undoing with the Catholic hierarchy. On the 22 February 1917 a deputation of Catholic gentlemen led by Nolan waited on Archbishop Carr seeking his intervention in the matter of statements made by his Coadjutor, Mannix.⁶⁵ Nolan was a loyalist, believed in the correctness of Australians participating in the war and contributed liberally to war bonds and comfort funds for the soldiers. His youngest sister, Josephine Anna, a shareholder in CCI, enlisted in the Australian Army Nursing Service in 1916 and served until 1920. She was posted to army hospitals in India, worked with the injured on troop carriers out of Mesopotamia and was posted to London.

Nolan considered that a body of Catholic opinion in support of Australians at war had been silent for too long. He objected to Mannix proposing that the conflict was a trade war (reported in the press as a ‘sordid trade war’) and considered that his anti-conscription stance was opposed to the interests of the Church and alien to

⁶² Bishop Joseph Shiel to Hugh Mahon June 20, 1916, CCI Archives

⁶³ Joseph Shiel to Hugh Mahon, Papers of Hugh Mahon, MS 937/433 July 17, 1916, NLA

⁶⁴ Minutes of the Meeting of Directors December 8, 1916, CCI Archives

⁶⁵ Vincent Nolan’s letter of 14 February 1917 and Carr’s shaky handwriting in reply 15 February 1917 are not catalogued and make no mention of the other members of the deputation. These letters are held in an envelope marked ‘Mannix’ in a safe at MDHC & Brenda Niall *Mannix* (Melbourne: Text Publishing 2015) 105

Australian sentiments.⁶⁶ Carr's position was a delicate one – the relationship of an archbishop and his coadjutor were not on the same footing as those between an archbishop and his clergy. Carr told the deputation that Mannix had a perfect right to express his own views on public matters and that they should make their representations to Mannix himself.⁶⁷ Nolan wrote to Mannix. 'I have the honour to request that you will be good enough to receive a deputation of Catholic laymen, who wish to express their objections to some of the political opinions expressed by Your Grace on the grounds amongst others that such opinions are opposed to the interests of the church and are alien to Australian sentiment.'⁶⁸

Mannix declined to meet with the deputation as *The Age* had received a copy of Nolan's letter prior to the awaited interview.⁶⁹ This disclosure was thought to be the work of veteran Catholic journalist and writer for *The Age*, Benjamin Hoare who had received the Cross, *Pro Ecclesia et Pontifice* for services to Catholic literature. A week earlier, Hoare had publicly criticised Mannix over the issue of conscription in *The Age*.⁷⁰ This later led to Hoare's dismissal from the executive of the Australian Catholic Truth Society.⁷¹ On 1 March Nolan wrote a letter to Mannix apologising for the publication of his letter. Mannix responded on 2 March that he would not receive their deputation. *The Argus*, *The Age*, country and interstate papers had published opinion pieces on Mannix's stance on the war. The next day Mannix promptly sent the full text of their correspondence to *The Age*.⁷² *The Catholic Press* and *The Advocate* also published this account.⁷³ Nolan denied any knowledge of how the press obtained his original letter but relationships between the two men soured. In daring to criticise Mannix's politics Nolan experienced a sharp refusal and the vitriol of his pen. 'Apparently your idea of courtesy and propriety is so peculiar that you do not think that the unauthorised publication of your interview with the Archbishop needs either apology or explanation.'⁷⁴

Long after the conscription issue, Nolan resigned in April 1919 from the board of CCI. In the directors' minutes the word resignation was crossed out and replaced with retirement.⁷⁵ Nolan's argument was not with the company but with Mannix. He remained loyal to the company until his death on 30 September 1941 and made

⁶⁶ *The Argus* January 29, 1917, 8

⁶⁷ *The Argus* March 6, 1917, 6

⁶⁸ Walter Ebsworth, *Archbishop Mannix* (Armadale: H. H. Stephenson 1977) 157

⁶⁹ *The Age* February 26, 1917, 5

⁷⁰ *The Age* February 16, 1917, 7

⁷¹ *The Argus* April 12, 1917, 6

⁷² *The Age* March 3, 1917, 5

⁷³ *The Catholic Press* March 8, 1917, 13 & *The Advocate* March 10, 1917, 14

⁷⁴ Walter Ebsworth, *Archbishop Mannix*, 158

⁷⁵ Minutes of the Board of Directors, April 9, 1919, CCI Archives

his offices available for company meetings. Nolan, along with Mahon, Meagher and O'Loughlin, encouraged their relatives to become shareholders. The support of these large Irish Catholic families, and their extended groupings of cousins, was vital to the early financial viability of CCI. But Nolan's enduring contribution was behind the scenes in supporting Bernard Nolan, who continued his *pro bono* legal work for the company during the 1920s and 1930s.⁷⁶ The big mindedness of this layman was obvious. Bernard was not an immediate relative of Nolan but he was one of his legal protégés. He was educated at St Patrick's College, East Melbourne and at the University of Melbourne. Bernard had a wide range of community interests and supported many Catholic organisations, including the Sisters of Mercy, the Sisters of Charity, the Loreto Sisters and the Sisters of St Joseph of the Sacred Heart, exemplifying his commitment to Catholicism. He was an apt choice as he worked closely and amicably with Mahon. In 1931 Nolan was a pall bearer at Mahon's funeral.

First clerical member appointed to the CCI board

Earlier in December 1913 and again in January 1914 Archbishop Carr sent a circular to the Archbishops and Bishops, who were shareholders in CCI, suggesting that they nominate a clergyman for a seat on the board. The prelates were unable to agree on a nomination and the matter was left in abeyance. With the 'retirement' of Nolan in 1920 Mannix nominated Rev Patrick Michael Parker of St Brigid's parish in Nicholson St, North Fitzroy. Parker became the only clerical representative on the CCI board until 1930. Significantly, he was a most loyal supporter of Mannix, shared his Irish ties and had attended Maynooth College when Mannix was restructuring the academic training of student priests.⁷⁷ No doubt this was influential in his nomination to the CCI Board. It was, however, his work in collecting funds for the establishment of *Newman College* at the *University of Melbourne* in 1918 that captured the imagination of Victorian Catholics. Parker traversed Victoria from Mildura to Flinders and from Omeo to Edenhope in his quest for donations. The task was an arduous one. His travels were undertaken under the worst of conditions and in all weathers. Frequently there were no roads, and it was not an uncommon occurrence for him to lose his way in the scrub and be compelled to spend the night in the open, coping with mosquitoes and rain, saying that he was often wet to the scapulars. Newman College students recorded their gratitude:

⁷⁶ This was demonstrated through numerous entries in Hugh Mahon's notes, CCI Archives

⁷⁷ James Griffin, 'Mannix, Daniel (1864-1963)' *Australian Dictionary of Biography*, Volume 10, (Melbourne: Melbourne University Press, 1986) 399

*Father Parker, the veteran collector – the Johnny Walker of the movement – when interviewed, had nothing but admiration for the generosity of the people. He considers that the arrival of Dr Mannix, fresh from the traditions of the National University of Ireland, was the great force in the movement, and that his influence decided any who might look askance at the idea. His request to the students of Newman was: ‘Be kind to the Catholic poor; they built the College’.*⁷⁸

Sustentation Funds

The success of the sustentation fund, variously referred to in CCI annual reports as the Sick Indigent Clergy Fund in 1920, Sustentation Fund for Sick and Indigent Clergymen in 1921, Sick and Infirm Priests’ Sustentation Fund in 1922-1923, Sick and Indigent Sustentation Fund in 1924 and the Sustentation Fund for Sick and Indigent Clergymen in 1925-1930, and increasing the involvement of the Australian bishops, were entirely dependent on the progress of CCI, the parent company. The allocation of £2,500 in 1920 and £1,200 in 1921 to the fund, were recorded in CCI annual reports. From 1922-1936 the exact amounts were not disclosed and only noted that the surplus profits of the company, after payment of interest to shareholders, were transferred to these funds.⁷⁹

A case study – Archdiocese of Brisbane

Expanding the insurance business within the Church became a major objective. The greater the value of policies, the greater support CCI could provide for the Church. In his pastoral letter of July 1924, Archbishop Duhig of Brisbane, who was a supporter of CCI and sustentation (in theory) wrote:

*It is a positive fact that no labouring man in the community would be asked to exist on the income received by at least half of our Priests, and it will be probably a revelation to the people to learn that several remote country parishes are depending largely on the distribution of the bonus annually received from the Catholic Insurance Company of Australasia, with which most of our church properties are insured.*⁸⁰

This statement must have put a smile on the directors’ faces as gaining the co-operation of the Archbishop had been a long process. Retaining it became even harder. During his lengthy episcopate of nearly sixty years, Duhig was an insurance

⁷⁸ *Newman*: the annual magazine of the Newman College Students’ Club 1919, 19-20

⁷⁹ Table Four *Profits and Dividends 1912-1936* (See Appendix 4)

⁸⁰ The pastoral letter was published in the *Catholic Advocate* July 3, 1924 and this extract was printed in the Catholic Church Property Insurance Company of Australasia Limited July 31, 1924, CCI Archives

administrator's nightmare. He was perpetually late with payments due on shares, or only partly paid, allowed policies to lapse, underinsured properties and with little warning or explanation would insure new buildings with rival firms.

James Duhig was a man of stature and presence. He had a manner that charmed all he met, although in later life he became rather diffident. From 1917 as Archbishop of Brisbane, Duhig created new parishes, introduced new religious orders and added hundreds of buildings to the Brisbane landscape. The physical structure of Brisbane, with its multitude of steep hills, enabled him to create a very visible Church.⁸¹ The Archdiocese of Brisbane covered 220,000 square miles and included Toowoomba until 1929 when this area was made a separate diocese. As Brisbane had not been amongst the first CCI signatories, Mahon made a personal overture to Duhig in 1915.

*Under cover I send your grace a copy of our latest Annual Report, but I may add that our financial position is outstandingly better than when the report was issued; and that the cash bonuses paid to the Bishops and clergy now approximate £3,000. As our premium rate is identical with that of other Companies which pay no cash bonuses, we may fairly claim that this £3,000 has been saved for church purposes by this Company. We could of course show much better results were all the church property in Australia insured with the Company, as this increased business could be managed without materially adding to our expenditure. Another fact which may weigh with your Grace is that Company shares are largely held by the Bishops and Clergy here in Australia and the remainder by Catholic laymen.*⁸²

By October 1917, when Mahon received no response, he made a fresh effort to encourage Duhig to join the company. He arranged an interview with Thomas Joseph Ryan, the Queensland Premier. Ryan was a Catholic and leading member of the Labor Party. In 1916 he had created the State Accident Insurance Office, to provide competition to established insurance companies, especially those dealing with workers' compensation. In February 1917 the office was authorised to transact all classes of insurance business, including fire insurance and became known as the State Government Insurance Office (SGIO) in Brisbane, with branches around the

⁸¹ Thomas Patrick Boland 'Duhig, Sir James (1871-1965)' Australian Dictionary of Biography, Volume 8 (Melbourne: Melbourne University Press, 1981) 356-359

⁸² Hugh Mahon to James Duhig October 20, 1915, CCI Archives

state.⁸³ Mahon's concern was to ascertain how the creation of SGIO would impact on the company's proposed operations in Queensland. As Ryan was a good friend of Duhig, Mahon was keen to gain his perspective on the Archbishop's insurance position before organising a private interview with him. Mahon reported in early 1918 that he had seen the Archbishop and that he was still considering the company's proposal. In late August 1918 Mahon again interviewed the Archbishop – this time with greater success. In this interview Duhig promised to transfer his insurance policies to the company. Perhaps the catalyst for this transfer was the complete destruction by fire of St Patrick's Church, Laidley in June 1918.⁸⁴

Mahon reported to the board that the SGIO had agreed that when the Queensland church joined CCI, it would allow a rebate of 50% of premiums on properties reinsured by CCI. This arrangement came at a cost. Under Queensland legislation £5,000 had to be deposited with the government for all insurance companies wishing to engage in insurance business in the state. The directors voted to proceed as they considered that securing and expanding the Queensland business would, in time, far outweigh this impost. In September 1921 Mahon signed a Memorandum of Agreement with the Queensland Insurance Commissioner, which included in the reinsurance note, protection:

*against fire of Churches, Schools, Convents, Hospitals, Reformatories, Industrial Homes, Dwellings and outbuildings together with the contents of each and all other property including Horses, Buggies and Motor Cars used or purchased for use in connection with the religious, charitable and educational work of the Catholic Church in Australia.*⁸⁵

Queensland's first Insurance Commissioner, John Goodwyn, was an accountant with extensive experience in all fields of insurance in England and Australia. He was flamboyant and brilliant but scrupulously fair and professional in his approach. His successor from 1920, John Andrew Watson, was blunt and direct, antagonistic to private insurance companies and developed the SGIO as a substantial competitor for all insurance business in the state. During the 1920s he constantly pursued Mahon with offers to take over all of the company's reinsurance treaties outside of Queensland.⁸⁶

⁸³ Malcolm Ian Thomis and Murdoch Wales *From SGIO to Suncorp* (Brisbane: University of Queensland Press 1986) 20

⁸⁴ Clare Hickey *Archdiocese of Brisbane Churches, Mass Centres and Parishes 1843-2004* (Brisbane: CCI 2004) 92

⁸⁵ Insurance Agreement between the Insurance Commissioner and the Catholic Church Property Insurance Company of Australasia September 6, 1920, CCI Archives

⁸⁶ Minutes of the Meeting of Directors December 14, 1923 & April 2, 1928, CCI Archives

Duhig dealt with a number of insurance agents who were resentful of CCI entering their patch, drawing away their business and were, at times, obstructive. Amongst them was Thomas Carmody, Manager of the Brisbane branch of Standard Fire & Marine Insurance Company of New Zealand. For many years Carmody, a devout Catholic, had insured a great deal of church property with Standard Fire and looked after their interests for Duhig. He appealed to journalist and CCI shareholder, Tighe Ryan, to intercede on his behalf with Mahon and allow his firm to share some of the business.

I know this is somewhat outside your Editorial line and that you have your time fully taken up with perhaps matters of far more importance to you than this personal question to me, but still I have the feeling that you would go far to oblige me and for this reason I am taking the opportunity of placing the matter before you.⁸⁷

Ryan referred the request to Mahon who responded that CCI had contracted to place all of their insurance excesses with SGIO. Carmody then took the matter to a federal Labor Party politician, James Page, who was the member for Maranoa, Queensland. Page had started life as a Dr Barnardo boy and fought in the Boer War where he was decorated for bravery. He had a reputation of being an honest man and a champion of the underdog. Page consulted with Mahon who considered that the matter could be taken no further as he had entered into a treaty with SGIO.⁸⁸

The Queensland legislation required that companies operating in the state had to nominate a resident representative to manage their affairs. Mahon unwittingly approached Notary Public, Andrew Joseph Thynne, who acted for the Archbishop and was the legal advisor to the Sisters of Mercy. Duhig described him as ‘an ideal advisor in the many weighty matters of state and private interest in which he was called to deal.’⁸⁹ Thynne was both a politician and industrious lawyer. He advised Duhig not to transfer his business and was unsympathetic towards CCI.⁹⁰ What Mahon did not know at the time of his approach was that Thynne held the legal documents for several large church property insurance policies which had not been insured with CCI. Thinking that finding a representative in Queensland was merely just a formality, Mahon then approached James Flynn of Flynn and Luckins, a company dealing with accounts, auditing, housing, land and hotel brokering as well

⁸⁷ Thomas Carmody to Tighe Ryan January 20, 1919, CCI Archives

⁸⁸ Thomas Carmody to James Page March 13, 1920, CCI Archives

⁸⁹ Brian F Stevenson, ‘Thynne, Andrew Joseph (1947-1927)’, *Australian Dictionary of Biography*, Volume 12, (Melbourne: Melbourne University Press, 1990) 228-229

⁹⁰ Andrew Tynne to James Duhig September 11, 1918, CCI Archives

as acting for the Queensland government in fire and life policies. Flynn responded that the duties were far from nominal and he would require suitable recompense.⁹¹

In February 1920 Mahon suggested to the Archbishop Duhig that Hugh Philip Bergin, the principal partner of Bergin and Caine Solicitors of Albert Chambers, Albert Street in Brisbane would be a suitable choice as agent for CCI. The Archbishop agreed. On a small stipend, Bergin ably filled the position until his death in 1927. He developed a reputation in his profession 'of sterling honour and integrity.'⁹² During the Extraordinary General Meeting of Shareholders of 30 August 1927 the decision was taken to establish branch registers in every state where the company transacted business. It was thought that local registers would facilitate the progress of the company and broaden the share register. The position of the Queensland agent was then filled by solicitor, Neil O'Sullivan. While representing CCI in Queensland O'Sullivan forged an illustrious career. Mahon admired his zeal but considered in 1931 that there was a need to appoint a full-time representative in Brisbane to keep an eye on CCI's progress. Mahon approached the Queensland Attorney General, John Mullan, for suggestions as to a suitable candidate of good Catholic standing and acceptable to Duhig.

*By full-time I do not mean that he would be precluded from a side line such as canvassing for a Catholic newspaper. But he would have to look after our business in Queensland and possibly also in Northern NSW, that is in the Dioceses of Armidale and Lismore, or part of same which are in need of direction.*⁹³

The proposal for a full-time Queensland representative did not eventuate as CCI could only offer a stipend of £150 p.a. and £50 travelling expenses. O'Sullivan accepted this modest stipend. He took on the responsibilities of maintaining the Queensland CCI register and agency and forged strong Catholic and business connections. He was educated at *St Joseph's College*, Nudgee and retained a strong interest in the school as a foundation member and president of the Old Boys Association. O'Sullivan studied law, took over his father's Brisbane practice and during the 1930s became president of the Brisbane Chamber of Commerce and the Property Owner's Protection Society, and was a contributing member of the upwardly mobile Catholic middle class. 'Colleagues remembered him as a

⁹¹ James Flynn to Hugh Mahon October 21, 1919, CCI Archives

⁹² *Catholic Advocate* (Brisbane) June 16, 1927, 21

⁹³ Hugh Mahon to John Mullan March 16, 1931, CCI Archives

generous, calm and persuasive man who gave his name and energy to charitable causes.⁹⁴

In October 1918, during a meeting with Mannix in Melbourne, Duhig handed Mahon a register of the Brisbane diocesan policies to be transferred to CCI. It excluded school halls, St Leo's University College, secondary schools, hostels, hospitals or orphanages. Many of the parish buildings, established in the Brisbane Archdiocese well before 1918, were also omitted. The schedule covered 116 policies, including churches, presbyteries, stables, schools, the Archbishop's motor launch, *Cupid* and the garage for his Fiat car. The garage was insured for £1,185. In 1920 when a small fire occurred due to misadventure, the Archbishop made a claim on CCI for £15.⁹⁵ The majority of the policies related to diocesan parishes, situated in small country towns and included three policies for Charleville, which were already insured with CCI. Typical was the wooden church St Brigid's Waterford near Beaudesert which was insured for £100. Of the thirty-three existing country parishes, twenty-four were included.⁹⁶

The jewels in the crown were missing, namely St Stephen's Cathedral, school and presbytery and *Dara*, the Archbishop's official residence. Only one of the twelve Brisbane suburban churches and presbyteries and one of the sixteen suburban schools were listed. In comparison twelve country schools out of a total of twenty were included. Significantly all buildings in the Ipswich area, where Duhig had earlier worked, were included. In addition, the register covered seven of the sixteen convents; six were residences of the Sisters of Mercy and one of the Sisters of St Joseph. It was not until April 1928 that all of the properties of the Sisters of Mercy in the Brisbane archdiocese were insured with CCI. There was only one policy for a boys' school on the 1918 register, *St Joseph's Christian Brothers' College*, Warwick. The college and residence had cost £7,000 and was the largest policy included in the portfolio. By 1923 when a minor fire occurred the insurance had been increased to £4,400. A spark from a bath heater set a bathroom alight and the claim was for £5/10/0.⁹⁷

The 1918 register of Queensland buildings to be insured by CCI was a start. Clearly there was a need for substantial work by the officers of CCI to encompass all of the potential clients in the Archdiocese of Brisbane. It was not until 1929 that the

⁹⁴ Brian F Stevenson, 'O'Sullivan, Sir Michael Neil (1900-1968)' *Australian Dictionary of Biography*, Volume 15 (Melbourne: Melbourne University Press, 2000) 548-549

⁹⁵ CCI Loss and Claims Register, loss no 45 policy no 3079, CCI Archives

⁹⁶ List of policies covering properties in Brisbane Archdiocese handed to Hugh Mahon by Archbishop Duhig October 8, 1918, CCI Archives

⁹⁷ CCI Loss and Claims Register, loss no 77 policy no 3009, CCI Archives

Company Secretary, Esmond F Downey, made a concerted effort on behalf of the company to secure more policies in Queensland. He told Mahon that he had seen Duhig on his way through to the more remote areas around Bundaberg. Duhig had promised that he would consider extending his business with CCI when Downey returned to Brisbane. This meant a delay of a few days for Downey while he waited in Brisbane to meet with the Archbishop. In May 1929 Downey wrote:

One has to visit these towns to see and understand the difficulties of the priests in these parts. What strikes me most is seeing everywhere the poor types of houses which many of the settlers occupy, generally together with a family of four or five children. The future of the children appears to be the problem. They have schools and the education but come to a dead end for employment, except in exceptional cases of ability, when one gets out of the ruck. The labour conditions have made it almost impossible to do anything of consequence with the lads and they have only to depend on the sugar season or the meat works or other seasonal occupations for a living.⁹⁸

In January 1930, Downey attended a meeting of priests held during their retreat at Nudgee, a Brisbane suburb eight miles north of the central business district. Downey wrote:

I was not given a fair opportunity to say much. It amounted to answering questions. I received a good reception and was eagerly sought privately after the meeting by several. It appears from what I can see and learn there is serious hostility amongst the Clergy to His Grace. They dislike his business methods very much. Mixing among the priests you hear complaints on every hand. There has been a complete reversal of form as far as we are concerned. They are much more favourably disposed towards us. I think that I can safely say now that we will soon have all the business in Brisbane.⁹⁹

In his report to the board, Downey noted that ‘All parishes had agreed to transfer their business to the Company with the exception of Father Michael Masterson of (St Mary’s) South Brisbane.’¹⁰⁰ But CCI’s problems did not end there. Duhig became an ongoing challenge for the CCI directors. In August 1931 CCI director,

⁹⁸ Esmond F Downey to Hugh Mahon May 30, 1929, CCI Archives

⁹⁹ Esmond F Downey to Hugh Mahon January 26, 1930, CCI Archives

¹⁰⁰ Minutes of the Board of Directors February 18, 1930, CCI Archives

Monsignor John Joseph Lonergan, administrator of the Melbourne archdiocese, wrote a polite letter to Duhig about his outstanding debts.¹⁰¹

*I explained to the Directors that I felt that you had been so very fully occupied during the last few months so busy that you probably overlooked the Secretary's correspondence in connection with the matter. I am writing this letter in fulfilment of my promise that I would bring the matter under your notice and I will deem it a personal favour if you will send a cheque to the Company, at your earliest convenience.*¹⁰²

It was the first of many begging letters from CCI during the 1930s requesting Duhig to pay arrears on loans, premiums and renewals on policies. Not wishing to get the Archbishop offside CCI made three ex gratia payments. The first was for a fire that occurred at the Sisters of Mercy shop and dwelling in South Brisbane on 18 October 1930.¹⁰³ The policy for this building was in arrears. The second claim was for a fire in a bathroom at the St Lawrence's Christian Brothers College, South Brisbane on 22 October 1933.¹⁰⁴ The policy had lapsed owing to non-payments. Downey wrote to Duhig:

*At the special request and assurance of one of our directors – Right Reverend Monsignor Lonergan – we have refrained from cancelling the policies and have maintained cover over the risks. We have therefore to meet our obligations and are pleased to arrange for the reinstatement of the bathroom, our only regret being that the whole of the loss has to be borne by us instead of being shared by the reinsurer to whom premiums have for some years been paid until this year. This incident illustrates the grave position in which both parties stand in the event of a fire. It is very fortunate that the damage done was not of more serious proportions and involved payment of much larger compensation. We are sure Your Grace appreciates the fact that we have been both generous and patient in refraining from worrying you for payment of the premiums.*¹⁰⁵

The Christian Brothers appreciated CCI's generosity over this claim when finances were difficult during the depression and over time they became staunch supporters of the company. The third ex gratia payment was also to Sisters of Mercy to make repairs to their Boarding House at Sandgate which was damaged by fire on 20 June

¹⁰¹ In 1929 Monsignor was appointed as a director of CCI following the death of Count O'Loughlin.

¹⁰² John Lonergan to James Duhig, August 6, 1931, CCI Archives

¹⁰³ CCI Loss and Claims Register, loss no 189 policy no 7286, CCI Archives

¹⁰⁴ CCI Loss and Claims Register, loss no 245 policy no 3139, CCI Archives

¹⁰⁵ Esmond F Downey November 27, 1933, Series 344.4, BAA

1935.¹⁰⁶ This property was underinsured. During the period from 1918-1935 the company received only one new policy from Duhig.

According to his biographer, Thomas Patrick Boland, Duhig had a number of creditors, apart from CCI, including National Mutual and sold off excess Church property to cover his debts.

*To raise the wind he (Duhig) speculated in more colourful corners of the market. Encouraged by a director of CCI, perhaps hoping to get him to the point where he would pay back premiums, he increased his holdings in Victorian and New Zealand forests. Although he knew well many of the leaders of the Stock Exchange, he did not rely on their advice. He liked a little excitement with his investment.*¹⁰⁷

No doubt episodes like this one led to Patrick O'Farrell's concluding remark in his review of this official biography by Boland, 'Would you buy a used car from this man?'¹⁰⁸

Conclusion

In just one decade, which included the upheaval of a major war, Mahon had established a thriving company for the benefit of the broad Catholic community in Australia. Mahon had used his political connections in support of the Catholic Church, acted as an advocate on their behalf in matters beyond the company, which in turn built good will and indirectly reinforced the success of CCI. Notable advancements were the foundation of a sustentation fund for sick priests, the introduction of loans to the clergy and religious orders and the establishment of CCI's business in Queensland.

Chapter Eight examines Mahon's expulsion from parliament and how this affected his leadership and the running of CCI. The discussion covers Mahon's renewed enthusiasm for the importance of CCI to the Australian Catholic Church. It reviews Mahon's trip to Europe to investigate new insurance practices and evaluate possible partnerships with Catholic insurance companies in Ireland. The chapter also includes an assessment of why and how the company continued to expand.

¹⁰⁶ CCI Loss and Claims Register, loss no 272 policy no 7297, CCI Archives

¹⁰⁷ Thomas Joseph Boland, *James Duhig* (St Lucia: University of Queensland Press 1986) 277 & Esmond F Downey to James Duhig August 15, 1930 Series 344.7, BAA

¹⁰⁸ Edmund Campion, 'Patrick O'Farrell: an expanded memory' *Journal of Religious History* vol 31 (March 2007) 23

Chapter 8: *Spreading the risk and supporting deserving causes*

Introduction

This chapter reviews Mahon's role in overseeing the substantial growth of CCI in two key archdioceses, Melbourne and Sydney during the 1920s. Concurrently, there were dramatic developments in Mahon's political career which paradoxically were in the best interests of CCI. Mahon's subsequent leave of absence from CCI and his investigations into the operations of overseas Catholic insurance companies reinvigorated his efforts on behalf of the Australian company. While parish priests formed the largest group of insurers, the following chapter highlights the importance placed on securing clients amongst the new religious orders who made foundations in Australia during the post-war period. Mahon's second task, in the face of unprecedented claims, was to reconsider the problem of widespread undervaluation of properties and establish a stronger and more accurate scheme for the valuation of risks.

Hugh Mahon's political views

As a politician, Mahon divided his time between his electorates in Western Australia and parliamentary sittings in Melbourne. When parliament was in recess, or when he was out of office, Mahon devoted an inordinate amount of his time to establishing and running CCI. Throughout his career, Mahon was an active Irish-Catholic patriot bitterly opposed to the harsh laws enacted by the English in Ireland. He kept a framed certificate of his release from jail in Ireland as a reminder of his incarceration for anti-British activities.¹ Along with many Irish Australians, Mahon supported Home Rule for Ireland. On the 18 December 1880 a branch of the Irish (National) Land League had been established in Melbourne. The Irish Land League movement spread rapidly around Australasia and was organised, as in Ireland, under the name of the Irish National League and later as the United Irish League. Between 1880 and 1915, subscribers in Australasia contributed £215,000. This large sum was in addition to the thousands of pounds annually remitted by Irish colonists to relatives in Ireland.²

In 1902 Mahon sponsored the establishment for a branch of the United Irish League in Western Australia. Mahon was already connected with the Melbourne branch of the league which held its meetings at the Celtic Club, 62 Swanston Street,

¹ Kathleen Dunlop Kane, *The History of the Christian Brothers' College East St. Kilda* (East St Kilda: Christian Brothers' College 1972) 126

² *The Austral Light* April 1, 1916, 217

Melbourne. The president during 1916-1917 was Morgan Peter Jageurs, who had founded the Melbourne Celtic Club and encouraged close relations between the local Celtic societies. Jageurs, like Mahon, was from Tullamore, Ireland and the two men became staunch friends.³ Mahon and his patriotic friends closely followed political affairs in Ireland through newspaper accounts and news from relatives in Ireland.

After the 1916 Easter Rising in Dublin, when armed nationalists staged a rebellion against British Rule in Ireland, the revolutionary Sinn Féin movement grew in strength. With the support of the Sinn Féin, the Irish Volunteers or Irish Republican Army began a guerrilla campaign against the Royal Irish Constabulary. Both Mahon and Jageurs feared that the fighting and reprisals which followed would undermine decades of work that had led to the Home Rule Bill being passed as law in Great Britain in September 1914. The implementation of the bill was delayed due to the war. In a letter to Mahon in 1917, Jageurs intimated that Mahon's continued involvement with the United Irish League was a thorn in the side of the Prime Minister, William Morris (Billy) Hughes.⁴

By 1919 Ireland was in turmoil and, in Australia, support for Home Rule declined. The United Irish League in Melbourne became divided, lost supporters and then collapsed. An avowedly republican group established the Irish Ireland League in Melbourne during 1919, emphasising in the name change their republican leanings and elected Mahon as president. The Irish Ireland League held Irish Race Conventions to support the Irish peoples' demand for international recognition and self-determination. Home Rule was viewed as a limited form of independence. In 1920 Mahon wrote to the secretary of the new league, the then youthful Arthur Augustus Calwell, later leader of the federal parliamentary Labor Party. Mahon stated that he felt unable to continue as president of the league as he could no longer devote the time necessary to fulfil the duties of this office. He added:

*The appalling situation in Ireland requires that further material support should be continually rendered to our persecuted countrymen and as the recognised Irish organisation in Victoria, the League might fittingly initiate a campaign by public meetings and otherwise, to raise the necessary funds.*⁵

³ In 1931 Morgan Jageurs was one of the pall bearers for Mahon's funeral.

⁴ Morgan Jageurs to Hugh Mahon, Papers of Hugh Mahon, MS 937/664 February 1, 1917, NLA

⁵ Hugh Mahon to Arthur Calwell, Papers of Hugh Mahon, MS 937/65 May 20, 1920, NLA

Calwell and his colleagues must have been persuasive in securing Mahon's continuing support for the Irish Ireland League as he remained its president. On 7 November 1920 Mahon addressed a large gathering of members of the Melbourne Irish Ireland League at a rally held in the Richmond City Reserve. A florid report of Mahon's speech appeared in *The Argus* on the following day and outraged Prime Minister Hughes.⁶ During the rally, Mahon spoke with feeling about how Archbishop Mannix had recently been barred from visiting Ireland and was quarantined by the British government. As an Irish nationalist, Mannix condemned what he saw as English misrule in Ireland, a position which did not endear him to the British authorities. In August 1920, the Royal Navy despatched a destroyer to intercept a steamship, the *Baltic*, in the Irish Sea. Mannix, who was a passenger on the *Baltic*, was prevented from disembarking in his homeland and was taken to England where considerable restrictions were placed on his movements. The Chief of the Imperial General Staff, Field Marshal Sir Henry Wilson, banned Mannix from Liverpool, Glasgow and Manchester, all cities with large Irish communities.⁷ This incident caused Mannix to remark:

*Since the battle of Jutland the British Navy has not scored any success comparable to the chasing of the Baltic from the Irish shores and the capture without loss of a single British sailor, of the Archbishop of Melbourne...The Royal Navy has taken into custody the Chaplain-General of His Majesty's Forces in Australia.*⁸

Mahon also spoke about the grieving widow of Lord Mayor of Cork, Terence MacSwiney, who had died in custody in October 1920. MacSwiney was arrested by the British on charges of possessing seditious literature, tried by a military court and sentenced to two years imprisonment. His seventy-four day hunger strike in Brixton prison attracted world-wide attention. *The Argus* reported that with loud applause, Mahon said:

If there was a just God in heaven the sob of (Muriel MacSwiney) would reach round the world and one day would shake the foundations of this

⁶ *The Argus* November 8 1920, ⁷ This article was written by a Catholic journalist, Francis Kelly, who was present at the meeting and who for forty-five years was a reporter for *The Advocate*
⁷ Wilson was killed by two Irish ex-servicemen on the steps of his London home on 22 June 1922

⁸ *The Argus* August 12, 1920, ⁷ Mannix was appointed Catholic Chaplain-General on 21 July 1917 and as the legislation made no provision for the age of retirement remained in the position until his death

*bloody and accused Empire. There were no police in Ireland. They were spies, informers and bloody cut-throats.*⁹

After Mahon and fellow members of the House of Representatives – Frank Tudor, Parker John Moloney, Francis Brennan, Michael Considine and Lucien Cunningham – had left the platform, a motion was passed that, in light of the treatment the Irish were receiving at the hands of the British, Australia should become a republic.

Mahon's expulsion from the Federal Parliament

Hughes viewed Mahon's attacks on the British policy in Ireland and his alleged support of republicanism in Ireland and Australia as tantamount to treason. Mahon refused either to confirm or deny the newspaper accounts. He wrote to a colleague, Frank Tudor, leader of the Labor Party and member for the Victorian seat of Yarra, that Hughes was basing his judgement on an 'unverified report in an enemy newspaper of an isolated passage or passages divorced from what preceded and followed.'¹⁰ On 11 November 1920 members of the House of Representatives sat to deliberate on the matter. They voted on party lines and passed a motion – thirty-seven to seventeen – to expel Mahon from the federal parliament for his 'seditious and disloyal utterances' violating his oath of allegiance. Mahon holds the questionable distinction of being the only member of the federal parliament to be expelled. In an interview with *The Advocate* Mahon said:

I shall frame the expulsion motion and put it up in the most conspicuous place in my home. It will form an appropriate pendant to the warrant signed by the late unlamented 'Buckshot' Forster which consigned me to Kilmainham. No regret or sympathy need be wasted over my exclusion from this Parliament. If anyone thinks I regard it as an indignity, he quite misunderstands my feelings. The indignity surely attaches to the garrotter and not to his victim. There is a much more important issue involved than a personal one. It is whether the exclusion and vote does not indirectly

⁹ Between 1920 and 1921 the Royal Irish Constabulary (RIC) recruited World War One veterans known as the Black and Tans, because of their khaki army trousers and dark green RIC or blue British police surplus tunics. The Black and Tans were established to target the Irish Republican Army but they became notorious for their numerous attacks on the Irish civilian population.

¹⁰ Hugh Mahon to Frank Tudor, Papers of Hugh Mahon, MS 937/655, November 19, 1920 NLA. Francis Gwynne Tudor resigned from the Hughes' cabinet over the conscription issue and replaced Hughes as leader of the federal parliamentary Labor Party after Hughes' expulsion from the party in November 1916

*condone the infamies perpetrated in Ireland by the agents of British Government with its clear sanction.*¹¹

Privately Mahon felt that the grounds for his expulsion had been fabricated – that the members of the House of Representatives had made their decision, regardless of any denial or explanation that he might offer. In a series of notes Mahon outlined his feelings. He noted that his treatment:

*introduced a new and vicious principle that a MP could be penalised for something he said outside the House, not about the House or any of its members but regarding a matter with which the House had no direct relevant concern, by a bigoted coterie (gang) of political (corrupt) crooks.*¹²

Mahon believed that the resolution for his expulsion would be rescinded:

*Labor newspapers and some non-Labor ones too, opined at the time that when Labor returned to power, it must, to be just and consistent, undo, what they declared to be an infamous outrage. A rescission of this expulsion motion would be a repudiation of the vicious principles that a member may be penalised by his political opponents for a mere expression of opinion.*¹³

There was little respect between Mahon, the Irish-born freedom fighter, and Hughes, the British-born Welsh imperialist. Mahon privately labelled Hughes as ‘the little Welsh mare’. Hughes was short, slightly built with a large head and long bony hands. Mahon was tall, with a dignified presence and piercing grey eyes. Both men were prone to outbursts of vituperation. There was much on which to disagree – Irish self-determination, religion and Australia’s involvement in the Great War. Mahon had served in the Labor Party with Hughes from 1901. In 1915, when Hughes succeeded Andrew Fisher as Prime Minister, Mahon hoped to be given the Treasury portfolio which Fisher had held. Mahon was not chosen by Hughes and this embittered him.¹⁴ Mahon did serve in Hughes’ cabinet as Minister for External Affairs from 27 October 1915 until 14 November 1916. Following the failure of the first conscription referendum held on 28 October 1916, Hughes was expelled from the Labor Party. Many of the older party members voluntarily followed

¹¹ *The Advocate* November 18, 1920, 16

¹² Hugh Mahon’s notes, undated, CCI Archives.

¹³ Hugh Mahon’s notes, CCI Archives

¹⁴ Herbert Jim Gibbney, ‘Mahon, Hugh (1857-1931)’ *Australian Dictionary of Biography*, Volume 10, (Melbourne: University Press, 1986) 379

Hughes. He formed a cabinet from these followers, but was forced to merge with the opposition in a National ‘Win the War’ party.¹⁵

Mahon remained a member of the Labor Party, loyal to his political, geographical and social roots. Frank Tudor as leader of the party supported Mahon. He was a man of high principles tempered by genuine liberalism, was a deacon in the Congregational Church and a believer in the freedom of speech.¹⁶ He deplored sectarianism and was ridiculed by the extreme Protestants for his support of Home Rule. Tudor wrote ‘I am very sorry that the vote (about Mahon’s expulsion from the parliament) went against you in the early hours of yesterday morning. We did our best to defeat the intentions of the Ministry but it was hopeless.’ This letter had a postscript which Tudor knew that Mahon would appreciate. Under duress from a loyal Labor politician and prominent Catholic, Frank Brennan, Hughes was forced to read in parliament a letter that Mahon had written. While reading the letter Hughes mistook partisan for particular in the following line – ‘the newspaper from which you yesterday quoted omitted points of my speech which did not serve its particular purpose’.¹⁷

The press were divided on their views about Mahon’s speech and subsequent dismissal. *The Catholic Press* described the affair as one of the most disgraceful episodes in Australian history, referring to it as ‘the butchering of Hugh Mahon.’¹⁸ The *Barrier Miner* reported that during a meeting of the Returned Soldiers’ League held in Ringwood, where Mahon lived, their members expressed their abhorrence at his reported disloyal utterances and passed a unanimous motion that he should reside elsewhere.¹⁹ Shortly before he died, Mahon hoped to clear his name with the federal parliament. Even a decade after his dismissal the affair still rankled. In January 1930 Mahon contacted Albert Ernest Green who, at the federal election of 1922, had won back for the Australian Labor Party, Mahon’s old seat of Kalgoorlie. The two men had known each other for many years when Green was a state member for the Western Australian goldfields. In 1930 when Green was the Minister for Defence in the Scullin government, Mahon wrote:

Eddie (his son) has not yet returned from his holiday. But I gather he consulted with you re the revocation of a certain infamous Parliamentary motion. Well that was carried by a purely party vote. The anti-Labor gang

¹⁵ Lawrence Frederic Fitzhardinge, ‘Hughes, William Morris (1862-1952) *Australian Dictionary of Biography*, Volume 9 (Melbourne: Melbourne University Press, 1983) 393-400

¹⁶ *The Daily News* (Perth) December 7, 1920, 6

¹⁷ Frank Tudor to Hugh Mahon, Papers of Hugh Mahon, MS 997/656 November 13, 1920, NLA

¹⁸ *The Catholic Press* November 18, 1920, 24

¹⁹ *Barrier Miner* November 25, 1920, 1

*voted for it to a man: Labor to a man was against it. That fact should be sufficient for the revocation now that Labor is in power. A wrong is not sanctified by the lapse of time. Inaction in 1930 would be a tacit admission that the action of 1920 was not genuine. Consider that the anti-Labor mob constituted itself (1) accuser, (2) prosecutor, (3) jury, (4) judge, and (5) executioner. A pretty 'court of justice' surely. The last thing I want to do is to embarrass Scullin. But there should be no objection to a private member sponsoring the revocation motion. Had you not been in government I should have asked you to do it. All I want is the removal of a stigma for others, not for myself, for I always treated the outrage with immeasurable contempt.*²⁰

Pierce Cody appointed to the CCI board

After the abrupt cessation of his parliamentary career Mahon devoted a greater part of his time to developing CCI. Earlier in 1919 Mahon had been keen for Pierce Cody, a friend and advisor, to take Vincent Nolan's position on the CCI board. Archbishop Mannix filled this vacancy with Rev Patrick Parker, but agreed a few weeks later that Cody should be appointed as a temporary board member to take the place of Count O'Loughlin who was planning a protracted stay in Ireland for two years from the beginning of 1920 to visit his Irish family. At the end of 1921 Cody was appointed as Acting Managing Director for the following twelve months, as Mahon was also planning an overseas trip. In the same year Cody purchased Joshua Brothers' (whisky) Distillery, Port Melbourne for £120,000 and dramatically increased his number of workers and his revenue. Cody was an apt choice for CCI. He was admired by the hierarchy, displayed good communication skills, had a warm reputation with his own employees and was a gifted businessman. CCI was placed in sound hands in the absence of O'Loughlin and Mahon.²¹

Cody had commenced business as a licensed grocer at Bridge Road Richmond where his five younger children were born. In 1905 he became manager of the Austral Wine & Spirit Agency at Little Collins Street and the family lived at Powlett Street, East Melbourne. In 1910 Cody purchased *Rangeview* in Mary Street, Kew. *Rangeview* was a two storey red brick mansion built in the 1870s on bluestone foundations and set in extensive gardens. Cody began to collect antiques and paintings to furnish the large rooms. In the study was a beautiful desk on which surveyor Robert Hoddle drew his first plans of Melbourne. In the dining room was a table to seat thirty and on the walls were two large oil paintings of the Madonna

²⁰ Hugh Mahon to Albert Green January 4, 1930, CCI Archives

²¹ *The Advocate* October 4, 1923, 18

and Child and one of Our Lady.²² In 1918 Cody became, with his friend Count O'Loughlin, a lavish donor towards the building of a new church, Sacred Heart, Kew. Cody and his family ran garden fetes at *Rangeview* in aid of the church's building fund.²³ In 1905 he wrote to his sisters at the Presentation Convent, Kilkenny:

*I remember well when our plans were maturing to embark for Australia, father encouraged me on the material prospect and impressed upon me that we could serve the same Almighty Lord in Australia as in Ireland – that ingrained trust has been faithfully carried out in the past and I hope we shall not in the future swerve from the path of rectitude.*²⁴

Cody returned to Ireland on only one occasion to secure the family business which was in a parlous state following the death of his father in 1914. At this time his business in Victoria was flourishing and he purchased 1,000 shares in CCI.²⁵

Mahon's leave of absence from CCI

Mahon was granted leave from CCI for two reasons, to attend an international Irish Race Convention, referred to as Aonach, and to explore the operations of church property insurance in New Zealand, America, Britain and Ireland. The CCI board members were overwhelmingly supportive of this proposal and voted for funds to be paid to defray his expenses. Carroll wrote "the sea voyage and the journey to old lands will be the means of giving you renewed health and strength for many years to come."²⁶

Irish Race Conventions were a disconnected series of meetings of the Irish expatriates held in Europe and America from 1881. They were arranged to discuss some pressing or emerging Irish issues. The main participants and financial supporters were Irish-Americans. They were centred on the principle of Irish self-determination and their hero was the American-born Irish republican leader Eamon de Valera. In 1917 de Valera was elected as president of both the Sinn Féin and the Irish Volunteers and, after a term in prison, became the first president of the Dáil Eireann, the single parliamentary chamber of the Republic of Ireland, which was not recognised by British law. Irish Australians considered that Ireland had a great deal to contribute to the world but its potential could not be realised until it was free to govern itself. Self-Determination Leagues were formed in Australian states

²² Dorothy Rogers, *Lovely Old Homes of Kew* (Melbourne: Kew City Council 1961) 36-38

²³ *The Argus* December 16, 1918, 8

²⁴ Pierce Cody December 24, 1905, MS Archives Rothe House Trust, Kilkenny, Ireland

²⁵ CCI Share Register 1914, CCI Archives

²⁶ JJ Carroll to Hugh Mahon November 21, 1921, CCI Archives

during the early 1920s. Dominating their discussions were the protracted negotiations taking place between England and Ireland for a proposed Anglo-Irish Treaty. The aim of the treaty was for the whole of Ireland to become a self-governing dominion of the British Empire, with the British monarch as head of state.²⁷

The Self-Determination Leagues were a carefully orchestrated grouping of diverse Irish societies, dating back to the fundraising mission around Australia conducted by John and William Redmond in 1883. They were based on a carefully articulated scheme of branches, local councils and national conventions. The dream of the organisers was to create a worldwide organisation that would link the Irish overseas with their compatriots at home. The first national convention of delegates from around Australia was held in the Unity Hall, Bourke Street, Melbourne in July 1921 to elect a national council, set policies and establish a constitution.²⁸ Amongst the delegates were Catholic Labor Party politicians, Hugh Mahon, Senator David John O’Keefe, John Scullin, Arthur Calwell and Edmund Dwyer-Gray, once an associate of Parnell and subsequently a premier of Tasmania.

Not surprisingly many CCI shareholders were keen supporters of the Self-Determination Leagues and contributed generously to the Irish Relief Fund and in defraying the costs of the Australian delegates chosen for the Irish Race Convention. These included clergymen, Monsignor John Moloney, Monsignor Matthew Rohan, Monsignor John Moynagh, Rev John O’Driscoll, Rev John Norton, Rev Michael Rohan and Rev Thomas Vaughan.²⁹ The lay supporters included the Honourable Patrick McMahon Glynn and Captain William Denny.³⁰ A CCI shareholder, Teresa Magner, became a founding member of the Inverell branch of the Self-Determination League. She told the league about her experiences of Ireland as a girl and a woman. ‘She had seen many bitter wrongs. She longed to see the time when the people in Ireland would be enabled to live as freely as Australians did in Australia.’³¹

On the 18 November 1921 a meeting of the Self-Determination for Ireland League of Australia was held in the Cathedral Hall, Brunswick Street in Fitzroy. Amongst the large crowd were members of the clergy, with Archbishop Mannix on the podium. They gathered to farewell CCI shareholder Rev Maurice O’Reilly, Rector

²⁷ Gerard Keown, ‘The Irish Race Conference, 1922, reconsidered’ *Irish Historical Studies* XXXII no.127(2001) 365-376

²⁸ *The Argus* July 20, 1921, 9

²⁹ *The Catholic Press* November 10, 1921, 2 & 4

³⁰ *The Adelaide Advertiser* September 16, 1921, 10

³¹ *The Catholic Press* October 6, 1921, 30

of *St John's College*, University of Sydney, who had been elected by the league to represent Australia and act as the leading Australian delegate at the Irish Race Conference, to be held in Paris at the end of January 1922. With its historical associations as a place of exile, Paris had been chosen as the venue. The Australian national president, Thomas Michael Burke, a leading Melbourne businessman, announced that as the league had received generous donations to assist with the expenses of the delegates to the congress, Mahon should also attend on behalf of Victoria. The major donor to the fund for the delegates to attend was CCI board member Count O' Loughlin.³²

Before the Convention could meet, the Irish situation was transformed. The 1922 conference was conceived at a time when the objective had been to secure Irish independence but had the misfortune to convene just after the Anglo-Irish Treaty was signed on 6 December 1921 creating the Irish Free State. Historian, Richard Davis, considered that De Valeria, regardless of his initial success in developing a reasonably well-integrated Self-Determination organisation, had little real hope of general overseas support for a Republic as opposed to the Irish Free State. Davis wrote: 'As for the Sinn Féin leadership in Ireland, there was little interest and much misunderstanding of the position of the overseas Irish, regarded mainly as milch cows for the provision of unlimited funds and a regular stream of sympathetic resolutions uncritically supporting the current nationalist leadership.'³³

The divisions over the treaty affected participation in the conference, with few delegates arriving from Canada or the United States. This was a severe blow as sixty had been expected. Northern Ireland, created as a separate entity by British law in 1920, had the option of withdrawing from the treaty. This option was exercised and the Irish civil war broke out a month after the conference concluded. The meetings were held in Paris from 21-28 January 1922. The first session centred on forging strong links with commonwealth countries through their Irish populations. Following sessions covered Irish music, art, language, literature and economics. There was a consensus on cultural measures which contrasted starkly with the lack of unity during their later political discussions. Quite apart from the immediate question of the treaty, the Irish migrants and the Irish in Ireland were simply working to different agendas. The death of Pope Benedict XV on 22 January

³² *The Argus* November 19, 1921, 21 & *The Advocate* November 24, 1921, 15

³³ Richard Davis, 'The Self-Determination for Ireland Leagues and the Irish Race Convention in Paris 1921-1922' *Tasmanian Historical Research Association Papers and Proceedings* vol. 24 no. 3 (1977) 98

1922 distracted proceedings and an air of disquiet hung over the final days of the conference.³⁴

Before sailing Mahon said ‘He would tell the Irish people that the Australians deeply sympathised with them in their sufferings. He thought he could promise on behalf of the people of Australia that whatever support was necessary to complete the edifice of Irish freedom it would be freely given from here.’³⁵ Mahon’s approach in the pursuit of independence for the Irish nation was temperate and omitted any references to calls for an Irish republic. News reached Australia on 1 February 1922 that Mahon had not attended the convention. He suffered ill health at Colombo and was confined to his cabin during the rest of the voyage. Perhaps Mahon’s absence was fortuitous as reports indicated that the Australian delegates were not in political accord. There was a division in their ranks. The Australian delegates were surgeon and former captain of the Australian Rugby Union Wallabies, Herbert Moran representing Tasmania, journalist, Patrick Scott Cleary, representing New South Wales, academic, Rev Dr Maurice O’Reilly representing Australia and businessman, Timothy Joseph Ryan, representing South Australia. All of the delegates were CCI shareholders. Cleary wrote to Mahon that the conference was, as Mahon had anticipated, in a sorry state lacking an official agenda and full of touting and intrigue.³⁶ Timothy Ryan was a dissenter as he supported the anti-treaty stance pursued by Eamon de Valera, the former President of the Irish Republic.

Ryan wrote to Senator James O’Loughlin, a leading Catholic and CCI shareholder in South Australia, that in the treaty ‘The Irish people for the first time in their history renounce their Irish nationality and of their own free will become British Citizens.’³⁷ O’Reilly claimed that Ryan broke away from the other Australian delegates and described him to Mahon ‘as bad tempered, cranky and combative.’³⁸ In a private conference session Ryan moved an objective which implied that full independence for Ireland had not been won through the acceptance of the Anglo-Irish Treaty. Cleary told Mahon that he hoped Ryan would not go to Ireland after the conference:

³⁴ Gerard Keown, ‘The Irish Race Conference’ 367

³⁵ *The Argus* December 17, 1921, 22

³⁶ Patrick Cleary to Hugh Mahon, Papers of Hugh Mahon, MS 937/702 & 706 January 21 & 28, 1922, NLA

³⁷ Timothy Ryan to James O’Loughlin, Papers of Hugh Mahon, MS 937/710 June 14, 1922, NLA

³⁸ Maurice O’ Reilly to Hugh Mahon, Papers of Hugh Mahon, MS 937/709 November 2, 1922, NLA

O'Reilly will pulverise him – he will be made to look very foolish and the wire-pullers can be condemned out of their own mouths. From our last talks with him I believed that he would return to you and I hope he does, for I like Ryan and if he were not so obstinate, I would have tried to talk him over. But he has classed us as reactionaries and of course I did not know him well enough to take the stand that you could take with him and it is on the cards that South Australia will repudiate him so that he should move cautiously.³⁹

Ryan was selected to represent the Self-Determination League of South Australia.⁴⁰ He was born in Hollyford, County Tipperary and settled in 1901 in Albert Park, Victoria. Accompanied by his son, George, a barrister in Melbourne, he spent five months in Ireland after the conference where he witnessed the outbreak of civil war.⁴¹ While in Dublin, Ryan wrote a lengthy and florid report to O'Loghlin. He justified his political position at the conference and included an account of the current situation in Ireland. He had gathered, through communications from home that Australia, like the rest of the world, was 'fed up' with the advantages to Ireland of the so called treaty.

I fail to understand how my motion could be regarded as a 'reflection on those who accepted the treaty'. It reflected and intended to reflect on those and only those in London who refused to allow the Delegates from Ireland the right to exercise self-determination. It was carefully worded not to reflect on any others.⁴²

Reports on overseas insurance operations

After recuperating in France, Mahon began his investigations into the progress and organisation of Catholic insurance in other European countries. In England, Mahon discovered that the parish priests were free to make their own decisions about insurance, as there was no central direction.

The impression I carry is that the Church authorities there do not feel sufficiently strong to take independent action for Church insurances. For, as compared to the total population of England, Scotland and Wales,

³⁹ Patrick Scott Cleary to Hugh Mahon, Papers of Hugh Mahon, MS 937/1025 February 8, 1922, NLA

⁴⁰ *The Argus* November 28, 1921, 10

⁴¹ *From Green to Red and White, a chronicle of the Parish of St Peter and Paul's from its origins in Emerald Hill to the present day in South Melbourne* (South Melbourne: A Cygnet Production 2009) 24

⁴² Timothy Ryan to James O'Loghlin, June 14, 1922, Papers of Hugh Mahon, MS 937/710 June 14, 1922, NLA

*Catholics are still very weak. Any action must come from inside. I have been advised that the best chance of promoting a movement to embrace the Church in business in these countries and indeed New Zealand is to place before the Bishops what we have been able to do in Australia with our small population and that possibly some one of them, more enterprising than the rest, would make it his special mission to undertake the job of linking all of the Dioceses up.*⁴³

This was a significant statement as Mahon saw his own work in missionary terms. He later added:

*I don't suppose the directors would favour the introduction of a purely English Company to do general insurance business in co-operation with us. Nor, I fear, would there be much advantage in this, unless we get shares to control its Australian operations. Otherwise we should be merely a feeder for them making money for foreigners.*⁴⁴

Investigating the status of Irish church insurance presented a different challenge for Mahon. In his first report Mahon wrote:

*Owing to the upheaval here I have been unable to see the Chairman of the Irish Company. His office is located near the centre of the present disturbance and last night a 'free' state soldier was shot dead almost at his door. I have seen a summary of his Company's latest balance sheet. It looks very well and I notice that they have embarked on a variety of business which we do not touch – I shall try to obtain all details in connection with these outside activities in order to see whether they have been sufficiently profitable to warrant our invitation. There is also the matter of reciprocity, because I am hopeful that some kind of association between the Irish company and ours might pave the way for the larger scheme which should be our ultimate aim, and which would be quite an accomplishment.*⁴⁵

A month later Mahon had cause to rethink this grand proposition:

I cannot say that I am much impressed by the Irish Catholic Church Property Company. It appears that Sexton, the managing director, is

⁴³ Hugh Mahon to Esmond F Downey July 6, 1922, CCI Archives

⁴⁴ Hugh Mahon to Esmond F Downey, August 10, 1922, CCI Archives.

⁴⁵ Hugh Mahon to Esmond F Downey July 6, 1922, CCI Archives. The Chairman, Thomas Sexton, was then aged eighty-four, had not married and lived increasingly in solitude until his death in 1932

somewhat of a recluse, only visiting the office at Board meetings 3 or 4 times a year. The business is really in the hands of the Secretary (Valentine Irwin was the Secretary from 1903 until 1950). I had a couple of talks with him. I gathered that they were pretty much at a standstill, any recent extension of their operations being confined to Employers' Liability, accident insurance etc. He summed up the latter as 'very troublesome but very profitable'. His staff appears to be two persons stronger than ours. I shall get further details of this part of the business - copies of their policies and forms. We may derive some hints from their experience of this class of business that will be useful should our Directors decide to undertake it. I am afraid the larger matter of introducing one of the stronger Irish companies to open offices in Australia, taking our re-insurances as a nucleus must remain in abeyance. No one here will talk serious business in the present state of Ireland, though indeed many individuals have expressed to me a strong desire to escape from the country. I am much afraid that a really stable government is not an immediate possibility.⁴⁶

Mahon found one Catholic businessman in Dublin, Edward Joseph Riordan, a prominent economist and the secretary of the Irish Trade Development Association, who could be relied upon for good advice. Mahon was given this introduction by Rev Maurice O'Reilly, who he had known from the days when he was assistant parish priest at Malvern, where the Mahon family worshiped. Riordan was O'Reilly's brother-in-law. Mahon dined with Riordan in Dublin and a friendship developed. Riordan had both a current and historical perspective on the economy of Ireland. In 1906 he gave a paper on industry in relation to national prosperity to the Cork Literary and Scientific Society. His reputation was cemented through a lengthy publication, *Modern Irish Trade and Industry* published during 1920 in Dublin, London and New York. Mahon considered that when the Irish government was assured, Riordan would be appointed as Head of Irish Trade and Customs as there was no other candidate who could match his competence and knowledge. In turn Riordan wrote a glowing reference recommending Mahon for the position of Consul General in Ireland.

Twelve years ago at the insistence of the late Cardinal Moran, Mr Mahon organised the Catholic Church Property Insurance Company of which he is still the Managing Director. It has been very successful. It is probable that if invited by the Irish Government Mr Mahon would accept the position of Irish Consul General. Having ample private means he is indifferent about

⁴⁶ Hugh Mahon to Esmond F Downey August 10, 1922, CCI Archives

*any pecuniary emolument attaching to consular office. His twenty years tenure in Parliament and Ministerial Office has placed him on familiar terms with all the permanent government officials. He enjoys the complete confidence of the Catholic Bishops and clergy and the Irish community in Australia and was elected by the latter as one of the representatives at the Irish Race Convention in Paris in January last.*⁴⁷

How the fortunes of Mahon and those of the company would have altered if this suggestion had been acted on is hard to envisage, for Mahon and the company were inseparable and remained so for another ten years. While in Ireland Mahon was interviewed by the *Irish Independent* on 24 July 1922 and this was reprinted in the *Catholic Press*. During this discourse Mahon stated:

*For some days I have been exploring Dublin's slums. Time has not effaced the degrading squalor of terraced hovels that I have been able to revisit. They are foul blots which ought to be replaced by decent houses where the children of the poor may grow up under healthy conditions. Here, surely is a reform not to be delayed by personal antagonisms or party rivalries. I have no doubt that there are scores of other urgent works requiring the attention of the Irish Government. Hitherto, Irishmen abroad have been able to rebut the taunt about Ireland's backwardness by pointing to the unsympathetic rule of the foreigner. That answer will serve no longer. Ireland is now mistress in her own house. And one hopes that she will not permit internal dissension to replace alien rule as an impediment to her upward progress.*⁴⁸

Ill health further prevented Mahon from travelling home via America. He described American insurance as operating in much the same way as it did in Adelaide – through the business secretary of the Bishop. In his notes Mahon wrote ‘I had the good fortune to meet many priests from America, some of them native-born Americans, though the majority were Irishmen. From them I obtained a good deal of Information about the progress of the Church in the States and Canada.’⁴⁹ On 6 July 1922, Mahon expanded on the American situation.

The American priests whom I consulted, though pleased at our success (especially with the Sick Priests Fund) are adverse to the formation of any business enterprise competing with ordinary private concerns. They seem

⁴⁷ Edward Riordan to Hugh Mahon, Papers of Hugh Mahon, MS 937/312, July 15, 1922, NLA

⁴⁸ *The Catholic Press* September 7, 1922, 14

⁴⁹ Hugh Mahon notes written during 1922, CCI Archives

*to see it as something conflicting with ecclesiastical function. They realise the magnificent opportunity being let pass by, especially as in New York, Boston and Philadelphia there are said to be 3½ to 4 million Catholics; but apart from the objection just mentioned any organised movement for a purely Catholic company would meet pronounced opposition from Catholic directors and agents – just the same influences we have had to fight in Australia. The only difference is that in America the opposition is more powerful and better entrenched in its ‘vested rights’.*⁵⁰

Reports on CCI business

While overseas Mahon sent frequent missives to company officials and kept abreast with events in the Australian company. He could not have foreseen that the claims lodged in his absence would be the highest in the company’s operational record. In July 1922, Mahon wrote from, Dublin to the Company Secretary, Esmond Downey:

*The list of losses is rather formidable. A total loss of £4,400 in ten months seems alarming. We had nothing approaching it previously and I hope the rest of the financial year has not added to the total. I trust you have been able to obtain the cause of the fire in each instance especially that at the West St Kilda church, (unknown, but supposed to have been caused by carelessness after benediction). It will be useful to tabulate this information. It will serve as a guide in determining the amount we should hold on properties where conditions exist similar to those of damaged buildings. It may also enable us to insist on the removal of anything in or around buildings which led to these disasters. I presume the fires were all accidental; that incendiarism is not suspected in any instance.*⁵¹

Increasing the number of policies and extending the scope of existing policies held by the Archdiocese of Melbourne had long been a top priority for Mahon and Cody concurred. The strength of their argument was that the increased claims experienced during 1922 could lead to a depletion of, or no addition to, the Sick Priests Fund. Mahon wrote to Cody that “I should regard this as a great misfortune – you know how important it is that we should reach the £25,000 mark as soon as possible so that we may begin the distribution of the income to such dioceses as Geraldton, where the clergy have been unable to make any provision for their future.”⁵²

⁵⁰ Hugh Mahon to Esmond F Downey July 6, 1922, CCI Archives

⁵¹ Hugh Mahon to Esmond F Downey July 6, 1922

⁵² Hugh Mahon to Pierce Cody July 6, 1922, CCI Archives

On the 29 September 1923 Pierce Cody died, at the age of fifty-six. With his death the company lost a leading advocate. In a tribute to Cody, Archbishop Mannix wrote ‘His success made no difference to his unassuming manner and he was always cheerful, humble and modest – a man amongst a thousand.’⁵³ The CCI directors described him as a sage advisor, active supporter and one of its most generous members.⁵⁴ Cody’s shares were transferred to his sons, Patrick, Matthew and Francis, who increased their holdings and became active participants in shareholders’ meetings. In 1929 Mahon approached Patrick Cody and asked if he would like to join the board. Patrick declined due to the pressure of his work. Director, Rev Patrick Parker, believed that if Patrick had been able to accept he would have made a very good director.⁵⁵

Earlier in May 1923 Mahon received a missive from Archbishop Kelly following an Episcopal Meeting held at the offices of the Apostolic Delegate, Archbishop Bartolomeo Cattaneo in Sydney.

*The Standing Committee received with much satisfaction a report upon the continued progress of Catholic Church Property Insurance Company of Australasia. The committee, however, observe with some surprise and regret that the property of several Catholic institutions has yet to be insured with the Catholic Company. The Standing Committee would urge upon the Company the desirability of again placing before responsible heads of these institutions the manifest advantage for them and for the Catholic Church of having all ecclesiastical properties insured with the Catholic Church Property Insurance Company of Australasia as soon as possible.*⁵⁶

Archdiocese of Melbourne

Irish Catholicism was a strong force in the Archdiocese of Melbourne. Historian, Val Noone wrote:

About 150,000 Irish immigrants came to Victoria from Ireland from 1835, either directly or via other places. Some came at their own expense but most were assisted by the government. While they included colonial officials, lawyers, doctors and teachers, the vast majority were domestic servants, shepherds, home-makers, farm labourers, railway gangers,

⁵³ *The Advocate* October 4, 1923, 18

⁵⁴ Directors’ Report June 30, 1924, CCI Archives

⁵⁵ Patrick Parker to Hugh Mahon July 30, 1929, CCI Archives

⁵⁶ Michael Kelly to Hugh Mahon May 12 1923, Series 0009/036, Australian Hierarchy Meetings 1918-1935, SAA

*waterside workers, timber cutters, seamstresses, workers and trade unionists. The biggest numbers came in the four decades, of 1850-1890, following the Great Famine in Ireland 1845-1852, as part of the gold rush in Victoria.*⁵⁷

In 1911 Dean Phelan noted that the Catholics of the Archdiocese of Melbourne were almost entirely Irish or of Irish origin, the priesthood was exclusively Irish and that the religious teaching in schools, or working in charitable institutions were almost entirely Irish.⁵⁸ According to the census of 1921 there were 207,171 Catholics in the Archdiocese of Melbourne. In the Melbourne metropolitan area alone there were 159,936 Catholics, 24.4% of the population.⁵⁹ The challenge for this archdiocese, shared to a lesser degree with other dioceses, was how their properties were geographically distributed.

City parishes and insurance

The first parish priest in 1915 of St Anthony's, Alphington, then situated on the outskirts of Melbourne, was Rev Michael Joseph Hayes. He was a capable, genial, warm-hearted Irishman who quickly captured the hearts of his new parishioners. His first venture was the purchase of an old mansion at the top of Austin Street called *Rosebank*. He turned this property into a presbytery and meeting rooms. The property was purchased for £1,750 and insured for £1,000. On Christmas Eve 1921 the pavilion burnt down and a claim was lodged for £128.⁶⁰ During the war when it was hard to source building materials and labour to build a new school, Rev Hayes purchased from the Vincentian priests in Malvern an old wooden school building in 1917. It carted to Alphington and reconstructed with one half as a school and the other as a recreation hall for parish meetings. The cost was £1,381 and the building was insured for £1,125.⁶¹

St George's Church Drummond Street, Carlton, built in 1855 was one of the earliest churches to be established close to the centre of Melbourne and was administered by the diocesan priests from St Francis Church in the city, which was known as the 'Mother Church'. The first priest appointed for St George's, Carlton in 1881, was Rev James O'Connell, a nephew of the Irish national hero, Daniel O'Connell. Under his leadership St George's Church became the centre of worship and also operated as the local school for a growing population until the completion

⁵⁷ Val Noone, *Hidden Ireland in Victoria* (Ballarat: Ballarat Heritage Services 2012) 12

⁵⁸ Patrick Phelan, 'The Archdiocese of Melbourne' *Austral Light* August 1, 1911, 645

⁵⁹ Denis Francis Bourke, *A history of the Catholic Church in Victoria* (Melbourne: Archdiocese of Melbourne 1987) 228

⁶⁰ CCI Loss and Claims Register, claim no 52 policy no 2223, CCI Archives

⁶¹ Alphington/Fairfield Parish files, MDHC

of the larger Sacred Heart Church in 1897. St George's was then renovated to function as the parish boys' school for two hundred and twenty students. The second pastor of the Carlton mission, Dean James Hegarty, assumed the responsibility in 1925. A native of Cork, Ireland, Hegarty had completed a brilliant course at All Hallows, Dublin, before joining the Melbourne archdiocese.

On 12 November 1924 a fire broke out in the combined church and school of St George's, Carlton. Although the outer walls of the building were constructed of bluestone blocks, the inner walls and ceiling were lined with wood and burnt fiercely. Many children were playing in the grounds at the time and some were injured by the flying sparks. The building was insured for £1,400 and this amount was claimed.⁶² The cost of rebuilding was estimated at £3,500. Undeterred Hegarty set about fundraising and appointed architect Thomas Payne to rebuild, retaining the original bluestone exterior. When the building was opened, which occurred just after Hegarty's death on 5 May 1925, the debt had been reduced to £1,600.⁶³

Sacred Heart Church, West St Kilda, built in 1884, was the first church built for Victorian Catholics using an Italian Renaissance style. It placed a greater emphasis on space for congregational involvement rather than liturgical practices which are favoured in the Gothic revival architecture. The early congregation had its share of prominent men, judges, politicians and successful developers. By the 1920s the demography of worshippers had changed. In the marriage registers following the war, the brides were domestic servants, daughters of shopkeepers and publicans. The grooms had more varied occupations being clerks, tramway employees and labourers far outnumbered the well-to-do.⁶⁴ In 1922 the parish priest, Rev James Byrne decided to extend the church to accommodate greater numbers at the cost of £12,000. Rev Byrne was a native of County Kerry, Ireland, was ordained at All Hallows, Dublin and appointed to St Kilda in 1917.

On the 19 March 1922 during construction a fire broke out, where the temporary walls and screens had been placed around the altar. It quickly spread and much of the interior was ruined including the altar and all of the vestments. Seeing the church on fire Rev Byrne broke away from the police and fire officers and rushed into the flames to retrieve the Blessed Sacrament. The claim on CCI amounted to £1,351.⁶⁵ Rev Byrne was resourceful. He approached the proprietors of the St Kilda Picture Theatre, Fitzroy Street and arranged for the use of their premises.

⁶² CCI Loss and Claims Register, claim no 86 policy no 2836, CCI Archives

⁶³ *The Argus* May 25, 1925, 8

⁶⁴ David Moloney, *From Mission to Mission, the history of Sacred Heart Parish West St Kilda 1887-1987* (Mildura: T & V James 1987) 21

⁶⁵ CCI Loss and Claims Register, claim no 54 policy no 3873, CCI Archives

Parishioners recalled how the spring seats in the theatre rattled like machine guns when the congregation knelt or stood. Every Sunday for eight months, the altar boys re-arranged the theatre chairs and organised an altar for Mass. In gratitude Rev Byrne took the boys on paddle steamer trips to Sorrento and picnics to Ferntree Gully.⁶⁶ When the extended church with seating for 1,000 worshipers was reopened in November 1922 the cost of refurbishment was estimated to have reached £17,500.⁶⁷

Country parishes and insurance

The Archdiocese of Melbourne extended over seventeen country areas which included gold mining towns, saw milling centres and agricultural hubs, where many of the descendents of the Irish Catholics settled. In the northern deanery of the diocese, the loss of the small Sacred Heart Church, Lyonville, in 1927 shattered the local community. The parish church, founded by Irish migrants in 1883, was an ornate wooden chapel set amongst pine trees in the centre of the settlement. On the 25 January 1927 it burnt to the ground. The cause of the fire was unknown. The building was insured for £125 but this sum did not cover the cost of replacement.⁶⁸ All in the community, including children, carted timber for the new church. Voluntary labourers erected a timber and fibrous cement construction which was blessed by Archbishop Mannix on 12 June 1927. Evidently this country community of the laity took their Church responsibilities seriously.

During the afternoon of the 24 February 1926 a bush fire obliterated the settlement of Kinglake, destroying in its path St Mary's Catholic Church.

*At about one o'clock the north wind suddenly increased in intensity and the flames seemed to suddenly sweep forward. They travelled along the tree tops, leaping from bough to bough and into the air while dense palls of smoke preceded them and poured into the village. A pitiful scene was revealed when the smoke of the fires curled away. Heaps of ashes and pieces of twisted metal littered along the roadway were all that remained of the principal buildings of the township.*⁶⁹

In 1925 Archbishop Mannix had offered the parish to the Salesian Society and Rev John Cerutti from South Africa accepted. With five of his confreres they took on the administration of the parish and its churches. The six priests settled in the Sacred Heart parish of Diamond Creek where they established an agricultural

⁶⁶ David Moloney, *From Mission to Mission*, 19

⁶⁷ St Kilda Parish Files, MDHC

⁶⁸ CCI Loss and Claims Register, claim no 119 policy no 2754, CCI Archives

⁶⁹ *The Sydney Morning Herald* February 26, 1926, 11

school and lived in the presbytery which was built to accommodate two. The Salesian community struggled financially as the soil on their one hundred and fifty acre property was unsuitable for agriculture. The parish income was £3 per week, while the housekeeper was paid £2 per week.⁷⁰ St Mary's, Kinglake was insured for £100 and this amount was paid.⁷¹ Before the new Kinglake church was opened, the Salesians handed back the parish to the Archbishop.⁷² They later made a successful foundation at Sunbury and through the generosity of the sons of CCI director, Pierce Cody, Patrick and Matthew Cody, who were the holders of twelve hundred CCI shares, the Salesians were later able to open the Don Bosco Boys' Club and Hostel in Sydney Road, Brunswick.⁷³

Religious orders

On the 11 May a fire occurred in the Christian Brothers' St Vincent de Paul Boys' Orphanage, South Melbourne and a claim was lodged for £142.⁷⁴ The first Christian Brothers arrived from Ireland in 1868 to establish schools in Victoria and quickly spread their apostolate to other colonies. In 1874 they took over the South Melbourne orphanage. Their approach reflected a sense of duty felt by Catholics to care for and ensure a proper religious upbringing for destitute children. The Christian Brothers also took responsibility for St Augustine's Orphanage, Geelong. When a fire destroyed the band room at the orphanage in 1936 the claim of £52 was insufficient to restore the hall and the Geelong community rallied to help to meet the costs.⁷⁵

The Melbourne archdiocese included the St Columbans' Mission Society, North Essendon. It was first known as the Maynooth Mission to China and was formally launched in 1918, at Mannix's alma mater, as a missionary society of diocesan priests. The intention was to follow Irish settlers to the new world to seek support for their missionary movement. In 1920 two Irish priests, Patrick Kelly and Edward Maguire, settled in North Essendon and opened the first mission office. They were soon joined by Rev Luke Mullany, the first Australian missionary in the society. He was appointed manager of their Far East office and helped to produce their magazine, *The Far East* to promote the Church and support their missions. When they purchased 2,910 CCI shares in 1925 they were known St Columbans' Irish

⁷⁰ Diamond Creek Parish Files, MDHC

⁷¹ CCI Loss and Claims Register, claim no 104 policy no 1886, CCI Archives

⁷² Diamond Creek Parish Files, MDHC

⁷³ CCI Share Register 1934, CCI Archives

⁷⁴ CCI Loss and Claims Register, claim no 44 policy no 1498, CCI Archives

⁷⁵ CCI Loss and Claims Register, claim no 300 policy no 9898, CCI Archives

Mission to China.⁷⁶ The Columbans' Mission intersected with the mission of CCI as they sought an ultimate common goal of promoting the Gospel.

Female religious orders

The continuing support of female religious orders in Victoria was critical to the company's ongoing success. The Sisters of the Faithful Companions of Jesus made their first Australian foundation in Richmond, Victoria, known as Vaucluse College. The school soon filled to capacity and the Sisters purchased land in Kew where they established Genazzano College as a day and boarding school. In 1911 they established a school in Benalla and all of their foundations were insured with CCI. The first shareholder was Mother Berchmans Hughes, the inaugural superior of the Benalla Convent. She purchased 50 shares in 1913. Also on the 1913 share register were three Presentation Sisters, the superiors of their Victorian convent girls' schools at Daylesford, Windsor and Gardenvale.⁷⁷ The Sisters of Mercy opened a hospital in Malvern in a converted mansion *Mangoplah* purchased in 1919. In January 1920 the Sisters opened St Benedict's Private Hospital on this site and insured the premises with CCI for £10,580. In 1922 they secured a loan of £3,000 at 6½% per annum from CCI to carry out further conversions. Several fires caused by the overheating of the sterilising plant occurred during the 1920s. The claims from these fires amounted to £125.⁷⁸

In 1929 Archbishop Mannix invited the Missionary Sisters of St Peter Claver to make a foundation in Kew, Melbourne. The new community at Kew became shareholders in 1930.⁷⁹ Like the Columbans they acted as a channel to send money and assistance to overseas missionaries who were working with the poor and destitute. Their foundress, Countess Mary Theresa Ledochowska, was a Polish noble woman. At court she was dismayed to hear that African people were being sold as slaves and she began to write a mission page in the Salzburg Catholic journal, based on correspondence from African missionaries. She named this *Echo From Africa*. The magazine soon became a full-time occupation and she enlisted the support of other women in her mission and placed her work under the patronage of the Spanish Jesuit missionary, St Peter Claver. A pious association slowly developed into a religious community and received final papal constitutional approval in 1910. Mary saw her mission as twofold, prayer combined with

⁷⁶ CCI Share Register 1925, CCI Archives

⁷⁷ CCI Share Register 1913, CCI Archives

⁷⁸ CCI Loss and Claims Register, claim no 106 and 149 policy no 5280, CCI Archives

⁷⁹ CCI Share Register 1930, CCI Archives

communication.⁸⁰ They insured their convent in Kew for £11,930 and made only one small claim for £4.⁸¹

The Catholic Press

CCI also insured one of Melbourne's key Catholic businesses, The Advocate Press, publisher of *The Advocate*. The first issue of this weekly newspaper was printed on 1 February 1868 and it was clear that the people of Melbourne were given a voice – the newspaper was committed to more than propaganda and pious religion. It provided a full and accurate coverage of events in Australia and overseas from a Catholic perspective. The aim was to fairly and intelligently represent the Catholic and Irish section of the community with the stated claim: 'It will neither foster bigotry nor countenance social division, but preach a common Australian brotherhood, founded upon equal civil and religious liberty to all.'⁸² For the first fifty years of its existence, the paper was managed and directed by the Catholic laity. In 1919 the business was purchased by Dr Mannix for the Church and became the official diocesan newspaper, the printer of the leaflets written by the Catholic Truth Society and the annual reports for CCI. The press and property were insured by the diocese for £50,000. The first claim by the Advocate Press occurred on 26 June 1926. It was for a small fire caused by an explosion in the machinery housed in premises. This occurred in a city building adjoining the monastery of the Blessed Sacrament Fathers at Little Lonsdale Street, Melbourne.⁸³

Archdiocese of Sydney

The centre of Catholicism in Australia was the Archdiocese of Sydney. Many of the finest and oldest buildings were situated in this diocese which had been founded in 1842. The responsibility of this stewardship was onerous. Insuring with the church company was encouraged by Archbishop Kelly, but was not mandatory. In 1926 Downey reported to Mahon that he had secured the insurances for Mount St Margaret's Hospital at Ryde run by the Sisters of Little Company of Mary – the business amounting to £75,000 in all. He hoped for similar success with their Lewisham Hospital. This did not eventuate as AMP, founded in New South Wales as Australian Mutual Provident Society, began offering loans at discounted rates in return for insurance policies. Many chose this route including the Little Company

⁸⁰ Valeria Bielak, *The Servant of God, Mary Theresa Countess Ledochowska: Foundress of the Sodality of Saint Peter Claver* (Minnesota: The Sodality of St. Peter Claver 1944) 22

⁸¹ CCI Loss and Claims Register, claim no 356 policy no 8213, CCI Archives

⁸² *The Advocate* February 1, 1868, 1

⁸³ CCI Loss and Claims Register claim no 109 policy no 6469, CCI Archives

of Mary's hospital at Lewisham, the Jesuit Fathers' schools and parishes and the Mercy Sisters' convent and college at Monte Sant' Angelo, North Sydney.⁸⁴

During the preparation for and the running of the 1928 Eucharistic Congress in Sydney, CCI business came to a standstill.⁸⁵ The congress, organised for a week during September, was one of the grandest religious spectacles seen in Australia with members of the hierarchy from all over the world participating, led by a former Australian Apostolic delegate, Cardinal Cerretti. Archbishop Kelly wrote a memo to Carroll, just prior to the annual general meeting of shareholders to be held on 31 August 1928, expressing Sydney sentiments. Amongst these, point two was biting 'Besides the withdrawal of some Sydney Clergymen – as shareholders or clients – is there any other fact or circumstance which might point to waning trust and popularity?'⁸⁶

At the request of Archbishop Kelly, Rev Dr Patrick Cregan, parish priest of St Joseph's, Newtown and holder of two hundred CCI shares, attended the 1928 annual meeting of shareholders.⁸⁷ He reported that:

*Bulli is the only parish that has withdrawn from the Company. Rev Power, the parish priest, explained that it was not according to his wishes, but the Church Committee overruled him. As to shareholders selling out their shares, Monsignor Coonan is the only one who has sold out.*⁸⁸

St Joseph's parish Bulli was north of the city of Wollongong, about one hundred and forty miles south of Sydney. Bulli was a colliery settlement and when coal was first discovered at Bulli a Catholic school was established in a slab hut and operated in this building until July 1880 when a new school-church was built. In 1928 Rev Peter Power's parishioners were mainly storekeepers, publicans and Irish coal miners who were employed on piecemeal rates and worked by extracting the coal with shovels and picks. In 1928 the parishioners were still actively fundraising to reduce the parish debt on their new church built in 1900 and convent school built in 1925.⁸⁹

Monsignor Patrick Coonan's parish of St James, Forest Lodge, was situated in a small inner suburb of Sydney. In 1912 Monsignor Coonan extended the church, but

⁸⁴ Esmond F Downey to JJ Carroll July 15, 1926, CCI Archives

⁸⁵ Minutes of the Meeting of Directors August 31, 1928, CCI Archives

⁸⁶ Michael Kelly to JJ Carroll August 25, 1928, CCI Archives

⁸⁷ CCI Share Register 1925, CCI Archives

⁸⁸ Patrick Cregan to Michael Kelly August 31, 1928, Series 0019/010, Catholic Church Property Insurance Company 1900-1977, SAA

⁸⁹ *Illawarra Mercury* May 4, 1928, 6

its elegant appearance represented only one facet of this parish. Misery lurked in the lower reaches of the parish in the industrial Blackwattle Bay area with its mix of timber and manufacturing industries. The area was known as a slum. Squalor and poverty were rife and the incidence of typhoid was six times above the state average. In 1900 Coonan established a brick building, St Ita's, as a church-school. It was adjacent to the Blackwattle Bay and was opened on St Patrick's Day. Under the care of the Good Samaritan Sisters, the school had expected to cater for fifty. Within a month one hundred and sixty had enrolled and the numbers kept increasing. By the late 1920s between two to three hundred boys and girls all squeezed daily into this one small space. Perhaps the good Monsignor thought that his investment in CCI shares could be put to better use when he sold his shares.⁹⁰

St Augustine's parish, Balmain was a church designed by Augustus Welby Northmore Pugin, regarded as England's most influential early-Victorian architect, designer and theorist. The designs were brought to Australia in 1842 by Sydney Archbishop John Bede Polding. The parish was in the inner-west of Sydney on the Balmain peninsula surrounded by Port Jackson and adjacent to Rozelle. The reliance on steamers, ferries and coastal vessels for both trade and travel resulted in the establishment of shipyards along the harbour foreshores. The suburb became overcrowded and was poorly organised. Shipyards brought workers who wished to live close to their place of work which created a demand for cheap housing. There was also a coal mine – a deep watery affair which operated from 1897 until 1931. By the turn of the century Balmain had developed a reputation as a rough working-class area.

In 1902 Rev Michael Joseph Rohan was appointed parish priest. He considered that the existing parish buildings were inadequate for the growing industrial population. He decided to build a new larger church which was completed in the amazingly short time of thirteen months. It had the capacity to seat nine hundred and was a splendid edifice designed by architect Albert Edmund Bates. The one hundred and twenty-five foot tower became a landmark in Balmain.⁹¹ In 1911 Rev Rohan purchased 1,000 CCI shares and insured the parish properties with the company. In the same year his brother, Monsignor Matthew Joseph Rohan of Dookie Victoria, purchased 400 CCI shares.⁹² During August 1923 a small fire damaged the

⁹⁰ John Fletcher and Michael Hogan, *St James' Forest Lodge: a chronicle of parish life 1877-2002* <http://www.thomasifletcher.com/StJamesHistory.html> (accessed July 28, 2010)

⁹¹ St Augustine's Catholic Church Balmain, *History and Buildings 2 The Current Church* <http://www.staugustinesbalmain.org.au> (accessed July 29, 2009)

⁹² CCI Share Register 1912, CCI Archives

Children's Home Darling Road, Balmain which was insured for £700.⁹³ This was followed by a larger fire on New Years' Eve 1924 in a parish building in Vincent Street which was insured for £300 and the claim was made for £120.⁹⁴

Rev Edward Gell was the parish priest of St Charles Borromeo's, Ryde. In 1918 he purchased 600 CCI shares and insured the parish with the company.⁹⁵ Ryde was midway between Sydney and Parramatta. The first Ryde church, completed in 1857, was also based on designs of Pugin. It was a proportioned small-aisled building with a west gable and bellcote. On 19 February 1924 a fire destroyed some of the historic internal furnishings of the church, which were insured for £1,160 and a claim was lodged for £338.⁹⁶ The building was also in need of extensive repairs due to the ravages of white ants which had badly damaged the floors and the pulpit. Gell began to plan for a new church. At first the intention was to demolish the existing building but Gell, who was the son of country architect Edward Gell, designer of the Bathurst Cathedral of St Michael and St John, decided on a radical plan. He commissioned architects Joseph Fowell and Kenneth McConnel to plan a church that could preserve Pugin's beautiful west front and belfry and recycle all the remaining original stone into the new church. The 1934 church stands as a testament to the vision of Rev Edward Gell.⁹⁷

The Marist Brothers of the Society of Mary opened their first schools for boys of the Sydney archdiocese in the heartlands of Irish Catholics: The Rocks, Parramatta, Hunters Hill and North Sydney. In 1904 they purchased a property at Mittagong and established a novitiate for the training of aspirants to the society. It was named Our Lady of the Hermitage, echoing the name of their first training house in France. In 1911 they established *Montbel* at Hunters Hill as an Apostolic School for the early formation of younger applicants before they entered Mittagong. In 1915 this school was transferred to Mittagong and a boarding school and junior novitiate were established on the site. On 22 July 1929, a fire, caused by a spark from the furnace, completely destroyed the main house and the claim to CCI was for £1,785.⁹⁸

The Christian Brothers' early foundations in the Sydney archdiocese included primary schools in Lewisham, Paddington, Balmain and Newtown and secondary

⁹³ CCI Loss and Claims Register, claim no 75 policy number 2268, CCI Archives

⁹⁴ CCI Loss and Claims Register, claim no 79 policy no 1994, CCI Archives

⁹⁵ CCI Share register 1918, CCI Archives

⁹⁶ CCI Loss and Claims Register, claim no 82 policy no 757, CCI Archives

⁹⁷ *St Charles Borromeo Catholic Church Ryde History of our parish*

<http://www.stcharlesryde.org.au/history.html> (accessed July 27, 2010)

⁹⁸ CCI Loss and Claims Register, claim no 156 policy no 5712, CCI Archives

schools in Petersham and Waverley. The school in Paddington was insured for £2,200 and when a fire occurred on 28 September 1923 the claim was for £48.⁹⁹ In 1907 the Brothers purchased Mount Saint Mary, Strathfield and established a provincial house and a trainee centre for the Brothers. They insured each of their foundations with CCI. On 3 October 1922 a small fire occurred in the stables of Mount Saint Mary insured for £2,800. The subsequent claim was for a modest £8/10/6.¹⁰⁰ During 1922 the amount paid out in CCI fire claims reached £2,186, the highest total recorded since the inception of the company.¹⁰¹

After a disastrous fire on 23 February 1924 destroyed the Good Samaritan St Michael's Noviciate and Convent in Clovelly, the sisters had a rethink about their insurance. The convent was insured with the Lancashire London Company for £5,000, but the damage incurred was estimated at over £10,000. The Benedictine Order of the Good Samaritans was founded on 2 February 1857 by Archbishop Polding, to assist in the work of caring for disadvantaged women in Sydney refuges. Over time, with increasing vocations, they expanded interstate. In 1915, at the request of Archbishop Duhig the Good Samaritans established a convent and a high school for boarders and day scholars in Brisbane. *Lourdes Hill College* built on the banks of the Brisbane River. It soon became a flourishing enterprise. On 6 May 1925 the sisters were directed by their provincial to insure all thirty properties, including convents, chapels, laundries and schools, with CCI.¹⁰²

Conclusion

Following his unfair expulsion from Parliament and illness, as well as the disappointing experience of Irish politics and insurance overseas, Mahon began to be heartened by growing support of CCI in Australia. Though he was never satisfied, success in securing the entire portfolio of Good Samaritan properties signalled a new trend. In 1925 Mahon wrote:

The upward movement which marked the Company's history since its inception continued during the financial year just closed. There have been satisfactory increases in the revenue from premiums as well as from out investments. The Company's shares are now fully subscribed and the required amounts thereon paid in cash. This has been accomplished without any outlay whatever on brokerage or agency commission so that the whole amount realised from the shares has passed to the credit of the

⁹⁹ CCI Loss and Claims Register, claim no 80 policy no 137, CCI Archives

¹⁰⁰ CCI Loss and Claims Register, claim no 66 policy no 3511, CCI Archives

¹⁰¹ Table Five *Fire Claims 1912-1936* (See Appendix 5)

¹⁰² List of Good Samaritan Insurance Policies 1925, Good Samaritan Archives, Glebe, New South Wales

*Company. This is probably an unique achievement in the history of a company flotation in Australasia.*¹⁰³

Through covering Mahon's investigations of Catholic insurance practices in Britain and Ireland and reviewing a wide range of dioceses and religious congregations in Australia, demonstrated how CCI's overseas and local relationships were multi-layered. Although there was considerable growth in CCI, Mahon made reference in each Annual Report of the 1920s that there was need for greater clerical and religious support and involvement in the company. Typical were Mahon's comments for 1921:

*But for the fact that a considerable share of Church insurance is still placed with outside Companies these figures would be even more satisfactory. It is extremely desirable that any indifference still existing in regard to the Company should be replaced by loyal co-operation, so that the Company may render the maximum service to the Catholic community.*¹⁰⁴

Clearly Mahon's persistence had some effect. In 1930 Mahon proudly announced that:

*The Directors have had in contemplation an increase in the rate of bonus to policy holders. After careful review of the position, the Directors recommend that the rate of bonus be increased from 40% to 50% as from 1st January 1931. The amount of bonus for the year just closed is £9,042, and the total saving from the inception of the Company on Catholic Church Property insurance from the inception of the Company is £79,782.*¹⁰⁵

Chapter Nine explores Mahon's plans for a greater distribution of the company's profits to those clergy, so well identified by Archbishop Duhig in 1925, as being in need of the greatest support. Of importance in this period was the rise of an opposition company, the impact of the 1930s depression on CCI and ramifications from the deaths of three company founding directors, O'Loughlin, Mahon, and Meagher. It examines how these factors led to a dismantling of Mahon's fundamental tenets which had made the company a substantial benefactor for the broad Catholic community.

¹⁰³ Directors' Report June 30, 1925, CCI Archives

¹⁰⁴ Directors' Report July 26, 1921, CCI Archives

¹⁰⁵ Directors' Report August 12 1930, CCI Archives

Chapter 9: *Challenges and Changes*

Introduction

This chapter seeks to determine if the objectives of the founding pioneers were achieved. The stated focus of CCI was to deliver optimum insurance protection, in order to promote the Church's missions through protecting churches, schools, and hospitals. In addition were the underlying priorities of setting ethical standards and establishing charitable funds. Also explored in this chapter is the impact of a rival Catholic company, the challenges experienced during the economic depression of the 1930s and growing concerns about the priests' sustentation funds which led to the formation of a new company, the Australasian Catholic Charities Association. Finally this chapter deals with the impact on the company of the deaths of three of their lay founding directors and the selection of clergymen to take their places. At the same time it examines the reasons behind why the lay shareholders were asked to surrender their shares and shows how this decision changed the nature of the company.

A Rival Company

A substantial threat to the success of CCI business between the wars came from the emergence and growing strength of a rival company. In 1921 Edward Joseph Mooney registered a company, the Australasian Catholic Assurance Company Limited, in Sydney.¹ To include the word 'Catholic' in a company name was unusual during the 1920s and 1930s as sectarianism was rife. The new company provided life and endowment assurance, accident and sickness insurance and trumpeted fire insurance as a specialty. Mooney established his head office at *Ocean House*, Sydney and subsequently opened offices in Brisbane, Melbourne, Adelaide and Perth with a team of agents to canvas country areas in each state. A remarkable feature was that the company was developed on a minimal capital of £14,512, of which £2,500 was allotted to the promoter to float the company.² It would appear that the promoter was spectacularly successful. In June 1922 Mooney launched a second company, The Invincible Fire and General Insurance Co Ltd, with a nominal capital of £250,000.³ The Invincible handled the reinsurance of the fire business and underwrote the life assurance arm. The *Freeman's Journal* described Mooney's initiatives as progressive institutions.⁴

¹ *Freeman's Journal* (Sydney) June 23, 1921, 26

² *The Australasian Insurance and Banking Record* October 28, 1930, 831

³ *Newcastle Morning Herald and Miners' Advocate* December 26, 1922, 1

⁴ *Freeman's Journal* (Sydney) December 22, 1921, 19

Mooney and his co-directors, John Thomas Gurr, Thomas John Shannon and Denis Murphy were well connected in Sydney Catholic circles. Mooney was a parishioner of the Church of the Immaculate Conception and St Paul of the Cross, Dulwich Hill and became a close associate of the parish priests, Rev Matthew Hogan and his successor Monsignor Dr Patrick Tuomey, who were not CCI participants. Tuomey was a Mannix follower. He had earlier been fined £30 with costs for a disloyal speech that he delivered at the Paddington Town Hall on 4 September 1918.⁵ During this speech Tuomey referred to the blight and curse of English misrule in Ireland. John Gurr was active in St Joseph's Parish, Woollahra, president of the local St Vincent's de Paul Society, supported several Catholic orphanages and was district president of Hibernian Australasian Catholic Benefit Society. Thomas Shannon, a member of St Peter's Parish, Surry Hills, was an active Hibernian, chairman of the New South Wales Community Hospital and executive member of the Food for Babies Fund. Concurrently he was an alderman of the Sydney City Council and a Member of the Legislative Assembly of New South Wales. Denis Murphy, a member of St Mary's Parish, North Sydney was a member of the St Vincent de Paul's confraternity and was described as spending much of his time in all parochial movements.⁶ The *Freeman's Journal* reported:

In the capable person of Mr Mooney (managing director) the company has one of the ablest and most experienced live wires in the assurance world. Possessing an abundance of energy and a capacity for big things Mr Mooney has during his sixteen years of practical experience done much to increase the business of companies fortunate to have the benefit of his services. For a number of years Mr Mooney was chief superintendent of one of the principal life offices of the state, but his success in the flotation and management of the Australasian Catholic Assurance Company has eclipsed all of his past successful activities.⁷

Mooney instigated vigorous advertising campaigns covering Catholic papers, parish bulletins and even Catholic secondary school magazines.⁸ In contrast CCI did not advertise and worked through face to face relationships with their church clients. In bold capital letters on each advertisement of the Australasian Catholic Assurance Company Limited were the words: the only Catholic Insurance Company in

⁵ *Freeman's Journal* (Sydney) December 5, 1918, 11

⁶ *Freeman's Journal* (Sydney) January 24, 1924, 23

⁷ *Freeman's Journal* (Sydney) January 24, 1924, 23

⁸ An example of their marketing strategy was featured in *The Patrician* (magazine of St Patrick's College, East Melbourne) 1931, 14

Australia.⁹ At the same time the assurance company created a strong physical and social presence in each capital city. They purchased key central commercial sites and employed a well known firm of Catholic architects and engineers Hennessy, Hennessy and Co to design their offices. Mooney commissioned Jack Hennessy to design landmark Art Deco multi-storey office blocks in Sydney, Melbourne and Brisbane. Jack had taken over his father's practice and following in his father's footsteps became a leading architect for numerous Catholic buildings. The Sydney site, *Ocean House*, in the central business district, was purchased for £50,000 and £135,000 was spent on the new building.¹⁰ The Melbourne site was purchased for £36,000 and the new building cost £100,000 and the Brisbane office was purchased for £19,000.¹¹ In each the company occupied the ground and first floors, increased their staff and sublet the remaining office spaces. At the same time they expanded their aggressive marketing operations. Each year the company sponsored a debutante ball for Catholic girls which were attended by leading Catholic businessmen and their families, to raise funds for Catholic causes. Even Archbishop James Duhig attended in Brisbane when the proceeds were devoted to his Holy Name Cathedral Building Fund.¹²

The similarity of the name of the new company with that of the Catholic Church Property Insurance Company of Australasia Limited (CCI) caused considerable confusion. In 1923 Mahon inserted notices in the Catholic press.

*The Catholic Church Property Insurance Company of Australasia, Limited –This Company was incorporated in 1911 by direction of Archbishops and Bishops of Australia. Its sole object is insurance against fire of Catholic Church property. It engages in no other form of insurance. IT DOES NOT EMPLOY CANVASSERS OR AGENTS. Its surplus profits are applied to Church purposes and a sum of £30,000 has already been distributed by way of bonus to Church authorities. Catholic Church Property Insurance Company of Australasia, Limited is the only insurance institution having ecclesiastical authority to use the word 'Catholic' in its announcements; and it has no connection, direct or indirect, with any company designated by advertisement or otherwise as a 'Catholic' Insurance Company.*¹³

In 1928 Mahon wrote to Monsignor Robert Peoples, Administrator of St Mary's Cathedral Sydney, explaining what steps CCI had already taken to prevent Catholic

⁹ *Freeman's Journal* (Sydney) January 5, 1922, 45

¹⁰ *The Sydney Morning Herald* October 11, 1934, 11

¹¹ *Examiner* (Launceston) June 29, 1935, 7

¹² *The Courier Mail* (Brisbane) July 15, 1939, 13

¹³ *Freeman's Journal* (Sydney) September 6, 1923, 22

people being misled into the belief that certain companies using the appellation ‘Catholic’ had the approval of the hierarchy.

I desire to say that on the first appearance of one of the companies referred to, we inserted advertisements in the Catholic newspapers pointing out that our Company was the only institution authorised by the Hierarchy to conduct the insurance of Catholic Church property. In this and other directions we have already done our utmost to effect the object which His Grace Archbishop Kelly has in view. It is, of course, impossible to follow up the individual agents and canvassers of these companies in their operations throughout Australia. This could best be effected I suggest, by a request to the clergy in the various dioceses to make the position in regard to these unauthorised companies known to their several congregations.¹⁴

However, the matter did not rest there. In 1934 Archbishop Kelly received a complaint from Mrs Emily Hickey of Willoughby, about the operations of the company at *Ocean House*. The Archbishop directed Monsignor Edmund O’Donnell, his secretary and CCI shareholder, to write to the parish priest of Willoughby, Rev Richard Augustine Darby.¹⁵ Monsignor O’Donnell requested that Darby interview Mrs Hickey to make it clear that the Ocean House Company was in no way under His Grace’s control.¹⁶ The Australasian Catholic Assurance Company continued to grow during the 1930s reporting substantial increases in their overall business and in particular growth in fire premiums. In response CCI took the unprecedented step of taking out full page advertisements in the Australasian Catholic Directory which stated unequivocally the mandate and authority granted by the Church to their company.

*The Catholic Church Property Insurance Company of Australasia Ltd. established in 1912 by the direction of the Hierarchy, is **THE AUTHORISED INSTITUTION** for the Insurance of Catholic Church Property of Australasia. **THE COMPANY EMPLOYS NO AGENTS OR CANVASSERS**. Its revenue is therefore available and is being applied wholly to Church purposes. The sum of £63,000 has already been distributed in bonuses to Church Authorities. Do not confuse this company*

¹⁴ Hugh Mahon to Robert Peoples May 4, 1928, Series 0019/010 Catholic Church Property Insurance Company 1900-1977, SAA

¹⁵ CCI Share Register 1934, CCI Archives

¹⁶ Edmund O’Donnell to Richard Darby September 29, 1934, Series 0019/009 Australasian Catholic Assurance Company 1929-1936, SAA

*with any other company using very similar names. **INSURE IN YOUR OWN COMPANY.***¹⁷

The use of agents and canvassers, who worked on commissions, struck a nerve with Mahon. During 1906 Mahon had received adverse publicity about becoming a director in Western Australia of Citizens' Life Assurance Company. The *Sunday Times* (Perth) had run a series of articles about how this company's officers sold assurance policies for children aged five, ten, fifteen or twenty years, to working class families. Many of these families were under the impression that these policies were optional and that at any time they could surrender their policies and redeem their contributions without penalties. The paper received hundreds of complaints from families who were told that if they ceased making payments they forfeited their entire contributions as there was no surrender value attached to these policies. The *Sunday Times* had stated:

*Hugh Mahon's name appears on the local directorate of this cormorant enterprise. Mr Mahon who represents Coolgardie in the Federal Parliament was once loud in the denunciation of the company, but he has since condescended to accept a seat on the board of directors, although he is not resident in the state. Is this fit company for a Labor Party man to be in? Is Mr Hugh Mahon going to allow his name to be associated with the soulless bleeding of individuals of the great body of workers who return him to Parliament, with the cold-blooded appropriation of the people's hard-earned savings?*¹⁸

Mahon was justifiably uncomfortable with these claims and ensured that during his directorship of Citizens' Life Assurance Company, that the dealings of superintendents and agents came under close scrutiny. From this experience Mahon was wary of the way the agency system operated in Australasian Catholic Assurance Company. A railway employee, from Elwood, Victoria, Henry O'Connor described his experience of canvassing for Australasian Catholic Assurance Company in Melbourne under the supervision Charles Aloysius Adams. Adams later admitted in his evidence to the Victorian Royal Commission on Industrial Insurance during 1938 that there was no official connection between his

¹⁷ Press clipping of the advertisement featured in the *Australasian Catholic Directory* January 1, 1931, CCI Series 0019/006, SAA

¹⁸ *Sunday Times* (Perth) July 29, 1906, 5 & August 5, 1906, 5

company and the Catholic Church.¹⁹ Henry O'Connor recalled his experiences while working with the company during the late 1920s:

We used to seek Roman Catholic policy holders and we had a system of winning new policies, but we could not safely consider a new prospect by name alone. We found that a dark person was easy and a fair person not so easy. Three men were needed to work a red-headed person and often that would not be enough if the name had misled us. I was schooled in the system by a superintendent of the company. We would go to a house and the superintendent would tell the women that we were from the Australasian Catholic Insurance Company. She might say that she had never heard of it, whereupon the superintendent would look horrified and say – dear me it is known everywhere. Then the woman might say that she did not want any more policies and the superintendent would reply that this is a Catholic company and its objects are to keep young Catholic men in employment. Surely one shilling a week would not be missed. It was also the practice of the company to have ‘bumper days. The method on bumper days was to send the superintendent and every canvasser to a district and conduct a house by house canvas²⁰

In the CCI Directors' Report of 1933 Downey did not mince his words:

Your Directors desire to impress upon shareholders that the progress of the Company can only be sustained with the earnest, well-directed energy of every shareholder. Never before has this appeal been so urgent and necessary. Concerted efforts by larger Insurance Companies are afoot, not only to entice patrons away, but, if possible, to disintegrate your Company by preventing it from offering its policy holders greater advantages. There is still much business which remains to be placed with your Company. At present it is placed, without any legitimate reason whatever, with one or other of these outside companies, and at a much higher cost to parish and/or Order than if it were insured with the truly Catholic Company formed for the purpose of insuring Ecclesiastical property.²¹

Downey also explained the extent of this problem to twenty-two members of the hierarchy during a meeting held in 1936 at the Archbishop's House in Adelaide.

¹⁹ *The Sydney Morning Herald* May 10, 1938, 13

²⁰ *Townsville Daily Bulletin* April 5, 1938, 12

²¹ Directors' Report August 14, 1933, CCI Archives

*Downey drew attention to the confusion of identity of Catholic Church Property Insurance with the Australasian Catholic Assurance Company and asked members to refrain from encouraging the operations or patrons of the Company which is not a Catholic Company and from which the Catholic Church in no way derives any benefit. He asked also for members to use their influence with Religious Orders in their Dioceses which did not insure with our own insurance Company to transfer their patronage to our own Company.*²²

CCI was not alone in feeling uneasy about the way the assurance company operated. Later the Labor Party member for Randwick, William McCulloch Gollan, told the New South Wales Legislative Assembly that the Australasian Catholic Assurance Company was not sponsored by the Catholic Church and was a ‘shyster’ company operating under false colours and did not honour policies.²³ Gollan was a Presbyterian who had met Mahon on the Western Australian Goldfields. Before entering politics, Gollan had been chairman of directors of the New South Wales Board of Equitable Probate and General Insurance Company Limited.²⁴ The appointment by the company of William Gilroy, to the position of Commonwealth Inspector for the Fire Department of Australasian Catholic Assurance Company, led to further friction between the two companies. He was the brother of Norman Gilroy, Coadjutor and later Archbishop of Sydney. The prelate supported CCI but during his leadership a great deal of insurance business was transferred to the rival company.²⁵

The depression years

The Great Depression began in 1929. World prices fell dramatically making much of Australia’s primary production uneconomic. By 1930 Australia was suffering acutely, with unemployment at 19%. Mahon could see clouds looming on the horizon for profitability of the company. At the May 1931 Premiers’ Conference held in Melbourne, Premier Jack Lang of New South Wales (a Labor Party politician and Catholic), introduced a severe deflationary policy which he believed would assist recovery. The plan called for a reduction of interest rates, non-payment of interest to British bondholders and abandoning the gold standard. In a note to Carroll, Mahon wrote “Lang’s object is to secure all the cash he can get as it is

²² Minutes of the Ordinary General Meeting of Members of the Australasian Catholic Charities Association November 13, 1936, CCI Archives

²³ *The Sydney Morning Herald* March 18, 1948, 4

²⁴ <http://www.parliament.nsw.gov.au/prod/parliament/members.nsf/1fb6ebed995667c2ca2> (accessed September 25, 2010)

²⁵ It was not until Australasian Catholic Assurance Company was sold to a large insurance conglomerate in the early 1970s and the name was subsumed, that this problem was resolved.

likely that he will accept assurances from treasury officials. We would lose heavily by selling our government stocks. But as they have ceased to be gilt edged and are only partly liquid the reason for holding them has practically disappeared. The 17½% special tax on interest, to which the Federal and State treasuries have agreed, amounts to confiscation.”²⁶

Mahon wrote a memorandum outlining the company’s position to the directors:

*Your attention has been doubtless directed to the drastic financial reconstruction scheme recently put forward by Australian Governments. Briefly, it is proposed to convert into one common stock the whole of the internal indebtedness of Australia, maturing at varying dates, and subject to a reduction of 22½% on existing interest rates. Nominally the operation is to be voluntary on the part of bond holders; in reality, since a penalty for refusal to convert is in the background, it will be compulsory. If implemented in its present form, this Government Scheme will result in considerably reducing the net earnings of this Company.*²⁷

In the Directors’ Report of 1931 Mahon wrote: “The financial position into which Australia has drifted appears to render its acceptance (of common stock) imperative by the whole body of bond holders.”²⁸ At this time CCI held Government Stock of the face value of £24,600.²⁹ Fortunately for CCI the Lang plan was rejected and replaced with increasing income taxes, a small government reduction in interest rates and the raising of a government loan for relief works.

The number of jobless grew and wages continued to decline and it was not until 1935 that the Australian economy began to recover. Archbishop Mannix urged Catholics to be optimistic and self-sacrificing during the industrial and financial crisis.³⁰ He considered that the wheels of industry should be kept going and that the Catholic Church should continue building, providing jobs.

People should spend judiciously and not extravagantly and, above all, should not spend money on imported luxuries. They could not do better than spend what they could on things made in Australia. If they all did this they would be helping Australia materially. In carrying out an extensive

²⁶ Hugh Mahon to JJ Carroll May 20, 1931, CCI Archives

²⁷ Memorandum for CCI Directors July 1, 1931, CCI Archives

²⁸ Directors’ Report August 14, 1931, CCI Archives

²⁹ Directors’ Report August 14, 1931,

³⁰ *The Catholic Press* November 13, 1930, 21

*building programme Catholics were helping bricklayers, painters and other artisans and were keeping them in circulation.*³¹

The *Freeman's Journal* reviewed the plight of the Catholic worker and suggested that many parents in fair positions made no attempt to inspire their sons with ambition.

*Catholics, like folk of other denominations can succeed, if they try, in all departments of life, and the presence of hewers of wood and drawers of water among our Catholic young men is not really because an inferiority complex affects the welfare of the Catholic community. As we have often said before, too many of them succumb to the lure of the basic wage. Worth-while jobs mean an apprenticeship of some kind or other, nominal pay for several years, night classes and considerable self-sacrifice.*³²

The Catholic middle class were not immune to the economic malaise. Prices for primary produce fell alarmingly; credit was restricted; demand for goods and services fell away; manufacturing slowed down or stopped; businesses closed down and all public service salaries were cut heavily. At the same time the number of free places for students at the University of Sydney was cut drastically following a twenty-four per cent cut in the annual state government grant to the university. In 1931, salaried officers and wage earners at the university had voluntarily accepted a ten per cent cut, and there was a further five per cent cut in 1933 and 1934.³³

Church and lay responses during the depression

Behind CCI thinking during the depression was the 1931 Papal Encyclical of Pope Pius XI, *Quadragesimo Anno* based on *Rerum Novarum* published forty years earlier by Pope Leo XIII. Pope Pius emphasised that an understanding of social and economic issues were vital to the Church, not from a technical point of view but in terms of moral and ethical issues. Pope Pius also promoted a strong interest in fostering the participation of lay people in the Church, especially through the emerging international Catholic Action movement. The movement was spearheaded by social activists, a French-born intellectual, Peter Maurin and an American pacifist, Dorothy Day, who together established the *Catholic Worker* newspaper to promote Catholic social teaching. They fed and housed thousands of homeless people in New York during the 1930s. Their work in America was to have a major influence on Australian Catholicism. Many Catholic Church leaders

³¹ *Kilmore Free Press* September 4, 1930, 2

³² *Freeman's Journal* (Sydney) August 1 1929, 24

³³ Marie Kennedy, *Wisdom Built Herself a House: a History of Sancta Sophia College, University of Sydney 1926- 1996* (Sydney: Sancta Sophia College 1997) 93

became convinced of the need to embrace social welfare and apply the principles outlined in the Pope's 1931 encyclical.

The years of the 1930s Great Depression were challenging for Australian Catholics. They were stringent times. In June 1932, 61,115 males registered as unemployed and 47,000 family units were in receipt of sustenance. There was a fall in the number of marriages and in the number of births and consequently a decrease in the need for the formation of new parishes and little funding to establish new schools. Many Catholic schools relied on the services of paid qualified staff to teach specialist subjects such as elocution and music and many of these experts could not be retained as income from tuition fees declined. The immeasurable contribution of the labour of the religious brothers and sisters sustained the Catholic education system.³⁴ An article in the *Freeman's Journal* outlined the problems facing Catholic schools:

*With unemployment and distress on every side and with financial stringency affecting all classes, it should be apparent that not only the religious who are in charge of Catholic charities, but also those who labour in the field of Catholic education, are having an anxious time. Both the primary and secondary Catholic schools are affected by the diminished spending power of the community and this means sacrifices on the part of our teaching nuns and brothers, whose sacrifices are great and many at the best of times. They have to shoulder a greater burden whenever a Catholic family ceases to contribute to the cost of Catholic education, for their schools must be kept open at all hazards.*³⁵

On the night of 4 September 1930 St Patrick's Church, Marulan in the Goulburn diocese was destroyed. The priest had provided shelter in the church grounds for a passing tramp looking for work. Unfortunately the traveller was careless with a fire that he lit to keep warm and the church caught alight. The church of rubble structure and cement rendered was built by convict labour. It was insured by Bishop John Barry of Goulburn, a foundation CCI shareholder when he was the parish priest at Mansfield in 1912.³⁶ The Marulan building was insured for £350 and the claim paid was £303.³⁷ Due to the lack of parish resources the remains of the Marulan church were relocated on the site of the first Catholic school house and rebuilt to serve as a humble church and school.

³⁴ Damien Gleeson, 'Catholic Charity during the 1930s Great Depression', *Australasian Catholic Record* vol 73 no 1, 1996, 68-80

³⁵ *Freeman's Journal* (Sydney) October 1, 1931, 21

³⁶ Melbourne CCI Share Register 1912, CCI Archives

³⁷ CCI Loss and Claims Register, loss no 207 policy no 4667, CCI Archives

Practical Catholic initiatives

The members of St Vincent de Paul, organised on parochial lines, cared for the sick, unemployed and homeless as best they could but the great numbers in need strained their resources to the utmost. Their volunteers were parishioners who were often in straightened circumstances themselves. Where they could they supplied fruit and vegetables and firewood and gave a hand in repairing homes, buildings and convents. CCI shareholder, William Butler, President of Glebe Conference in the Forest Lodge parish, Sydney, under the formidable direction of a former CCI shareholder and signatory to the CCI 1911 Memorandum and Articles of Association, Monsignor Coonan, was one of the unsung heroes. He coped with sixty to seventy cases each week. Orders, usually with an upper limit of five shillings, were written, as long as funds held out, on chemists and doctors as well as meat and food stores.³⁸

Another layman, Stuart Patterson of Kellerberrin, Western Australia, holder of 4,000 CCI shares, was a great supporter during the 1930s of St Joseph's Home, a shelter for fifty destitute children in Croydon, Sydney. Through his generosity to the Sisters of St Joseph 'The home was fully equipped with all that was necessary for comfort and health; spacious dormitories were furnished, schoolrooms, dining room and play hall were made to suit the needs of the little ones.'³⁹ It is reported that the Sisters of St Joseph were happy to be sent to Yarraville, Victoria for the parishioners would provide them with a pair of new shoes and some clothing. Yarraville, a poor, industrial community was amongst the first Victorian parishes to insure their church, presbytery and wooden school buildings with CCI in 1914.⁴⁰ A Vincentian priest and historian, Rev Denis Francis Bourke wrote that 'The survival of many Catholic parishes, schools and convents during the depression confounds the ordinary rules of domestic finance.'⁴¹

Diocese of Port Augusta

The 1930s depression cast a long shadow on all financial matters. On the 8 December 1932 CCI placed an advertisement in *The Catholic Press* asking members of the hierarchy of each diocese to tender for an additional parcel of company shares from a deceased estate.⁴² The successful bidder was the Bishop of Port Augusta, Rev Andrew Killian, who was allocated 798 shares which raised his

³⁸ <http://www.stjames-stbede.org.au/ourparish/history> (accessed July 4,2014)

³⁹ *The Catholic Press* October 30, 1930, 19

⁴⁰ CCI Policy no 1977 Parish Files, MDHC

⁴¹ Denis Francis Bourke, *A History of the Catholic Church in Victoria* (Melbourne: Catholic Bishops of Victoria, 1988) 254

⁴² *The Catholic Press* December 8, 1932, 22

holdings to 998 shares.⁴³ Killian was a long term supporter of CCI and his gesture was generous, given his diocese was one of the poorest in Australia. The diocese was created in 1887 on the same day that Adelaide was made an Archdiocese. Catholics formed a small minority of the population of South Australia and were not prominent in public life until the end of the nineteenth century. By 1933 when they numbered 52,339 in the Archdiocese of Adelaide only 7,269 attended Catholic schools. The Port Augusta diocese was divided into ten regions the most populous of which were Port Pirie and Whyalla due to the large industrial smelting works employing thousands of workers. In a Lenten Lecture which he had earlier sent to Mahon, Killian wrote:

*The health, and therefore the service of many a good priest has been sacrificed because he could not afford to take the needed rest, or to secure the medical or surgical treatment that he knew was necessary. The establishment of the Priests' Sick Fund will remove from the minds of our priests, who are not blessed with a superfluity of the goods of life, the haunting dread of a un-provided-for breakdown, or a prolonged stay in hospital.*⁴⁴

This situation had become a pressing matter for the directors of CCI.

Concerns about the sustention fund

In April 1926 Mahon circulated a bold proposal to increase the allowance paid to sick priests and improve the circumstances of priests who were called to work in more remote and less favoured areas in Australia. Mahon estimated that, if the sick funds already accumulated by individual dioceses were amalgamated and all members of the clergy made an annual payment, of £2 to £5 to a central fund as well as clergy policy holders donating their bonus allowances, there would be a fund of £25,000 to draw on. He explained:

With the establishment by the Company of The Sick Priests Fund a suggestion has been made that a scheme might be devised by which the whole of the existing Funds in all dioceses would be amalgamated in one common Fund and administered by the Company with a Board of Trustees as a Superannuation Fund. If adopted the scheme would have to be laid down upon a sound actuarial investigation and would require to be kept under observation by an Actuary. Some Dioceses have Funds large or

⁴³ William Gunson to Australasian Catholic Charities Association February 15 1933 & CCI Share Register 1933, CCI Archives

⁴⁴ Bishop Andrew Killian January 24, 1926, CCI Archives

small, others have none. Opposition to the scheme can be expected from those Dioceses which already have, owing to favourable conditions in the past, been able to accumulate fairly large funds. This would mean viewing same from a narrow standpoint. The benefits proposed under the new scheme would be much larger and more comprehensive than are provided under existing conditions. To insure success the matter must be viewed from a broad aspect and in the interests of every individual clergyman in Australia.(sic)⁴⁵

The first Bishop of Wagga Wagga, Dr Joseph Dwyer, responded to Mahon's suggestions:

I was hoping to see you when I was in Melbourne, but owing to an attack of the flu I could not do so. It was about the money £25,000 your company was debating about. I was wondering if the Coy (sic) could open a branch to insure nuns, priests and brothers during illness and let that money form the nucleus of a capital. If each nun were to pay a premium of say £4 or £5 a year and say be entitled to £5 a week during illness it would be a great relief. Could you work out on actuarial lines such a scheme and let me know on what basis it could be safely worked. It would do away with Sick Priests' Funds.⁴⁶

Bishop Joseph Dwyer was well known to Mahon. He was born in Maitland, New South Wales, after his parents had migrated from Kilkenny, Ireland. Three of their seven children became religious and CCI shareholders. Dwyer's first task in Wagga Wagga was to complete the building of St Michael's Cathedral which had been partially constructed. Construction recommenced on the sandstone building in 1922 and the cathedral was reopened in 1925. To help Dwyer with this project CCI had lent him £4,000 @ 6% interest from the Sustainment Fund.⁴⁷ Mahon responded to Dwyer that the company's secretary, Downey, had prepared a lengthy submission for the bishops meeting in Adelaide held in April 1926 to that effect. The hierarchy declined as they considered that it would be impracticable to broaden the scheme. Mahon wrote to Dwyer 'I doubt if it would be possible for you to arrange a satisfactory scheme for your diocese alone, as I fear the contributions would have to be much heavier than you anticipate, the principal feature in these schemes is to

⁴⁵ Hugh Mahon, *Outline of scheme for proposed sick priests' fund* April 15, 1926, CCI Archives

⁴⁶ Joseph Vincent Dwyer to Hugh Mahon July 12, 1926, CCI Archives

⁴⁷ Minutes of Meeting of Directors May 25, 1924, CCI Archives

spread the risk over as great a number as possible and have the basis of the contribution as low as possible.⁴⁸

Neither Mahon's nor the Bishop Dwyer's suggestions were acted on. In private papers Archbishop Kelly recorded in 1928 that:

*A lengthy discussion took place (at the Bishops' Conference in 1928) regarding the application of the moneys accumulated in a fund set aside by the Catholic Church Property Insurance for the 'Sick Priests' Fund. The Archbishop of Hobart (William Barry) pointed out that if the money thus accumulated, which now amounted to over £30,000, was applied to anything but the Sick Priests' Fund it would mean a serious breach of the Articles of Association of the Society. He did not think that it could apply to the Home Mission Fund, as had been suggested. The fact that most Dioceses already had a Sick Priests' Fund, some of them with ample provision for the future, did not alter the position. Finally, it was proposed by the Bishop of Bathurst (Michael O'Farrell) seconded by the Bishop of Ballarat (Daniel Foley), and agreed to, that a recommendation be made to the Management of Catholic Church Property Insurance Society that the surplus or the interest thereon available for the Sick Priests' Fund be paid over pro rata of Diocesan Insurance Premiums, to the Bishop of each Diocese.*⁴⁹

Following this meeting Archbishop Kelly wrote to CCI director, JJ Carroll:

*The Bishops of Victoria, represented by the Bishop of Sandhurst, John McCarthy, are said to advocate sustentation from surplus funds to Diocesan and Mission purposes. This would be unwelcome to the majority of Shareholders. It was one of Cardinal Moran's wishes; but as less popular and less attractive we never pressed the acceptance of this rule in principle.*⁵⁰

Kelly understood that this approach would not be favoured by the lay CCI directors whose first concern was to build reserves against the risk of large claims and keep the expense of reinsurance to a minimum. The emphasis on diocesan concerns could potentially exclude religious orders and lay Catholic apostolic workers from sharing in CCI profits, in particular many of the missions undertaken by loyal female religious who were long-standing CCI share and policy holders. During the

⁴⁸ Hugh Mahon to Joseph Dwyer July 14, 1926, CCI Archives

⁴⁹ Archbishop Michael Kelly's notes of the 1928 Bishops' Conference Series 0009/036, SAA

⁵⁰ Michael Kelly to JJ Carroll March 25, 1928, CCI Archives

formation of the first sustentation fund, and later when it began to grow in stature, Mahon had received many letters from parish priests stating that religious orders insured in the company should also participate in its benefits. Rev Thomas O'Connor, parish priest of St Patrick's, Ingham, Queensland wrote:

*Religious Orders who have contributed to the company during its existence ought to be assisted. I am not in favour of assisting either Dioceses or Religious Orders who have ignored the existence of Catholic Church Property Insurance Co Ltd, two Apostolic Delegates and all the Bishops having encouraged the clergy and laity to assist. I know some who first insured property and then withdrew in favour of secular companies and others also in favour of the government insurance in Queensland.*⁵¹

Michael Meagher had reservations about the implications of vesting the surplus with the hierarchy, as directed by Archbishop Kelly, but he was overruled. Meagher wrote:

*If we act now and do the wrong thing we cannot undo it. If we hand over any of the funds to the Bishops, that is the end of the funds as far as we are concerned. I do think that we should rather act in this case as Rome does in all matters – take time – talk about it for 6 or 12 months before a decision is arrived at.*⁵²

This was an excellent example of the superior diplomatic skills of Meagher and CCI board members.

Deserving causes – expanding the sustentation fund

Up until 1930 no consensus had been reached by the hierarchy as to how the sustentation funds should be allocated and to whom. As the insurance company was the de facto trustee of the fund the directors decided to form a separate company, limited by guarantee, to collect and invest the income pending hierarchical agreement as to its application. Mahon was cautious and drawing upon years of political experience judiciously observed:

The connective identity of the Sustentation Fund with the present Company's Reserve Fund could be established and maintained by an agreement between the Companies. It is questionable whether the shareholders would be unanimous in allowing the Sustentation Fund to be as the nucleus of a new company. Some Sydney shareholders would

⁵¹ Thomas O'Connor to Hugh Mahon August 5, 1919, CCI Archives

⁵² Michael Meagher to Hugh Mahon August 23, 1930, CCI Archives

*certainly be difficult to convince that their rights were not being sacrificed to advance a Melbourne-hatched project. And it would be quite futile to remind them that they had already, by their votes, parted with whatever claim they had on the Fund.*⁵³

The above exemplifies the minefield which Mahon and his directors had to negotiate, not only concerning friction between elements in and between the hierarchy, clergy and laity but the rivalry existing between Sydney and Melbourne. Downey was in agreement but added that the relationship should be a gradual process of transition and that such a relationship should not be apparent in public records. He hoped that by involving the hierarchy directly in the new business, it would ultimately bring about compulsory insurance with the company of all properties in each diocese.⁵⁴

Australasian Catholic Charities Association

A new company limited by guarantee, known as Australasian Catholic Charities Association (ACCA) was registered in 1930 at 89 Queen Street Melbourne, (the offices of CCI and where the ACCA meetings were held) by CCI lawyer and shareholder, Bernard Nolan. The creation of ACCA ensured that all dioceses received benefits directly from CCI. On the 10 September 1930 this new agreement was signed by Hugh Mahon, Michael Meagher, John Joseph Carroll, Patrick Michael Parker and John Joseph Lonergan.⁵⁵ Mahon was appointed as president and Monsignor Lonergan as treasurer of a new committee formed to run ACCA, with Downey appointed to act as their secretary.⁵⁶ In private notes, Mahon estimated that the fund had reached over £36,000.⁵⁷ In the same year the premium rebate to CCI policy holders was lifted from 40% to 50%, to encourage greater patronage within the Church.⁵⁸

In the 1911 Memorandum of Association of the Company, one of the objectives was:

To pay, divide and distribute the surplus of net profits and earnings of the Company or any part thereof amongst (Roman) Catholic Archbishops, Bishops and Pastors of Australasia, to be by them applied towards

⁵³ Hugh Mahon Memorandum for Directors August 25, 1930, CCI Archives

⁵⁴ Esmond F Downey Memorandum August 8, 1930, CCI Archives

⁵⁵ Memorandum and Articles of Association Australasian Catholic Charities Association, September 10, 1930, CCI Archives

⁵⁶ Memorandum 1930, CCI Archives

⁵⁷ Sick & Infirm Priests' Sustentation Fund Balance Sheet June 30, 1930, CCI Archives

⁵⁸ The Catholic Church Property Insurance Company of Australasia Directors' Report August 12, 1930, CCI Archives & Table Five *Insurance Premiums and Cost of Reinsurance 1912-1936*

*charitable, religious or benevolent purposes in their respective dioceses and parishes.*⁵⁹

In the 1930 Memorandum and Articles of Association this objective was considerably broadened:

*To subscribe or guarantee money for the establishment and support of religious, educational, charitable or benevolent objects, or for any exhibition, or for any public, general or useful object, partly religious or partly charitable, or partly benevolent, in all or any of the Roman Catholic Dioceses in Australasia.*⁶⁰

Under the umbrella of ACCA, CCI could collect and invest the income of the trust pending agreement to its application. The principal objectives of this new company were:

*To provide for the advancement of Religion and Education, Relief of Poverty and any other purpose beneficial to the Catholic community and to subscribe or guarantee money for Catholic or benevolent objects.*⁶¹

All members of the Australian hierarchy automatically became members of the association irrespective of whether they were shareholders or policy holders with CCI. The ACCA committee of management remained the directors of CCI. As previously the income from these investments were to be distributed in accordance with instructions received from the hierarchy. The Company Secretary, Downey, wrote to Michael Meagher about his concerns.

The legal arrangements in connection with the Sick Priests' Fund have now been finalised and the new association registered. The next step is to get the association functioning. The position is altered somewhat to what was originally intended and the formation of the new association in accordance with the advice from our legal advisors has to be explained to the Hierarchy. You are aware of course that the view at present expressed by the Hierarchy is not in accordance with the ideas of our directors. We need to induce them all to become share and policy holders as well as members of the new association. In order therefore to tactfully swing the pendulum in our favour it will be necessary to do some lobbying. You know how long this matter is hanging on and nothing definite done and it is essential that

⁵⁹ Memorandum and Articles of Association of Catholic Church Property Insurance Company of Australasia Limited November 1, 1911, CCI Archives

⁶⁰ Memorandum 1930, CCI Archives

⁶¹ Memorandum 1930, CCI Archives

*now we have got through the legal difficulties the matter be put in order completely.*⁶²

The tensions between the laity and the hierarchy were evident, as well as the endeavours of the laity to exercise their expertise for the common good of the Church community.

Downey was aware of how the distribution of sustentation funds could favour larger and more prosperous dioceses and also provide benefits to those who hitherto had no association or commitment with the CCI. For ACCA to become fully operational, CCI needed to renew their efforts in persuading all dioceses and clergy employed therein, to adequately insure their properties and at the same time dissuade others from seeking more favourable rates from secular companies. This was an ongoing challenge for CCI management since the inception of the company. There were a few loyal CCI patrons. Arthur Fox, as an archdiocesan administrator in Melbourne, and later Bishop of Sale, recalled how they revamped their old sustenance societies and renamed them the Priests' Retirement Funds. He ensured that maintaining retired priests would not be a major financial burden:

*In our opinion the Bishops as a whole should remain loyal to their company. Apart from the very real monetary advantages which accrue to diocesan and parochial undertakings from share dividends and premium rebates paid annually by our company, many dioceses either directly or indirectly (through the Sick Priests' Fund) have invested money in our company. Any loss in revenue will also be a loss to our investments and to our religious undertakings.*⁶³

Following the establishment of ACCA Archbishop Duhig, in his capacity as the Secretary of the Meetings of the Hierarchy, wrote to Downey:

At the General Meeting of the Hierarchy held in Perth on 2 May last, it was decided to ask the Catholic Church Property Insurance Co to pay over to the Ordinaries of the various dioceses doing business with the Company the moneys accumulated out of the profits to the credit of what has been termed 'The Sick and Invalid Priests' Fund. Payment should be paid pro rata of what each diocese has paid in premiums. The Bishops understood that the Sick Fund was only a name under which the money was to be held

⁶² Esmond F Downey to Michael Meagher November 22, 1930, CCI Archives

⁶³ Papers of Arthur Francis Fox August 21, 1951, MDHC

*and did not bind them or the Company to apply the money to that particular object.*⁶⁴

As a new company had been established in the interim, this request was not acted on.

Australasian Catholic Charities Association in operation

As the depression deepened there was little income from company investments. The Directors' Report of August 1934 stated 'Interest rates on investments continued in a downward trend during the year and the Company, in common with banks and other financial institutions has experienced great difficulty in finding suitable avenues for investment of its available funds.'⁶⁵ By July 1935 the accumulated funds had reached £29,500. Largely, through the efforts of Bishop Dwyer of Wagga Wagga, the hierarchy approved the purchase of a property by ACCA in March 1934. Dwyer was conscious of the plight of sick priests and while a patient in the Lewisham Hospital, Sydney in 1934, he sent circulars to the hierarchy regarding the possible purchase of the land for sale at Morisset. After recovering he accompanied Rev Eris O'Brien of Bankstown, Archbishop Duhig of Brisbane and Rev Patrick Haydon of Canberra, to inspect the property. This was *The Bluff* at Lake Macquarie near the small township of Morisset, on the Newcastle to Sydney railway line. The property consisted of forty acres with a house of eighteen rooms overlooking the lake. Dwyer's idea was for the church to establish, from sustentation funds, a residence here for sick and invalid priests. ACCA approved the purchase of the property which became known as St Joseph's Home, Morisset. For legal reasons the ownership of the property was registered to the Little Company of Mary, who graciously agreed to take on the task of nursing ill priests in addition to running their Calvary Hospital in Wagga Wagga.

Following the successful foundation at Morisset, ACCA funding was directed to new enterprises. From 1935 ACCA funds were devoted to subsidising the Religious Education Scheme established under the direction of the hierarchy. Those dioceses who did not join the scheme received individual payments. On 10 November 1935 at a general meeting of the hierarchy held in Sydney the resolution was taken that CCI should make an annual grant to the Sydney *Religion by Letter Scheme* to cover all expenses of carriage and postage, to make a grant to any bishop who wished to set up a similar scheme and to make an annual grant to each Australian

⁶⁴ James Duhig to Esmond F Downey, September 22, 1930, CCI Archives

⁶⁵The Catholic Church Property Insurance Company of Australasia Limited Directors' Report August 28, 1934, CCI Archives

Correspondence Scheme to cover the expenses of the printing and production of lessons. In August 1936 Archbishop Kelly wrote to Downey:

*I therefore request that, at your meeting to be held this coming week you grant the application of the Coadjutor Archbishop, Norman Gilroy, for the subsidy of £700 for the Religion by Letter Scheme. I have heard of some of the negotiation of the Coadjutor Archbishop with you, and I will regard any further postponement or refusal as a matter of great concern.*⁶⁶

Again there is evidence of tensions between those collaborating in this mission.

Changes in leadership

The news of the deaths of the three pioneering directors of CCI was not only met with great sadness but also changed the compass and direction of the company. In June 1929 Count O'Loughlin died at *Tara Hall*, Hawthorn. Just a few months earlier he had been awarded another papal decoration, that of Privy Chamberlain. He had continued his generosity to the church until his death. Amongst his final contributions was £500 to the Carmelite Monastery Fund in Kew.⁶⁷ Two years later members heard the news of the death of their founder, Hugh Mahon, on 28 August 1931. Just days before his death Mahon had travelled to Sydney by train to chair the twentieth Annual General Meeting of Shareholders. Downey, described Mahon's last days to Carroll.

When Mahon had completed the journey from Sydney to Melbourne on the Wednesday he seemed quite well, except for a slight cold. By Thursday he had deteriorated and the parish priest, Rev Adrian Hayes of St Mary's, Ringwood, was sent for and Mahon received communion and was anointed. His wife Mary was absent. She was away visiting their son Austin, a medical practitioner in Tamworth in New South Wales, where she became ill. Mahon died at 9.15 on Friday night, 28 August 1931. The funeral took place today [31 August] from St Patrick's Cathedral. It was attended by His Grace the Archbishop and several of the clergy, but on the whole it was a very poor mustering of the general public. None of his old political friends put in an appearance. A copy of the reference to his death appeared in The Argus on Saturday. Most people are disgusted with the notice. A similar paragraph appeared in The Sun and the Herald. It was unfortunate that neither you nor Mr Meagher were able to come over to Melbourne.

⁶⁶ Michael Kelly to Esmond F Downey August 22, 1936, Series 0019/009, Australasian Catholic Assurance Company 1929-1963, SAA

⁶⁷ *The Advocate* July 26, 1928, 15

*Personally I feel that we have suffered a big loss by his death. I know that I will miss him very much in the counsels of the company.*⁶⁸

Mahon's death was followed by that of his loyal friend Michael Meagher, who died on the first of January 1932. During 1927 and 1928 Meagher had expended a great deal of time and energy in organising and supporting the Sydney Eucharistic Congress at the behest of Archbishop Kelly. The CCI Directors wrote,

*The late Mr Meagher was associated with Mr Mahon from the inception of the Company. His wide business knowledge and experience, combining intimate relationships with our Church authorities and activities were at all times graciously utilised to the advancement of the company.*⁶⁹

The new directors

Two clergymen, one from Melbourne and one from Sydney, were appointed to replace O'Loughlin and Meagher on the board, maintaining CCI's geographical representation. Following the death of Count O'Loughlin, Dr Mannix chose Monsignor John Joseph Lonergan to fill the vacancy. Lonergan was one of a slowly growing band of Catholic clergymen, born in Australian working-class parishes, educated at Manly and sent out to minister to flocks still accustomed to Irish clergymen.⁷⁰ In 1916 he was appointed to the staff at St Patrick's Cathedral, Melbourne, and became the diocesan inspector of religious instruction in schools. From 1924 he worked as the administrator and chancellor of the archdiocese and private secretary to Archbishop Mannix. He was a director of the Catholic paper *The Tribune*, established in 1900 as a journal of Catholic information and literature. He understood the needs of CCI as he administered church property trusts and insurance. Lonergan was a gentle, unobtrusive worker who served from 1929 as the second clerical appointment to the CCI board.

Archbishop Kelly chose Rev Richard Collender, parish priest of New South Wales, to fill Meagher's position on the CCI board. Collender was born in Modeligo, County Waterford, Ireland and educated at Mount Melleray and All Hallows, Dublin, where he was ordained in 1891. In the same year he arrived in Sydney and was assigned to several short postings before being appointed as the parish priest at Surry Hills. In 1931 he was made parish priest of Woollahra where he remained

⁶⁸ Esmond F Downey to JJ Carroll August 31, 1931, CCI Archives

⁶⁹ Minutes of the Meeting of Shareholders August 22, 1932, CCI Archives

⁷⁰ Chris McConville, 'Lonergan, John Joseph (1888-1938)', *Australian Dictionary of Biography*, Volume 10, (Melbourne: University Press, 1986) 132-133

until his death.⁷¹ In 1900 his younger brother, Rev James Keating Collender, arrived in Australia and joined the Armidale diocese. In 1925 both brothers had purchased a thousand CCI shares.⁷² For thirty-five years Rev James Collender served as a zealous and devout priest for Armidale before undertaking a missionary work in Manila where he died in June 1935. At the time of his death he still held his 1,000 CCI shares.⁷³ Rev Richard Collender was described as having a quiet, efficient manner and that it was a privilege to know him and come under his pastoral care.⁷⁴ Collender forged new and warm relationships between CCI and his religious colleagues and the hierarchy.

In 1933 Rev Parker of Melbourne died. He had served as the first clerical board member since 1920. Dr Mannix appointed Rev Francis Moynihan to the CCI board to succeed Parker. Moynihan was a graduate in arts and education at the University of Melbourne and the parish priest of St John's, Clifton Hill. He was appointed as the editor of *The Advocate* from 1926 and secretary of the Australian Catholic Truth Society and editor of their pamphlets. He developed a reputation of being a genius in organisation, direction, vision, financial acumen and administration. He became one of the key organisers for the 1934 Eucharistic Congress held in Melbourne. Moynihan's appointment to CCI changed the geographical and religious axis of the board. For the first time there were three clergymen directors, two from Melbourne and one from Sydney. Mannix, through the appointment of two key Church administrators, Lonergan and Moynihan, developed a strong position on CCI matters. Moynihan was amusing and congenial and was one of the very few priests invited by Mannix to visit *Raheen* to keep him company.⁷⁵

Clergymen outnumbered the laity for the first time on the CCI board. The two remaining lay representatives, Downey from Melbourne and Carroll from Sydney, maintained the Melbourne-Sydney balance.⁷⁶ From 1932 until June 1936 the board met monthly in Melbourne under the guidance of Downey with a quorum of two Melbourne clerical board representatives. Carroll and Collender from Sydney did not attend but were kept informed by correspondence. With the elevation of Downey to Managing Director, his brother-in-law Edmund Ryan retired.⁷⁷ As Downey and Ryan were joint shareholders and board members of several secular

⁷¹ Thomas James Linane, *From Abel to Zundolovich: contribution of religious orders Australian priesthood vocations up to 1900* (Armadale: H.H. Stephenson Graphic Books 1979) 64

⁷² CCI Share Register 1925, CCI Archives

⁷³ Thomas Linane, *From Abel to Zundolovich* 66 & CCI Share Register 1935, CCI Archives

⁷⁴ Cliff Baxter, *Reach for the Stars 1919-2009* (Victoria: Connor Court Publishing, 2009) 197

⁷⁵ Brenda Niall, 'Archbishop at home: Daniel Mannix at Raheen' *Daniel Mannix: His Legacy* (Melbourne: Melbourne Diocesan Historical Commission Archdiocese of Melbourne, 2014) 29

⁷⁶ Directors' Report and Balance Sheet August 10, 1932, CCI Archives

⁷⁷ Minutes of the Meeting of Shareholders August 22, 1932, CCI Archives

commercial enterprises it was considered that there could be a conflict of interest. The new auditor appointed in 1932 was Francis Hassett, a parishioner of St Mary's Church East St Kilda, who served the company faithfully for the next ten years. Hugh Mahon and his lay associates had carried out the demanding and challenging mission of establishing CCI. They had used their wide business, legal, accounting, managerial expertise and political experience for the good of the Church. As a result CCI was one of very few businesses that were able to continue making a profit during the 1930s depression.

Changes in the share ownership

In June 1936 Rev Collender asked for a special meeting of the board to be held in Sydney. As he had been unwell he invited the board to meet at his presbytery in Woollahra, Sydney.⁷⁸ The agenda for this meeting was to discuss ways of seeking federal and state tax exemptions for CCI. By 1936 individual parish priests were the main CCI shareholders, numbering one hundred and five, including two priests in Ireland and one in New Zealand. In May 1934 Downey had visited New Zealand and met with the hierarchy. He hoped that when they were in Victoria during the Eucharistic Congress of December 1934, business arrangements with CCI would be finalised.⁷⁹ The hopes of expanding the business to Ireland and New Zealand did not materialise. On the 1936 CCI share register was the umbrella company, ACCA and six separate diocesan Sick Priests Funds. In addition there were five other diocesan bodies represented – two educational trusts, two endowment funds and one mission fund. Twelve religious orders held shares and twenty-four laity continued as shareholders. In just six years of operations ACCA had loaned £51,371.19.2 on mortgages to dioceses and parishes around Australia.⁸⁰ Clearly ACCA had become a powerful financial engine for the Church.

While ACCA was being formed there had been considerable discussion about amending and reconstructing CCI through eliminating existing individual shareholders, either by liquidation or by buying them out and forming a new company. Downey stated that the reason CCI had made the decision to form a separate company, which became ACCA, was due in part to a protest about 'The abolition of shareholders eagerly seeking increased dividends and the action of the directors being subject to the criticism of 170 individuals!'⁸¹ These individuals were receiving annual premiums of 10% on their shares and a bonus of 5% was added in 1936 during the company's jubilee year. In June 1936 Downey approached Prime

⁷⁸ Minutes of a Special Meeting of Directors June 22, 1936, CCI Archives

⁷⁹ Minutes of Meeting of Directors June 20, 1934, CCI Archives

⁸⁰ Australasian Catholic Charities Association Balance Sheet June 30, 1936, MDHC

⁸¹ Memorandum Esmond F Downey August 8, 1930, CCI Archives

Minister, Joseph Lyons, a Catholic, seeking tax exemption, on the grounds that the company was insuring solely the property of the Church. This first application was unsuccessful but subsequent meetings with the Prime Minister, instigated by Downey, were fruitful.⁸² An amendment was included in the 1936 Income Assessment Act stating that the income of religious, scientific, charitable or public educational institutions would be exempt.⁸³

CCI could become eligible for this tax exemption on condition that the shares were held only for and on behalf of Church authorities and the interest paid was devoted to Church funds. Members of the clergy, religious orders and the laity who held shares in their own right would need to surrender or assign their shares to religious bodies or parochial societies connected with the Church. Resolutions to bring this about were agreed during two Extraordinary General Meetings of CCI held on 25 August and 10 September 1936.⁸⁴ A new Memorandum and Articles of Association for CCI was signed by Downey on 11 September 1936, with the key clause stating:

*The shares of the Company may not be held by any person or body other than, or on behalf of, a religious association, body, organisation, or society, associated with or under the control of the Roman Catholic Church in, or any Roman Catholic Diocese in, Australasia.*⁸⁵

Following these decisions all CCI shares were transferred to ecclesiastical authorities, archdiocesan and diocesan trusts and registered trustees of religious orders and organisations of the Catholic Church. Ownership of CCI was effectively vested exclusively in the hands of large corporate entities of the Catholic Church and the directors could distribute the profits of the company only to organisations under the control of the Catholic Church.

Between 1912 and 1936 there were two hundred and eighty-eight claims lodged. But during this period only nineteen of these claims were lodged by trustees of the Catholic Church. Establishing trusts was a costly, lengthy process undertaken by lawyers and beyond the resources of the poorer dioceses of Hobart, Townsville and Toowoomba and the religious orders of the Mercy Sisters and the Sisters of St Joseph whose members established separate and independent foundations in several archdioceses and dioceses.

⁸² Minutes of Meeting of Directors June 22, 1936, CCI Archives

⁸³ Commonwealth of Australia Income Tax Assessment Act no 27, 1936

⁸⁴ Minutes of the Extraordinary General Meetings of Shareholders August 25, 1936 & September 10, 1936, CCI Archives

⁸⁵ Memorandum of Association of Catholic Church Property Insurance Company of Australasia Limited, Clause 6, September 11, 1936, CCI Archives

Since inception CCI had returned to its policy holders £168,827 in bonuses and had accumulated assets of £110,000.⁸⁶ Although there is no direct evidence, it is clear that the opportunity presented by the changes in the tax legislation paved the way for the hierarchy to gain direct access to this income stream and control of the cash flow of the company. By September 1937 there were 60,356 CCI shares reallocated to religious entities. ACCA became the largest CCI investor with 17,571 shares, followed by the Roman Catholic Trust of Melbourne with 15,620 shares and the Matthew Ryan Clerical Education Fund (Brisbane) with 10,000 shares. Fourteen other archdioceses and dioceses, out of a total of twenty who were eligible, contributed, including the smallest parcel of ten shares on the register held by the Diocese of Wilcannia-Forbes. There were also fifteen diocesan priests and nine male and seven female religious orders on the new register.⁸⁷

Only three laymen remained as shareholders, directors Downey and Carroll and his son, Stanislaus, who retained his holding as he hoped to succeed his father as a CCI director. ACCA entered into contracts with individual shareholders to purchase their shares on the basis that they would, for a time, be unpaid vendors entitled to interest on the agreed purchase price. A number of other lay shareholders chose to take the dividend on the shares only, rather than the full amount. These included, Margaret Downey, Henrietta Meagher, Margaret O'Carroll, Mary Hennessy, Michael Hennessy, Sarah Byrne, Hannah Cregan, Mary Donnelly, Michael Daley, Patrick Scott Cleary, Edward Doran, Bernard Gatzemeyer, Joseph Christie and the sons of Cody, Meagher, Carroll and Mahon, the daughters of Count O'Loughlin and members of the Newing and Nolan families.⁸⁸ The generosity of these lay supporters representing 'the fulcrum of Catholic society' was not unexpected. This second wave of shareholders were not only entrenched Church entities but were unrepresentative of large parts of the Church who contributed to the financial strength of CCI as policy holders.

Conclusion

The benefits of ACCA did not extend to the many of the religious orders, which had been a fundamental part of Mahon's dream. ACCA was viewed as a flawed scheme by the religious orders, who knew that the hierarchy benefited from the income they received from CCI, largely generated by the contributions of the religious orders. The shares and policies that these religious orders purchased augmented the CCI surplus which in turn increased the amounts that the

⁸⁶ Report of the Directors, Annual Report September 13, 1937, CCI Archives

⁸⁷ CCI Share Register September 1937, CCI Archives

⁸⁸ CCI Share Register 1936, CCI Archives

archdioceses and dioceses could receive. The religious orders themselves received no advantage by way of distribution of these funds for their own charitable purposes. Mahon was mindful of this divide and fought to include the religious orders in company deliberations. In September 1930 he had successfully introduced a new line of insurance for CCI, the Comprehensive Householder Policy. This was to apply to presbyteries, monasteries and convents in first class towns and metropolitan districts.⁸⁹ The new rules of ACCA also excluded the generous laity who loyally worked for and contributed to the financial viability of the company over the first twenty-five years. Through becoming shareholders these men and women of recognised probity enabled larger bonuses to be made to ecclesiastical policy holders.

Nevertheless the words of Mahon written in 1913 were prophetic:

For over half a century, Catholics have been making huge contributions to the treasuries of outside companies without any appreciable return. This Catholic company enables us to stop the waste. That it has already rescued for Church purposes substantial sums, which, but for its intervention, would have been lost, justifies its existence and indicates that, within it, lies the power of great practical utility to the Catholic Church of Australasia.⁹⁰

⁸⁹ Minutes of the Meeting of Directors September 9, 1930, CCI Archives

⁹⁰ *Austral Light* September 1, 1913, 774

Chapter 10: Conclusion

At the beginning of this study questions were posed concerning the establishment and early history of CCI within the wider context of insurance and related histories: Who first raised the issue of the need for insurance in the Australian Catholic Church? Where did they turn for basic information and guidance? Who were the key players in the foundation history and early years? What problems did they face in promoting CCI within the Church? Why and to what extent did the clergy, religious congregations and laity cooperate? What form did that cooperation take? Were members of the laity subservient to the hierarchy or did they display initiative?

Emergent aspects of the CCI story

The early history of CCI demonstrates how this company began due to the faith of over two hundred and sixty individual shareholders. They subscribed to establish a company which aimed to serve the Church. With the added incentive of a solid 7.5% return, it was a sound business investment, as Table Six demonstrates. It soon made a financial return to the Church of 40% of premiums paid (32% of premiums was the usual rate across the industry), as it did not need to pay out commissions or advertise.¹

This history also reflects significant aspects of the wider Catholic Church and national histories of Ireland and Australia in the early twentieth century. As many members of the Catholic Church during the late nineteenth century were strongly Irish, immigrants fleeing from the poverty of Ireland and its political turmoil. Hugh Mahon, the founding director of CCI was a political refugee and continued throughout his life to work to redress the unjust treatment of his native land by Britain. However, within the ranks of the Irish patriots there were varying degrees of radicalism concerning the Irish political and economic questions which impacted on the lives fellow directors of CCI.

A significant aspect of CCI's history was the tension among the hierarchy, clergy and laity, as they endeavored to collaborate in mission, to provide the Church with its own insurance company. Tensions can occur in any human enterprise and the remarkable feature of the history of CCI is that, despite conflicting views concerning the Irish political situation, the business remained intact. The human frailty of key players in the hierarchy, including Archbishops Mannix and Duhig, and the radical members of the Irish Ireland Association, who created a situation

¹ Table Six *Income and Profit 1912-1936* (See Appendix 6)

which led to Mahon being expelled unfairly from parliament, did not undermine the efforts of the hierarchy, priests and laity to work responsibly for the Church beyond their own immediate diocese or parish. There were also tensions involved when the bishops and clergy, satisfied with their insurance from secular companies, were reluctant to move to a still developing CCI.

A defining feature of the foundation and early history of CCI was the crucial part played by the laity, especially the Irish laity, both in Ireland and Australia, to promote the mission of the Church through developing a Church insurance company. It was also clear that business talent abounded among Irish Catholics, as seen from the profiles of CCI directors and shareholders. Alongside this were the undermining activities of some of the laity. The latter exploited the promotional value of having 'Catholic' in their own insurance company's name and the fact that they were active members of the parishes they became competitors to CCI, which caused considerable problems for Hugh Mahon. It is noted also that it was an influential layman, who was secretary to the Archbishops of South Australia, which delayed this state's participation in CCI. The financial disaster of the depression was weathered by CCI with the laity, especially Mahon, sharing the burden beyond the call of duty.

Another interesting facet of this history is that it ranged over the whole of Australia as the parishes were established in far flung regions including the gold fields of Western Australia, the indigenous communities of the Northern Territory and in struggling parishes of Central Queensland. A sanctuary lamp anywhere in Australia could cause a fire leading to CCI facing the bill and determining the degree of leniency they would take when a poor community or one with an irresponsible parish priest had failed to insure the church. But fundamentally CCI was established to protect the Church from fire and produce a profit to assist the work of the Church.

In spite of the premiums offered to the Church entities, archdioceses, dioceses, parishes and religious orders were slow to insure their properties with CCI and over the years often went elsewhere for better and more favourable rates. This lack of loyalty treated CCI as the business that it was. Yet this was a surprising response, as CCI was not just like any other business. It paid substantial dividends to the Church in the form of loans at fair rates, practised lenient attitudes to underinsurance by Church clients and paid out fire claims that might have been refused by other insurers. Once established, CCI developed a benevolent fund from

surplus profits to aid sick clergymen and to supplement those local priests' funds which were low in nature or even to help initiate new benevolent projects.

Under the 1911 Articles of Association the company operated as an investor which in turn enabled it to make loans to members of the Church. As the clients were limited to Church members there were no marketing, advertising or selling costs. Its success was based on its own style of management, an enthusiasm to assist the Church, a conscious striving to be fair and just in providing service and the recognition that the most valuable asset was the people of the Church. The company had to deal with sinners and saints alike. There were inconveniences and frustrations in dealing with this semi-captive market. The lines of communications between the company and the Church were not always clear. However, no matter how sophisticated or simple the methods employed in CCI's operations, the aim of the company remained devastatingly simple – serving the Church.

The first two and a half decades of CCI's operations demonstrated how the company's business philosophy was applied in a practical way. It was a most unusual relationship and partnership. To the Catholic bishops and laymen of 1911 it appeared logical to set up a single Church owned fund into which contributions via premiums could be paid and out of which reimbursements through claims could be sought in the event of disaster befalling any single member contributor. Mahon's decision not to use commission agents, insurance brokers or intermediaries cemented the relationship as a self-insurance company. The Church was seen as asset rich but cash poor and in need of practical protection through the liquidity of CCI. Mahon maintained a stringent rule that all of the affairs of the company were to be conducted privately with prudence and rigid economy.

The early years show a repetition of events in the fluctuating course of the company's growth. In the conduct of its affairs many of the challenges occupying the time of CCI staff and board members were similar to those experienced in preceding years. The tax-free status achieved for ACCA in 1936 meant, in practice, that the charitable arm of CCI was confined to secular priests only, through the distribution of archdiocesan and diocesan funds. For CCI this tax-free status was not based on the financial situation of the people that the religious were giving their service without individual recompense. Caring for rich people was as charitable as caring for poor people. Catholic aged care facilities, hospitals, orphanages and schools were charitable organisations irrespective of the individual wealth of their owners or operators. But the creation of ACCA was due to the generosity of the staunch lay shareholders, and their families, who were unfailingly supportive

during the formative years of the company. Without their financial underpinning, CCI could not have accumulated the necessary reserves for this new venture designed to support the diocesan clergy.

The uniqueness of CCI

Between 1911 and 1936 CCI was a highly individualised institution. In the face of existing and vibrant insurance tariff associations established in states around Australia, CCI broke new ground. Operating as a non-tariff company it provided tailored and concessional insurance rates to its niche market. Mahon's prior Irish experience of insecurity, dispossession and displacement, both mentally and physically, underpinned and drove his strong push to secure and protect the property of the Catholic Church in Australia. Fires destroying properties restricted the work of the Church and placed a weighty financial burden on Catholic communities. Although CCI had the external trappings of the Irish Catholic insurance company and aligned itself to Catholic Ireland, it was in fact a new Australian Catholic initiative. Assistance and information was generously provided to Mahon by the impressive early lay members of the Irish Catholic Property Insurance Company, founded in Dublin in 1902. Their input provided a framework for how CCI could translate aspects of the Irish model into the Australian Catholic scene.

Lay directors

Like their Irish counterparts, the first CCI board members, all laymen with Irish backgrounds, demonstrated in their membership intellectual ability, administrative experience and a dedication to the welfare of the company. They willingly undertook the complex responsibility of protecting the Church, its treasures and its workers. These members became powerful supporters of the Managing Director, Mahon, but at the same time represented a critical corporate judgement that required satisfactory answers to discussions and questions and were not easily swayed. In the period under discussion the board's membership altered only slightly giving the company continuity and cohesiveness in policy and administration throughout Mahon's leadership.²

These directors served the Australian Catholic Church in the broadest sense. They did not receive any remuneration for their contributions until after the second annual meeting of October 1913 when the shareholders voted that each director receive two guineas per sitting. This level of remuneration continued until 1918, when it was changed to a fixed amount of £50 per annum. Clearly their

² Table Seven *Board Membership, Directors, Secretaries and Auditors* (See Appendix 7)

considerable work, responsibilities and promotion of the company were seen as mainly honorary.

The directors, in turn, contributed to the success of CCI in a variety of charitable ways. Lawyers, Carroll and Nolan lent their legal offices, free of charge, for the monthly meetings of the directors and made their offices available for CCI to host their annual general meetings of shareholders, which were rotated between Sydney and Melbourne. Vincent Nolan also provided CCI with pro bono advice and acted as a mentor to many aspiring Catholic solicitors. His successor, Bernard Nolan, was equally generous with his legal advice. When CCI expanded and the number of shareholders grew, the Sydney meetings were held at Southern Cross Hall, in the Catholic Federation's rooms. These meetings were facilitated by the President of the New South Wales branch of the Catholic Federation, Patrick Scott Cleary, a foundation shareholder. In addition these laymen were committed Catholics, men of faith and integrity, who unstintingly supported wide church concerns in Ireland and Australia.

Contributors

In 1912 an overwhelming number of shareholders, two hundred and thirty-six, were purchased by parish priests, who were entitled to take out policies and borrow funds for building projects. Twenty-one subscriptions were from religious orders (nineteen female orders and three male orders) and thirty were laymen and women. By 1915 the number of lay shareholders had grown from thirty to fifty-four subscribers. This growing band of supporters were committed Catholics, engaged in practical help for the Church, who saw the purchase of CCI shares as a special part of their mission. Many were from the families and associates of the first directors. The laity could become shareholders but were not eligible to purchase policies or share in the profits of the company. Their substantial financial contributions helped to build the fledgling company.

The 1930s depression severely undermined the laity's ability to purchase new shares or even maintain current holdings and their direct participation in the company declined. In addition, from 1930 when shareholders died their holdings were offered firstly to the clergy as their contributions would in turn augment the funds for sick priests. By 1936 only twenty-four lay supporters remained as shareholders. These staunch supporters were then asked to surrender their shares as new federal taxation rules, passed in 1936, specified that tax exemption could only apply to recognised Church entities under the control of the Church. The manner in which the lay shareholders accepted this ruling was generous in the extreme. Some

chose to become unpaid vendors entitled to interest only on the agreed purchase price. Others chose to take the dividend only, rather than the full amount. These lay participants were not only gracious in relinquishing their investments, but were committed to serving the wider good of the Church. In many respects these early lay supporters and shareholders in CCI were the antithesis of Patrick O'Farrell's assertion that:

*The clergy ruled: a docile laity knew its place: its male and female components knew their roles and tried to act them out. Within the fold there was little questioning, a great number of unthinking assumptions and habits of mind, strict rule and concentration on the forms and emotions of piety.*³

Profile of the laity

The first advocate for a Catholic insurance company to be established in Australia was layman Francis Healy, a successful hardware merchant and community worker. For nineteen years he led the St Patrick's Cathedral Conference of St Vincent de Paul. Despite his leadership role Healy participated in their work of visiting the poor, deciding on appropriate relief, seeking funds and promoting spirituality among its members. He purchased a terrace house alongside St Ignatius Church, Richmond, where he lived with his family of seven children. Richmond was known as Irishtown due to its heavy concentration of Irish settlers, including the Mahon and L'Estrange families. Healy was far from docile when in 1905 he made a bold suggestion to Archbishop Carr that the Church should run its own insurance company. Carr understood the merits of his proposal and took his idea to the bishops, who expressed concern about its financial implications and the matter did not proceed.

Healy was part of the emerging group of middle class Catholic families, who were settled financially, committed to their faith and engaged in practical help for the Church, which was essential for promoting the viability of the Church's enormous missionary activity across the country. Their good works were recognised within in their parishes, but mainly the laity conducted their charitable works in private. The laity was also intent on establishing not only Catholic primary schools but also secondary schools for both their sons and daughters and became keen supporters of the establishment of Catholic residential colleges at the universities. Education was

³ Patrick O'Farrell, *The Catholic Church and Community in Australia* (Melbourne: Nelson 1977) 261

crucial for this emerging Catholic middle class to enable their members to take leadership roles in business and the professions.

CCI shareholders worked in a wide variety of business ventures and in a range of the professions as the following exemplifies: Patrick, Michael and Mary Hennessy ran a bakery in Fitzroy, Victoria and donated to the building of the Archbishop Carr Memorial Chapel at the University of Melbourne, John Thomas Murphy, a St Vincent de Paul volunteer, was a grocer in Surry Hills, New South Wales, Patrick Hannan was a successful gold prospector at Kalgoorlie, Western Australia and became a generous donor to the Church in Brunswick, while Stuart Patterson, Michael Barry and Hugh McCartin were hotel keepers. Patterson was a significant supporter of the Sisters of St Joseph in Sydney during the economic depression of the 1930s as well as having given generous support to the Mercy Sisters in developing their orphanage and foundling home at Subiaco, Perth. All took their religion out of the sanctuary into everyday life, promoting an understanding of Catholicism in the public realm.

The wives of the directors, shareholders in their own right, were generous community workers, devoting much voluntary time to specific Church missions. Eva Carroll became an active worker for the Sisters of Mercy in their Sydney hospital and foundling home. Mary Mahon supported the Sisters of St Joseph of the Sacred Heart Home for Destitute Children in Victoria, Henrietta Meagher assisted the convent and schools of the Sisters of Mercy in Bathurst and Kitty O'Loughlin worked for the foundations of the Loreto Sisters and the Jesuits in Victoria. There were also shareholders who were housekeepers for parish priests. These quiet achievers included Hannah Bridget Cregan of Ben Lomand, New South Wales, Julia Marr of Millicent, South Australia and Mary Ward of Bombala, New South Wales. These women were devout but also thoughtful, generous and courageous in their missionary endeavours.

Shareholder, Teresa Magner, a school teacher contributed a paper *The Training of an Australian Girl* for the Third Australasian Catholic Congress held in Sydney in 1909. She was outspoken and independent in her thinking and certainly did not belong to the pray and pay category of CCI female lay supporters. Her parents were Irish and her father was a boot maker who had clearly supported the education of his daughter. Through numerous articles in Catholic and secular papers, Teresa demonstrated an ability to lift the terms of Catholic discussion to a higher order of reality.

Key players in the foundation history

A central player was Pierce Cody, holder of twelve hundred CCI shares. He lived in inner suburban Kew, where Archbishop Mannix, Thomas O'Loughlin and a growing number of Catholic professionals resided. Cody was appointed as a temporary board member to take the place of Count O'Loughlin when he took a protracted holiday for two years in Ireland to visit his family. At the end of 1921 Cody was appointed as Acting Managing Director for the following twelve months when Mahon was overseas. In the same year Cody purchased Joshua Brothers' (whisky) Distillery, Port Melbourne for £120,000 and dramatically increased his number of workers and his revenue. He lent his Rolls Royce to Archbishop Mannix for special occasions and was a generous donor to the Church, as were his shareholder sons, Mathew and Patrick of Kew. Cody was an ideal leader for CCI. He was admired by the hierarchy, displayed good communication skills, had a warm reputation with his own employees and was a gifted businessman.

Tighe Ryan, journalist and a close associate of Mahon and Meagher, attended all of the annual general meetings and extraordinary meetings of CCI and became a prominent lay shareholder. Irish born he made the acquaintance of Irish leaders during a visit to Ireland in 1912. As Australian representative of the *Pall Mall Gazette* and later the *Westminster Gazette* he made his mark as a political commentator. He was a member of the Australasian Holy Catholic Guild and a supporter of the Sisters of St Joseph, North Sydney and the Mercy Sisters at Parramatta. He had worked for the *Daily Mail* and the *Gundagai Times* before becoming the editor of the weekly the *Catholic Press* in Sydney. This paper supported Home Rule for Ireland and called for a fairer distribution of wealth and political justice for the Irish nation, but it was the fight against conscription and his support of Archbishop Mannix that became Ryan's great crusade in the paper. Count O'Loughlin described him as brilliant, always fearless and uncompromising with his pen where a principle or the good of the country was at issue.⁴ Ryan's loyalty to the Church permeated his writings. Archbishop Kelly stated that Ryan had a mission as a Catholic journalist and was the life of the *Catholic Press*.⁵

Ryan's successor as editor of the *Catholic Press*, Patrick Scott Cleary also became a CCI shareholder. Cleary was an advocate of Irish affairs but was considered to be less bellicose and more measured in his writings than Ryan. Cleary was the president of the Catholic Recruits' Assistance Committee, Sydney established in October 1915. This group set up tents in military camps around Sydney to provide

⁴ *The Catholic Press* November 30, 1922, 25

⁵ *Queensland Times* September 25, 1922, 5

community centres. Cleary was also a fighter for state funding for Catholic schools as President of Catholic Federation. Members of federation also worked in assisting immigrants and conducted crusades to eradicate slums. Cleary published two significant statements on social questions of the time in 1920, *Social Solidarity: The Principals, Platform and objective of the Democratic Party* and *The One Big Union: Will it emancipate the worker?* These journalists were important players and key strategists, writing about issues concerning Catholicism in both the secular and Catholic press, as well as supporting CCI and in particular Mahon's endeavours for the company.

Why did the laity cooperate and what form did this cooperation take?

It became evident throughout the thesis that Mahon cooperated and gave beyond the call of duty to serve the Church in the CCI mission. This arose out of an extremely strong sense of responsibility towards the Church – the hierarchy, the priests and above all the people. It is also clear from the narrative of the establishment and early history of CCI, that Mahon was well known and widely regarded in secular and Catholic circles across Australia. In the course of his life as a journalist, Irish patriot and Australian politician, Mahon had lived and worked in both Eastern and Western Australia. He drew widely upon these contacts in the establishing and developing CCI.

The following exemplifies the networking of Mahon: The only engineer to invest in CCI shares was Edward Patrick Hollingdale, a member of a well-known Catholic Sydney family. Hollingdale was prominent in New South Wales Catholic circles. He was on the boards of the Catholic Church Trust for the Archdiocese of Sydney and the Rookwood Catholic Cemetery and responded readily to the invitation to invest in shares and insure with CCI. Hollingdale knew Mahon well as they were both directors of Mutual Life and Citizens' Assurance Company. A Melbourne surgeon, William Joseph Newing took an active interest in the company over many years. Newing was educated with Mahon's two sons at the *Christian Brothers College*, East St Kilda and remained friendly with them when they pursued their own medical careers and became CCI shareholders. During 1918 Newing enlisted in the Australian Army Medical Corps and served as a captain in France. At St Vincent's Hospital in Melbourne, where he worked for over forty years, he was remembered as a tall, military looking, distinguished figure. His specialty was chest diseases, especially pulmonary tuberculosis from which he suffered as a result of his war experiences. Mahon became one of Newing's special patients – keeping the Managing Director of CCI in good health was a practical form of support for CCI!

Laymen in business enterprises especially appreciated that CCI could make significant savings for the Catholic Church. For example, Emmanuel Gorman who ran a large grazing property, *Nangunia Station* in the Riverina and was a staunch supporter of Cardinal Moran's quest for federation. There were six lawyers on the share register, Attorney General, William Denny and Bernard Gatzemeyer of Adelaide, Solomon Levey and Joseph Christie of Sydney and Matthew Daly and John Gavan Duffy of Melbourne, the latter both generous benefactors of the Archdiocese of Melbourne. All of the lawyers freely provided advice and support to Mahon and the company and assisted in Mahon's pursuit for justice for all Catholics.

Critically, these lawyers remained loyal followers of Mahon when Prime Minister Hughes mustered his histrionically phoney rage and had Mahon expelled from parliament for making seditious utterances, inconsistent with a parliamentarian's oath of allegiance. Mahon pointed out that the oath of allegiance was to the sovereign, not to the government of the day. Moreover, his federal parliamentary Labor Party friends and CCI shareholder lawyers contended, correctly, that the place to judge his conduct was in the court of law. No board member or lay shareholder withdrew from the company in the wake of Mahon's expulsion from parliament. They remained steadfastly loyal, assisted Mahon in forging new insurance connections, encouraged him to travel overseas, donated funds for him to attend the Irish Race Convention in Paris, supported his quest to expand the protection cover for sick and infirm priests and establish ACCA as a new central fund. Although director, Michael Meagher, was cautious about the implications of vesting the surplus funds with the hierarchy, he supported Mahon's initiative. Meagher wrote to Mahon:

*If we act now and do the wrong thing we cannot undo it. If we hand over any of the funds to the Bishops, that is the end of the funds as far as we are concerned. I do think that we should rather act in this case as Rome does in all matters – take time – talk about it for 6 or 12 months before a decision is arrived at.*⁶

Clearly members of the laity were intelligently critical of the hierarchy, and from experience, recognised their limitations both in business matters and as leaders. However, they respected their office and recognised their authority. They were also aware of how Rome managed delicate diplomatic situations and followed suit.

⁶ Michael Meagher to Hugh Mahon August 23, 1930, CCI Archives

Did Mahon live up to the title of ‘Insurance Apostle’?

The framework for CCI was the brainchild of layman, Hugh Mahon, who endeavoured to keep as much as he could of Catholic insurance within Catholic borders. He accepted the challenge of this mission, took bold initiatives, and was unfailingly generous with his time and talents. The major part of the Church insurance business was carried out in the most populous states of New South Wales and Victoria during the first twenty-five years, but gradually gained the support of struggling dioceses, including Port Augusta, Wilcannia-Forbes, Townsville and Rockhampton. They became an integral part of CCI’s mission and equally crucial to the company’s success.

For the first two years of operations CCI was managed by one unpaid member, Mahon, with a little paid legal assistance from Carroll in Sydney, and a part time typist and a book keeper. At the first meeting of directors held on 6 August 1912 the board insisted that Mahon be reimbursed for his travelling expenses from May 1910 until December 1911 and he reluctantly agreed.⁷ The only extant records concerning Mahon’s remuneration are entries in a cash book dating from December 1912 to December 1914. These indicate that Mahon claimed expenses only, during this period.⁸ There was a nine month period in 1913 during which Mahon was out of office and would not have been able to receive his full parliamentary allowance of £400 per annum. In February 1915 Mahon wrote to Archbishop Kelly that he had not drawn any salary since the end of July 1914 and did not intend to do so during the continuance of the war, describing his approach as a ‘self-denying ordinance’.⁹

During the economic constraints of the war period and the depression of the 1930s, Mahon developed almost an obsession to serve the best interests of the company before his own. Strict financial management was uppermost in his approach to all of the company’s expenses. Downey considered that Mahon filled his position with dignity and generous courtesy.¹⁰ Even though Cardinal Moran and Archbishop Kelly lived in Sydney, CCI was run from Melbourne as Mahon was the head, heart and soul of the company. Through extraordinary hard work, advocacy and diplomacy it is clear that Mahon lived out Cardinal Moran’s title of ‘Insurance Apostle’, often at the expense of his health, family and parliamentary commitments.

CCI shareholder Bishop John Gallagher of Goulburn wrote:

⁷ Minutes of the Meeting of Directors August 6, 1912, CCI Archives

⁸ Cash Book 1912-1914, CCI Archives

⁹ Hugh Mahon to Archbishop Michael Kelly February 19, 1915, SAA

¹⁰ Minutes of the Ordinary General Meeting of Australasian Catholic Charities Association November 30, 1931, CCI Archives

*The laity is the Church as the world sees it. It is through the laity that the influence of the Church is brought to bear upon the world, and through them and their works that the power and usefulness of that influence are estimated. The clergy have their lines of duty marked out for them in forming character and directing the energies of the laity. If the clergy be officers, the laity must be soldiers. For everyday life the laity and not the clergy must be at the forefront of the battle.*¹¹

It was unusual that it was laymen, with impeccable Catholic, professional and business connections, chosen to run and finance the early company, rather than clergymen. In the early history of CCI the Managing Director and lay board members were ‘the officers’ and the shareholders ‘the active soldiers’ at the forefront of the company’s mission. However, following the deaths of O’Loughlin, Mahon and Meagher, the preponderance of the clergy increased. It became evident as the research unfolded that Hugh Mahon, who came to the CCI challenge as a successful journalist, politician and patriot, with experience in business, was an impressive man of initiative, generosity, and high ethical standing. His close associates shared these values. The work of Mahon and his confreres in the CCI mission provide ample reason to modify Patrick O’ Farrell’s assessment of the calibre of the laity in the Australian Catholic Church in the early twentieth century.

*The clergy ruled: a docile laity knew its place: its male and female components knew their roles and tried to act them out. Within the fold there was little questioning, a great number of unthinking assumptions and habits of mind, strict rule and concentration on the forms and emotions of piety.*¹²

Conclusion

It is hoped that, apart from primarily providing a history of the establishment and early history of Catholic Church Insurances, this thesis adds to the resource material of the laity in the Australian Catholic Church. The laity’s contributions for CCI were multi-layered and this opens up the possibility for further in-depth research and analysis on the history of the laity in the Australian Catholic Church. The way is open for a ‘latter day’ Dr Gregory Haines to broaden this enquiry.¹³

¹¹ Patrick O’Farrell, (ed) *Documents in Australian Catholic History Volume 11 1884-1968* (Melbourne: Geoffrey Chapman Pty Ltd, 1969) 28

¹² Patrick O’Farrell, *The Catholic Church and Community in Australia* (Melbourne: Nelson 1977) 261

¹³ Gregory Haines, ‘The laity – A Review of Father English’s Submission prior to the 1885 Plenary Council’ *Australasian Catholic Record*, vol 19, no 4, 1972, 292-313

After the death of Mahon in 1932 it was clear that the directors understood and appreciated the role that Mahon had played.

*To the late Mr Mahon the Company owes its existence, he having found it in 1912, and due credit must be given him for his months of initial labour, perseverance and effort expended in setting a sound foundation what ultimately has proved itself an institution of inestimable value to the Church in Australia. For almost twenty years as its Chairman and Managing Director, he was most devoted and helpful in doing everything possible to further the Company's interests.*¹⁴

Hugh Mahon was the progenitor of the company. CCI not only survived the manpower and financial pressures of the First World War and the depression of the 1930s but continued to grow in these periods. This was a testament to the management skills, acumen and financial conservatism of Mahon. It was Mahon who sent for the constitution of the Irish Catholic Church Property Insurance Company Limited. It was Mahon who developed from this model reinsurance practice and levels for the Australian counterpart. It was Mahon who won the approval of Cardinal Moran, Archbishop Carr and Archbishop Delaney for his draft for a Catholic Church based fire insurance company. It was Mahon who proposed that a fire in a church property in Sydney proved no risk to church properties in other states. It was Mahon who insisted that they employ no agents or brokers and that with sizable rebates their insurance would be cheaper. It was Mahon who set the premiums at the market rate used by other fire insurance companies. During 1917 he kept the risk on any single fire to £2,000 and placed £23,000 in liquid securities and £34, 000 in reserves. Without Hugh Mahon the company would not have come into existence, or survived.

¹⁴ The Catholic Church Property Insurance Company of Australasia Directors' Report August 10, 1932, CCI Archives

Appendix 1: Insurance Premiums and Cost of Reinsurance 1912-1936

Table One
Insurance Premiums and Cost of Reinsurance 1912 - 1936

	Premium Income Paid by Policy Holders net of Bonuses			Reinsurance Premiums		Net Premium Income less Reinsurances				
	Year on Year (£ s d)		YoY (%)	Year on Year (£ s d)	YoY (%)	Year on Year (£ s d)		YoY (%)		
1912						2,493	11	10		
1913	2,471	5	1	499	17	9	1,971	7	4	
1914	3,717	17	6	761	3	7	2,956	13	11	
1915	4,002	4	8	1,221	14	5	2,780	10	3	
1916	3,971	3	6	1,142	0	9	2,829	2	9	
1917	4,399	10	1	1,241	19	9	3,157	10	4	
*1918	<i>No figures given for 18 months</i>									
1919	<i>No figures given for 12 months</i>									
*1920	6,090	9	1	1,496	7	8	4,594	1	5	
1921	6,493	15	10	1,665	10	8	4,828	5	2	
1922	8,427	5	8	2,224	7	9	6,202	17	11	
1923	9,526	16	8	2,783	5	5	6,743	11	3	
1924	9,695	16	0	2,132	3	5	7,563	12	7	
1925	11,144	15	3	3,051	5	4	8,093	9	9	
1926	11,700	14	3	3,581	6	9	8,119	7	6	
1927	12,700	10	10	3,553	12	0	9,146	18	10	
1928	14,227	14	6	3,353	18	3	10,873	16	3	
1929	14,875	11	2	4,573	0	10	10,302	10	4	
1930	15,600	2	10	4,196	16	5	11,403	6	5	
[#] 1931	14,786	16	5	4,092	2	10	10,694	13	7	
1932	13,799	10	7	3,656	6	2	10,143	4	5	
1933	13,811	10	8	3,572	1	8	10,239	9	0	
1934	14,014	0	0	3,601	0	7	10,412	19	5	
1935	14,575	17	2	3,621	16	2	10,954	1	0	
1936	14,677	19	0	3,750	9	6	10,927	9	6	
Increase 1912 to 1936	12,206	13	11	3,250	11	9	9,433	17	8	631.62%

* Year end changed to 30 June. Previously 31 December.

[^] Bonuses to Policy Holders increased to 50% from 1 January 1931

[#] Hugh Mahon died 28 August 1931

Source: Catholic Church Insurances Annual Reports 1912-1936

Appendix 2: Revenue and Liabilities 1912-1931

Table Two
Revenue and Liabilities 1912 - 1931

	Revenue				Liabilities											
	Paid Capital	YoY		Gross		Reinsurance		Fire Claims								
		Increase		Premium Income	Interest Received	Premiums										
1912	4,180	0	0					20	0	0						
1913	5,580	0	0	33.21%	3,177	9	8	258	15	7	499	17	9	673	9	0
1914	7,310	0	0	31.00%	5,251	6	0	354	14	5	761	3	7	452	14	7
1915	8,922	10	0	22.06%	6,202	14	5	428	15	8	1,221	14	5	1,070	18	10
1916	12,723	10	0	42.60%	6,268	18	2	580	6	9	1,142	0	9	20	14	8
1917	15,700	0	0	23.39%	6,953	3	2	853	10	10	1,241	19	9	600	10	0
*1918	<i>No figures given for 18 months</i>															
1919	<i>No figures given for 12 months</i>															
*1920	23,843	16	0		9,454	13	9	1,156	9	7	1,496	7	8	722	19	5
1921	25,204	0	0	5.70%	10,204	18	7	1,494	5	2	1,665	10	8	479	18	9
1922	25,462	0	0	1.02%	12,441	16	1	1,678	14	5	2,224	7	9	2,186	7	11
1923	25,462	0	0	0.00%	14,509	15	3	1,600	14	10	2,783	5	5	731	17	11
1924	29,602	0	0	16.26%	15,206	18	8	1,643	4	3	2,132	3	5	490	1	8
1925	30,700	0	0	3.71%	17,069	8	1	2,144	19	5	3,051	5	4	1,827	15	0
1926	30,700	0	0	0.00%	18,127	4	5	2,268	6	8	3,581	6	9	1,403	9	4
1927	30,700	0	0	0.00%	19,343	12	3	2,387	12	3	3,553	12	0	2,117	13	9
1928	30,700	0	0	0.00%	21,888	12	7	2,333	13	3	3,353	18	3	2,373	10	5
1929	30,700	0	0	0.00%	23,506	17	4	2,611	0	9	4,573	0	10	1,363	14	8
1930	30,700	0	0	0.00%	24,641	18	9	2,480	19	6	4,196	16	5	3,534	12	1
^ #1931	30,700	0	0	0.00%	25,758	12	5	2,404	13	8	4,092	2	10	2,809	0	6
1932	30,700	0	0	0.00%	26,046	6	2				3,656	6	2	2,240	2	3
1933	30,700	0	0	0.00%	26,511	10	9				3,572	1	8	2,336	7	11
1934	30,700	0	0	0.00%	27,010	2	4				3,601	0	7	1,390	17	11
1935	30,700	0	0	0.00%	27,539	19	8				3,621	16	2	2,793	19	9
1936	30,700	0	0	0.00%	27,978	15	1				3,750	9	6	2,214	15	7

* Year end changed to 30 June. Previously 31 December.

^ Bonuses to Policy Holders increased to 50% from 1 January 1931

Hugh Mahon died 28 August 1931

Source: Catholic Church Insurances Annual Reports 1912-1931

Appendix 3: Capital Raising 1912-1936

Table Three
Capital Raising 1912-1936

	Authorised Capital	Subscribed Capital	Uncalled Capital	Paid Capital	Increase in Paid Capital
	£ s d	£ s d	£ s d	£ s d	
1912	na			4,180 0 0	
1913	50,000 0 0	28,435 0 0	22,855 0 0	5,580 0 0	33.21%
1914	50,000 0 0	31,600 0 0	21,280 0 0	7,310 0 0	31.00%
1915	50,000 0 0	36,975 0 0	28,052 10 0	8,922 10 0	22.06%
1916	50,000 0 0	49,895 0 0	37,171 10 0	12,723 10 0	42.60%
1917	50,000 0 0	50,000 0 0	34,300 0 0	15,700 0 0	23.39%
*1918	<i>No figures given for 18 months</i>				
1919	<i>No figures given for 12 months</i>				
*1920	100,000 0 0	77,146 0 0	53,302 4 0	23,843 16 0	-
1921	100,000 0 0	81,680 0 0	56,476 0 0	25,204 0 0	5.70%
1922	100,000 0 0	82,140 0 0	56,678 0 0	25,462 0 0	1.02%
1923	100,000 0 0	82,540 0 0	57,078 0 0	25,462 0 0	0.00%
1924	100,000 0 0	96,340 0 0	66,738 0 0	29,602 0 0	16.26%
†1925	100,000 0 0		69,300 0 0	30,700 0 0	3.71%
1926	100,000 0 0		69,300 0 0	30,700 0 0	0.00%
1927	100,000 0 0		69,300 0 0	30,700 0 0	0.00%
1928	100,000 0 0		69,300 0 0	30,700 0 0	0.00%
1929	100,000 0 0		69,300 0 0	30,700 0 0	0.00%
1930	100,000 0 0		69,300 0 0	30,700 0 0	0.00%
^#1931	100,000 0 0		69,300 0 0	30,700 0 0	0.00%
1932	100,000 0 0		69,300 0 0	30,700 0 0	0.00%
1933	100,000 0 0		69,300 0 0	30,700 0 0	0.00%
1934	100,000 0 0		69,300 0 0	30,700 0 0	0.00%
1935	100,000 0 0		69,300 0 0	30,700 0 0	0.00%
1936	100,000 0 0		69,300 0 0	30,700 0 0	0.00%
					Increase in Paid Capital
					734.50%

* Year end changed to 30 June. Previously 31 December.

^ Bonuses to Policy Holders increased to 50% from 1 January 1931

Hugh Mahon died 28 August 1931

† No further capital was subscribed

Source: Catholic Church Insurances Annual Reports 1931-1936

Appendix 4: Profit and Dividends 1912-1936

Table Four
Profit and Dividends 1912 - 1936

	Paid Capital	Net Profit	Dividend Rate	Dividend Paid
	£ s d	£ s d	(%)	£ s d
1912	4,180 0 0	1,342 8 0	5.0	172 8 2
1913	5,580 0 0	802 2 1	7.5	242 2 2
1914	7,310 0 0	1,671 15 3	7.5	579 5 6
1915	8,922 10 0	1,305 8 9	7.5	588 0 0
‡1916	12,723 10 0	2,407 7 11	7.5	
‡1917	15,700 0 0	2,290 7 4	7.5	
◇*1918	<i>No figures given for 18 months</i>			
1919	<i>No figures given for 12 months</i>			
*1920	23,843 16 0	3,290 4 11	7.5	
1921	25,204 0 0	3,862 9 7	7.5	
1922	25,462 0 0	3,019 15 4	7.5	
1923	25,462 0 0	5,285 3 5	10.0	
1924	29,602 0 0	5,894 0 9	7.5	
1925	30,700 0 0	5,438 16 5	10.0	
1926	30,700 0 0	6,085 10 6	7.5	
1927	30,700 0 0	6,238 17 1	7.5	
1928	30,700 0 0	7,119 14 9	7.5	
1929	30,700 0 0	7,738 9 8	7.5	
1930	30,700 0 0	6,153 9 0	7.5	
^#1931	30,700 0 0	6,112 15 7	7.5	
1932	30,700 0 0	6,013 4 11	7.5	
1933	30,700 0 0	6,382 2 11	7.5	
1934	30,700 0 0	7,594 8 3	10.0	
1935	30,700 0 0	6,648 1 8	10.0	
1936	30,700 0 0	6,512 8 2	10.0	

* Year end changed to 30 June. Previously 31 December.

^ Bonuses to Policy Holders increased to 50% from 1 January 1931

Hugh Mahon died 28 August 1931

‡ Dividends for 1917 were not disclosed

◇ From 1918, the Articles of Association were changed. The word 'dividend' was replaced by the word 'interest' and the figures were no longer disclosed.

Source: Catholic Church Insurances Annual Reports 1912-1936

Appendix 5: Fire Claims 1912-1936

Table Five
Fire Claims 1912-1936

	Dividends	Interest on Capital	Fire Claims	Fire Claims Net Premium Income	Less Reinsurances	Plus Interest Received
	£ s d		£ s d			
1912	172 8 2	5%	20 0 0			
1913	242 2 2	7.5%	673 9 0			
1914	579 5 6	7.5%	452 14 7			
1915	588 0 0	7.5%	1,070 18 10	1070.941667	3135.233333	34.16%
‡1916		7.5%	20 14 8			
‡1917		7.5%	600 10 0			
◊*1918			<i>No figures given for 18 months</i>			
1919			<i>No figures given for 12 months</i>			
*1920		usual presumably 7.5%	722 19 5			
1921		usual presumably 7.5%	479 18 9			
1922		7.5%	2,186 7 11	2186.395833	7881.616667	27.74%
1923		7.5% plus 2.5% bonus	731 17 11			
1924		usual presumably 7.5%	490 1 8			
1925		usual presumably 7.5%	1,827 15 0			
1926		usual presumably 7.5%	1,403 9 4			
1927		usual presumably 7.5%	2,117 13 9			
1928		usual presumably 7.5%	2,373 10 5			
1929		usual presumably 7.5%	1,363 14 8			
1930		usual presumably 7.5%	3,534 12 1	3534.604167	13884.29583	25.46%
^#1931		usual presumably 7.5%	2,809 0 6			
1932		usual presumably 7.5%	2,240 2 3			
1933		usual presumably 7.5%	2,336 7 11			
1934		10.0%	1,390 17 11			
1935		10.0%	2,793 19 9			
1936		10.0%	2,214 15 7			

* Year end changed to 30 June. Previously 31 December.

^ Bonuses to Policy Holders increased to 50% from 1 January 1931

Hugh Mahon died 28 August 1931

‡ Dividends for 1916 and 1917 were not disclosed

◊ From 1918, the Articles of Association were changed. The word 'dividend' was replaced by the word 'interest' and the figures were no longer disclosed.

Source: Catholic Church Insurances Annual Reports 1912-1936

Appendix 6: Income and Profit 1912-1936

Table Six
Income and Profit 1912-1936

	Gross Premium Income	Bonuses paid to Policyholders	Premium Income Paid by Policyholders net of Bonuses	Reinsurance Premiums	Net Premium Income less Reinsurances	Interest Received	Net Profit
	(£ s d)	(£ s d)	(£ s d)	(£ s d)	(£ s d)	(£ s d)	(£ s d)
1912					2,493 11 10	111 12 5	1,342 8 0
1913	3,177 9 8	706 4 7	2,471 5 1	499 17 9	1,971 7 4	258 15 7	802 2 1
1914	5,251 6 0	1,533 8 6	3,717 17 6	761 3 7	2,956 13 11	354 14 5	1,671 15 3
1915	6,202 14 5	2,200 9 9	4,002 4 8	1,221 14 5	2,780 10 3	428 15 8	1,305 8 9
1916	6,268 18 2	2,297 14 8	3,971 3 6	1,142 0 9	2,829 2 9	580 6 9	2,407 7 11
1917	6,953 3 2	2,553 13 1	4,399 10 1	1,241 19 9	3,157 10 4	853 10 10	2,290 7 4
*1918	<i>No figures given for 18 months</i>						
1919	<i>No figures given for 12 months</i>						
*1920	9,454 13 9	3,364 4 8	6,090 9 1	1,496 7 8	4,594 1 5	1,156 9 7	3,290 4 11
1921	10,204 18 7	3,711 2 9	6,493 15 10	1,665 10 8	4,828 5 2	1,494 5 2	3,862 9 7
1922	12,441 16 1	4,014 10 5	8,427 5 8	2,224 7 9	6,202 17 11	1,678 14 5	3,019 15 4
1923	14,509 15 3	4,982 18 7	9,526 16 8	2,783 5 5	6,743 11 3	1,600 14 10	5,285 3 5
1924	15,206 18 8	5,511 2 8	9,695 16 0	2,132 3 5	7,563 12 7	1,643 4 3	5,894 0 9
1925	17,069 8 1	5,924 12 10	11,144 15 3	3,051 5 4	8,093 9 9	2,144 19 5	5,438 16 5
1926	18,127 4 5	6,426 10 2	11,700 14 3	3,581 6 9	8,119 7 6	2,268 6 8	6,085 10 6
1927	19,343 12 3	7,043 1 5	12,700 10 10	3,553 12 0	9,146 18 10	2,387 12 3	6,328 17 1
1928	21,888 12 7	7,660 18 1	14,227 14 6	3,353 18 3	10,873 16 3	2,333 13 3	7,119 14 9
1929	23,506 17 4	8,631 6 2	14,875 11 2	4,573 0 10	10,302 10 4	2,611 0 9	7,738 9 8
1930	24,641 18 9	9,041 15 11	15,600 2 10	4,196 16 5	11,403 6 5	2,480 19 6	6,153 9 0
^#1931	25,758 12 5	10,971 16 0	14,786 16 5	4,092 2 10	10,694 13 7	2,404 13 8	6,112 15 7
1932	26,046 6 2	12,246 15 7	13,799 10 7	3,656 6 2	10,143 4 5	2,088 16 0	6,013 4 11
1933	26,511 10 9	12,700 0 1	13,811 10 8	3,572 1 8	10,239 9 0	2,145 19 11	6,382 2 11
1934	27,010 2 4	12,996 2 4	14,014 0 0	3,601 0 7	10,412 19 5	2,170 18 7	7,594 8 3
1935	27,539 19 8	12,964 2 6	14,575 17 2	3,621 16 2	10,954 1 0	2,261 17 10	6,648 1 8
1936	27,978 15 1	13,200 16 1	14,677 19 0	3,750 9 6	10,927 9 6	1,831 4 5	6,512 8 2

	Gross Premium Income	Bonuses paid to Policyholders	Premium Income Paid by Policyholders net of Bonuses	Reinsurance Premiums	Net Premium Income less Reinsurances	Interest Received	Net Profit
	2,220.18	2,229.00	(108.87)	(340.33)	232.80	(573.46)	399.63
	25,907.24	10,971.80	14,786.82	4,092.14	10,694.58	2,404.68	6,112.78
	8.57%	20.32%	-0.74%	-8.32%	2.18%	-23.85%	6.54%

* Year end changed to 30 June. Previously 31 December.

^ Bonuses to Policy Holders increased to 50% from 1 January 1931

Hugh Mahon died 28 August 1931

Source: Catholic Church Insurances 1912-1936

Appendix 7: Board Membership: Directors, Secretary and Auditors 1912-1936

Table Seven
Board Membership: Directors, Secretary and Auditors

	1912	1913	1914	1915	1916	1917	*1918	1919	*1920	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930	^#1931	1932	1933	1934	1935	1936		
Directors	Hon Hugh Mahon																				Esmond F Downey FICA LCA Dip Com						
	Count Thomas O'Loughlin KSG																										
	Michael Meagher Esq																										
	John Joseph Carroll Esq																										
	Vincent Nolan BA LL B												Very Rev Patrick Parker						Right Rev Mons John Joseph Lonergon Adm								
													Very Rev R Collender PP						Rev Francis Moynihan BA								
							Pierce Cody Esq																				
Secretary	Esmond F Downey FICA LCA Dip Com																										
Auditor	Strangward & Shackell Incorporated		FE Dixon ACPA			Thomas G Bowden ASAA		Edmond J Ryan AIAV		Edmond J Ryan AICA						Edmond J Ryan FICA				Edmond J Ryan FCA				FA Hassett FCA			

Hugh Mahon

1912-1913 Hon Hugh Mahon MP Federal Parliament
 1914-1916 Hon Hugh Mahon MP Minister of State for External Affairs
 1917-1918 Hugh Mahon Esq Melbourne VIC
 1919-1920 Hugh Mahon MP Federal Parliament
 1920-1931 Hugh Mahon Esq Ringwood VIC

Thomas O'Loughlin

1912-1917 Count Thomas O'Loughlin KSG, Warrenheip VIC
 1920-1928 Count Thomas O'Loughlin KSG, Kew VIC

John Joseph Carroll

1912-1936 John Joseph Carroll Esq, Sydney

Michael Meagher

1912-1921 Michael Meagher Esq, Bathurst

Vincent Nolan

1912-1919 Vincent Nolan Esq, Hawthorn VIC

Rev. Patrick Parker

1919-1933 Reverend Patrick Parker, Melbourne VIC

Pierce Cody

1919-1923 Pierce Cody Esq, Kew VIC

* Year end changed to 30 June. Previously 31 December.

^ Bonuses to Policy Holders increased to 50% from 1 January 1931

Hugh Mahon died 28 August 1931

Source: Catholic Church Insurances 1912-1936

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Correspondence relating to the Sick and Infirm Priests Fund 1919-1930

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Minutes

Minutes of the Annual General Meetings of Shareholders 1912-1936

Minutes of General Meetings and Extraordinary Meetings 1912-1936

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Minutes of the Sick and Infirm Priests Fund 1919-1930

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- Ballarat Diocesan Historical Commission – Papers of Count Thomas O’Loughlin and Lucille Quillan
- Brisbane Archdiocesan Archives (BAA) – Correspondence and Letter Books of Archbishop James Duhig with Catholic Church Insurances
- Melbourne Diocesan Historical Commission, Archdiocese of Melbourne (MDHC) – Archbishop James Goold’s Diary, Correspondence Archbishop Thomas Carr, parish files and Correspondence with Catholic Church Insurances
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