the authority set up by Christ, and that whenever religion is at stake money and lands must count as nothing. Even from the worldly point of view their devotion to principle has not been unrewarded. They are winning back inch by inch and year by year whatever they had lost, and even their strongest opponents have begun to understand what the Roman Emperors understood centuries before, that penal codes, imprisonment, and death are of little avail against a people who are ready to die

In Defence of Their Religious Convictions.

Our pilgrimage to-day is held under very auspicious circumstances. A new era is about to open in the history of our country. The long struggle that has been waged for centuries is about to be ended, and the government and administration of Ireland are to be committed to the hands of Irishmen. Difficulties and misunderstandings are sure to arise, and views that are current elsewhere may find advocates at home. Here on the summit of Croagh Patrick a prayer should go up from this great national pilgrimage, representative of the entire Irish race, that our National Apostle may continue to guard our country in the future as he has guarded it in the past, that he may intercede with God to bless and protect it, so that it may stand, as it has always stood, true to the faith delivered to it by St. Patrick.

## CHURCH INSURANCE FROM WITHIN

### RESULTS IN IRELAND AND AUSTRALIA

(From the *Austral Light*.)

The cost of insuring his property against damage or destruction by fire does not, as a rule, give the ordinary householder much concern. In any case, he is so unversed in the technicalities of fire underwriting as to be quite unable to determine whether his premium is or is not a fair one. The position of owners or trustees of valuable buildings which are graded as first-class risks is somewhat different. The annual outlay involved in obtaining adequate protection for their properties has compelled them to go more minutely into the matter than the ordinary policy-holder, and they have come to the conclusion that the premiums on first-class risks are excessive. Hence, State Governments, City Corporations, merchants operating on a large scale, as well as religious denominations, have gradually withdrawn from the existing companies and established funds out of which losses through fire might be made good. The wisdom, or otherwise, of this new departure can be determined only by results in each case.

But the experiment appears to have attained success in Great Britain, where these private insurance funds have had sufficient duration to enable a reliable opinion to be formed. The multitude of religious bodies were not the last to perceive the apparent advantages of 'Church Insurance from Within,' and their properties are now mostly covered by policies of denominational companies. 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.*

Early in 1902 the movement attracted attention in Catholic circles in Ireland, and after some consideration it was decided to take action. Later on in that year a company was registered in Dublin with a paid-up capital of £10,000, and having as directors some gentlemen of the highest commercial standing in the Irish capital. Ecclesiastical approval was given to the company, and the Church authorities were represented on the board of management by the Very Rev. Dr. Donnellan, Bursar of St. Patrick's College, Maynooth. Although there were some initial difficulties, and a rather onerous expenditure attended its inception, the company soon demonstrated by its profits that the cost of Church property insurance could be materially reduced. In 1907 the company began to make a donation to the Irish Archbishops and Bishops of £1000 per annum; and by 1910 had distributed in this way £4000 for religious and charitable purposes. In the meantime, the company had gained great financial strength. By the end of 1909 its paid-up capital had increased to £20,000, while the net premium income was £4373, and the accumulated reserves £11,545.

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 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 per cent. 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. These considerations suggested an inquiry during 1910 to ascertain the views of the Archbishops and Bishops of Australia, whose individual approval was at once given to the project. Subsequently it was officially considered at Conferences of the Bishops of Sydney and Melbourne provinces, and formal authority given to the formation of a company exclusively for the insurance of Catholic Church property. Finally, on November 22, 1911, under the law of New South Wales, the Catholic Church Property Insurance Co of Australia, Ltd., was duly registered, and on January 1, 1912, the company commenced the transaction of business. The first directors were: Michael Meagher, Esq., of Bathurst; Thomas Count O'Loughlin, K.S.G., of Ballarat; and the Hon. Hugh Mahon, M.P. In 1913 the directorate was enlarged, when J. J. Carroll, Esq., solicitor, of Sydney, and Vincent Nolan, Esq, LL.B., of Melbourne, accepted seats on the board.

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 Insurance Co. 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 religious communities, and this was done by circular. Later on, applications were received from the Catholic laity. In this inexpensive way nearly 30,000 shares have been allotted to subscribers throughout the Commonwealth and New Zealand, so that the entire proceeds from the sale of shares have passed to the company's credit without any deduction whatever.

The company has also left the beaten track in avoiding the bulk of the heavy outlay entailed on other companies in the pursuit and retention of business. It employs no agents. It deals direct with its clients. To be of maximum benefit to the Catholic community, the company recognises that it must eliminate the middleman. The character of the business to which

* 'The "moral hazard,"' says a writer in the *Annals of the American Academy of Political and Social Science*, 'is frequently found among persons of means and of high social standing.' This hazard is direct and indirect. The direct moral hazard is 'where a property is fired by the owner for gain. The indirect moral hazard is where the owner may not be prospering, and has little or no incentive to safeguard his property. To these may be added the demented "fire-bug," the tramp, and the small boy who likes to see the fire brigade turn out.'