

## Explaining a Paradox – Church and Health Policy in the 1940s and 1970s

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In the mid-twentieth century many doctors, supported by private hospitals and conservative politicians, argued that health care should be underwritten by voluntary health insurance. Where this was not possible access should be supported by charity.<sup>1</sup> Based on the premise that health care was a right, not a matter of charity, the Australian Labor Party (ALP) argued for collective responsibility either in the form of cash benefits or direct public provision. Catholics, however, favoured a path advocated in Catholic social teaching, i.e. corporatism – a set of arrangements, which requires the state to work through existing social groups.<sup>2</sup> Consequently they argued for a system of social support based upon the family as the first provider, assisted by intermediate organisations, and only then the state, a relationship predicated upon the principle of subsidiarity.

In the 1940s and 1970s Labor governments introduced short-term national universal health schemes both of which were resisted by Catholic hospital authorities. Medicare, Labor's 1984 scheme, reintroduced key features of the two earlier schemes, namely free treatment for public patients in public hospitals, fee-for-service and choice of doctor. Unlike the earlier schemes, Medicare is supported by Catholic authorities. Indeed the Chief Executive Officer of Catholic Health Australia (CHA) argued that Medicare

promotes responsibility being taken by both individuals and the community ... It is a social good we all deserve regardless of

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1. Anne Crichton, *Slowly Taking Control? Australian Governments and Health Care Provision 1788-1988* (Crows Nest: Allen & Unwin, 1990), 40; James A. Gillespie, *The Price of Health: Australian Governments and Medical Politics 1910-1960* (Cambridge: Cambridge University Press, 1991), 186.
2. Bruce Duncan, *The Church's Social Teaching: From Rerum Novarum to 1931* (North Blackburn: Collins Dove, 1991), 9-11.

circumstance, background or social standing. The degree to which we regard each other is reflected in the support we offer each other. Medicare best represents that social pact.<sup>3</sup>

Moreover, it was ‘the cornerstone of universal care with its fundamentals strongly aligned to Catholic social teaching. Medicare must be maintained as a universal insurance scheme and not turned into a safety net. Safety nets don’t work. They serve only to further marginalise the most vulnerable’.<sup>4</sup>

The universal provision of at least the basic requirements of health supports the Church’s mission, especially to the most vulnerable. Resistance in the 1940s and 1970s, then, reveals a paradox, which is compounded by the later endorsement of Medicare. What had changed? Did the schemes conflict with the Church’s mission and teachings, and if so why? Was the resistance informed by self interest? Or was it a consequence of a particular reading of Catholic social teaching at a particular moment in history? Whilst this article does not provide definitive answers it makes a preliminary effort to untangle the paradox through an examination of the Church’s social teaching and her mission before proceeding to an analysis of the resistance in the two identified periods.

### **Social Teaching**

Four philosophical and theological principles underpin the Church’s social teaching.<sup>5</sup> First, individuals are created in the image and likeness of God, which means that each is gifted with an equal God given dignity. Secondly, each person possesses inalienable rights tied to duties<sup>6</sup> that flow from the sacred nature of the individual, not the state or the community. Thirdly, shared brotherhood with Christ – a consequence of ‘common origin’ in the Father – determines that men and women are social by nature.<sup>7</sup> The individual is not an isolated person, but a social person who exists in society, which is ‘a fact of nature ... directed as is the person ... towards the highest purposes of human existence’.<sup>8</sup> Society, then, is the ‘natural means’ by which men and women reach their human potential.<sup>9</sup> Finally, the gift of ‘the abundance of nature and of social living ... for all people’,<sup>10</sup> acknowledges that

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3. Francis Sullivan, ‘Can Abbott deliver a fairer Medicare?’ in *Health Matters* (2003b): 23, 2.
  4. Francis Sullivan, ‘Advocates for a just health system’ in *Health Matters* (2003a): 21, 1.
  5. Charles E. Curran, *Catholic Social Teaching 1891-Present: A Historical, Theological, and Ethical Analysis* (Georgetown: Georgetown University Press, 2002).
  6. Joseph N. Moody, ed., *Church and Society: Catholic Social and Political Thought and Movements 1789-1950* (New York: Arts Inc., 1953), 51.
  7. Jean Yves Calvez & Jacques Perrin, *The Church and Social Justice: The Social Teachings of the Popes from Leo XIII to Pius XII* (London: Burns and Oates, 1961), 112-113.
  8. Eberhard Welty, *A Handbook of Christian Social Ethics, Volume 1* (Edinburgh: Nelson, 1960), 110-111.
  9. *Divini Redemptoris*, #29, in *The Papal Encyclicals: 1903-1939*, compiled by Claudia Carlen (The Pierian Press, 1990:), 542; ‘(A)part from their own interests, there are also collective interests; that, besides the good of each one, there is the common good to which all ought to contribute within the framework of the society of which they form part’. Mgr Dell’Acqua in Calvez & Perrin, 123.
  10. Karen Lebacqz, *Six Theories of Justice* (Minneapolis: Augsburg Publishing House, 1986), 67.

all must have access to the basic necessities that ensure the dignity of the individual ‘since all have the identical nature which grounds the right’.<sup>11</sup> These principles form the basis of the Church’s social teaching and her mission in health care.

### *The Church’s Mission*

Health care – an expression of love of God and a manifestation of God’s love – is an essential aspect of the Church’s mission. Charity, love of God, is ‘the primary motive’,<sup>12</sup> but it does not stop with God. Rather it extends to all men and women who are made in the image of God and in whom one encounters Christ. Everyone, then, has a moral obligation to help the brothers and sisters of Christ, but this does not remove the obligations of justice.<sup>13</sup> All by virtue of their dignity are entitled to a just share in the abundance of nature and social life, which enables them to participate in the life of society and thus achieve their ultimate end – salvation.<sup>14</sup>

Jesus entrusted the proclamation of the good news of God’s reign to the Church so that men and women might achieve salvation.<sup>15</sup> The healing stories are a sign of that proclamation,<sup>16</sup> but alongside this spiritual mission there is also ‘a ‘secondary and social mission’ that requires collaboration ‘with civic groups in laying the foundations for society’.<sup>17</sup> As God’s messiah, Jesus, whose presence is made visible through the Spirit, calls all to a new life. He raised the dead, healed people with every kind of disease, and gave his apostles authority to drive out evil spirits, heal, and bring the dead back to life.<sup>18</sup> Healing, however, is not an end in itself. Rather it is

part of attaining the wholeness of humanity, which is the fruit of the redemptive work of Christ. That wholeness necessarily involves the community as well as the individual, for to be whole requires a right relationship not only with God but also with one another.<sup>19</sup>

Healing, then, requires the transformation of the individual, but also the transformation of unjust structures that impede participation in the

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11. Ricardo Antoncich, *Christians in the Face of Injustice: A Latin American Reading of Catholic Social Teaching*, (Maryknoll: Orbis Books, 1987), 96.
  12. J. Molony, ‘Here for good – the common good’ in *Health Matters*, (2003) 21: 5.
  13. Calvez & Perrin, *The Church and Social Justice*, 163.
  14. Welty, *A Handbook of Christian Social Ethics*, 291; Calvez & Perrin, *The Church and Social Justice*, 152; Curran, *Catholic Social Teaching 1891-Present*, 189-192.
  15. E. Hill, ‘Church’ in Joseph A. Komonchak, Mary Collins., & Dermot A. Lane, *The New Dictionary of Theology* (Dublin: Gill and Macmillan, 1990), 197-199; D.S. Amalorpavadass, ‘Church and Culture’ in *ibid.*: 203.
  16. Catholic Health Australia, *Code of Ethical Standards for Catholic Health and Aged Care Services in Australia*, (Canberra: CHA, 2001), 3.
  17. Cited by Neil Ormerod, ‘Mission and Ministry in the Wake of Vatican II’, *Australian EJournal of Theology*, [http://dlibrary.acu.edu.au/research/theology/ejournal/aet\\_1/Ormerod.htm](http://dlibrary.acu.edu.au/research/theology/ejournal/aet_1/Ormerod.htm), (accessed 14 July 2006).
  18. Mt 4: 23; Mt 8: 16-17; Mt 9: 18, 23-25, 35; Mt 10: 1, 8; Mk 5: 35-42; Jn 6: 35; 11: 25-27.
  19. Keith Rayner, ‘Preface’ in *Beyond Mere Health: Theology and Health Care in a Secular Society*, Hilary D. Regan, Rodney B. Horsfield, R. & Gabrielle L. McMullen, eds (Kew: Australian Theological Forum, 1996), vi.

community.

Pre-Vatican II understanding of the Church's mission favoured the religious or spiritual mission. This is apparent in the opposition of the supernatural sphere of grace with that of nature, which minimises the social and political mission.<sup>20</sup> 'For those who see salvation as mainly future and other worldly, the reign of God is primarily an individual and spiritual experience'.<sup>21</sup> Indeed the expectation that God's reign was in the future resulted in the glorification of sickness, pain, and death in the hope of eternal reward. On this view health policy runs the risk of not addressing injustices in the 'here and now'. By way of contrast post-Vatican II documents modified the natural law approach by highlighting the importance of the Gospels, and the place of Jesus and grace in the moral life of Christians. In linking grace and nature they showed 'that the commitment to social justice is integral to the Church's mission ... the church's social teaching has stressed that mutual rights and duties in political relationships should take into account the dignity of the human person and the significance of love within justice'.<sup>22</sup> Religious identity, then, does not exist in isolation – it is interrelated with social mission.<sup>23</sup> Indeed 'God's salvific power is at work in the present thereby tying God's reign more closely to social and political reform'.<sup>24</sup> Because social justice governs what individuals owe to the common good it is concerned with the social and political aspects of life that impact upon an individual's ability to participate in society.<sup>25</sup> The more this 'is related to Christianity's interpretative and practical function as a religion to exhibit and to proclaim Jesus as the power and wisdom of the universe, the more constitutive, essential, and distinctive this ministry is'.<sup>26</sup> It involves the

transformation of the present situation to a new situation which more closely approximates the Kingdom of God on earth, through the promotion of a self-sacrificing love which overcomes the evils of the present through redemptive suffering. While primarily this mission is aimed at the religious and moral transformation of persons, it extends itself into the cultural and social dimensions to the extent that these too are affected by the problem of evil. On this view the Church is essentially missionary. It does not accept a grace-nature separation, but recognises the dynamic link between religious, moral, cultural and social dimensions of human living.<sup>27</sup>

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20. Francis Schussler-Fiorenza, *Foundational Theology: Jesus and the Church*, (New York: Crossroad, 1984), 195-212.

21. Donald Senior, 'Reign of God' in *The New Dictionary of Theology*, 861.

22. Schussler-Fiorenza, *Foundational Theology*, 211.

23. *Ibid.*

24. Senior, 'Reign of God', 861.

25. Calvez & Perrin, *The Church and Social Justice*, 152; Welty, *A Handbook of Christian Social Ethics*, 291; Curran, *Catholic Social Teaching 1891-Present*, 189-190.

26. Schussler-Fiorenza, *Foundational Theology*, 223.

27. Neil Ormerod, 'Seek First the Kingdom – The Mission of the Church and Publicly Funded Welfare', *Australasian Catholic Record* 77/4 (2000): 433.

Clearly health care constitutes a proper mission for the Church. Crucial to the achievement of this mission is the common good – ‘the sum total of all those conditions of social living – economic, political, cultural – which make it possible for women and men readily and fully to achieve the perfection of their humanity’.<sup>28</sup> Contrary to the liberal view – which reduces the common good to private choice<sup>29</sup> – the Church argues it is ‘a good proper to, and attainable only by, the community, yet individually shared by its members. As such the common good is at once communal and individual’.<sup>30</sup> Individual rights, which can only be guaranteed if others recognise and support them, are experienced within the common good.<sup>31</sup> Indeed they may be limited if their unrestrained exercise compromises the common good, and thus the integrity of the fundamental rights of persons.<sup>32</sup> It is necessary, then, that men and women look to the welfare of others through the establishment of a civic order that recognises and supports the rights and duties of the individual. This includes a role for the state – the pursuit of justice and the common good. The individual and the family, however, are anterior to the state. The maintenance of this ‘right’ or ‘organic order’, which ensures the smooth functioning of society, rests upon the principle of subsidiarity. It holds that

it is an injustice and at the same time a grave evil and a disturbance of right order to transfer to the larger and higher collectivity functions which can be performed and provided for by lesser and subordinate bodies. Inasmuch as every social activity should, by its very nature, prove a help to members of the body social, it should never destroy or absorb them.<sup>33</sup>

### *Two Interpretations*

Catholic social teaching is a living body of doctrine that develops in response to changing problems.<sup>34</sup> The emphasis on natural law<sup>35</sup> prior to Vatican II produced a distinctively ‘Catholic world of welfare’<sup>36</sup> – one that

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28. Peter J. Henriot, Edward P. De Berri & Michael J. Schultheis, *Catholic Social Teaching: Our Best Kept Secret* (North Blackburn: Collins Dove, 1992): 23.
  29. Ibid: 129-131; Luois Dupré, ‘The Common Good and the Open Society’ in *Catholicism and Liberalism: Contributions to American Public Philosophy*, R.B. Douglass & David Hollenbach, eds (Cambridge: Cambridge University Press, 1994), 183.
  30. Dupré, *ibid.*, 172.
  31. David Hollenbach, ‘A communitarian reconstruction of human rights: contributions from Catholic tradition’ in *Catholicism and Liberalism*, 128; Henriot et al., *Catholic Social Teaching*, 23; Welty, *A Handbook of Christian Social Ethics*, 93.
  32. Calvez & Perrin, *The Church and Social Justice*, 118-119.
  33. *Quadragesimo Anno*, #79 in *Catholic Social Thought: The Documentary Heritage*, David J. O’Brien, & Thomas A. Shannon, eds (Maryknoll: Orbis, 1992), 60.
  34. Calvez & Perrin, *The Church and Social Justice*, xiv, 67.
  35. Lebacqz, *Six Theories of Social Justice*, 67; J. Boyle, ‘Natural Law’ in *The New Dictionary of Theology*, 703-707; Calvez & Perrin, *The Church and Social Justice*, 43.
  36. E.E.Y. Hales, *The Catholic Church in the Modern World: A Survey from the French Revolution to the Present* (London: Eyre and Spottiswoode, 1958), 225-226; Gosta Esping-Andersen, *The Three Worlds of Welfare Capitalism* (Cambridge: Polity Press, 1990); Francis G. Castles, ed., *Families of Nations: Patterns of Public Policy in Western Democracies* (Aldershot: Dartmouth, 1993); Kees van Kersbergen, *Social Capitalism: A Study of*

emphasised the principle of subsidiarity, the organic order of society, the fundamental role of the family, and responsibility for one another. Rather than relying on social rights guaranteed by the state, social reform rested upon Christian charity conservatively understood, and the maintenance of right relations between lower social units, voluntary associations, and the state. Generally speaking health and welfare services provided by individuals, families and associations were seen to be superior to those provided by the state as the latter ran the risk of producing a 'servile state'.<sup>37</sup> In other words the 'Catholic world of welfare' preferred reliance on individual initiative and mutual assistance – a 'welfare society' – over the state-guaranteed social rights of a 'welfare state'.<sup>38</sup> The ability to do so was assured by 'a wide distribution of property among all the people through co-operative ownership and shareholding by workers'.<sup>39</sup> Whilst inequalities were inevitable, they were also natural. Their effects were softened by insistence on full employment, the payment of a 'family' wage, and advocacy of 'high levels of social spending to support families',<sup>40</sup> as well as the provision of charity for those unable to provide for themselves. The minimal role for the state envisaged in this approach is consistent with a 'residual' welfare state.<sup>41</sup> It tied assistance to evidence of merit – 'deservingness'. It reduces charity to the level of grudging handout not a demonstration of love of Christ, i.e. charity without justice.

Vatican II's modification of the natural law emphasis and acknowledgement of the structured and interlocking nature of inequality resulted in a stronger emphasis on the common good, solidarity, and a preferential option for the poor. Charity conservatively understood was replaced by the recognition that social justice and amelioration of social inequalities was difficult to address at just the level of the individual.<sup>42</sup> Indeed, the 'institutional' welfare state,<sup>43</sup> which aimed to achieve the fullest development of individuals in harmony with the needs of the community, was

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*Christian Democracy and the Welfare State* (London: Routledge, 1995), 7; Paul Smyth, 'Reclaiming Community? From Welfare Society to Welfare State in Australian Catholic Social Thought', *Australian Journal of Politics and History* 49/1 (2003): 17-30.

37. Esping-Andersen, *Three Worlds of Welfare Capitalism*, 61.

38. Paul Smyth, & M. Wearing, 'After the Welfare State?' in *Economic Governance & Institutional Dynamics*, Stephen Bell ed. (Melbourne: Oxford University Press, 2002): 226-232.

39. Patrick O'Farrell, *The Catholic Church and Community in Australia: A History* (Melbourne: Thomas Nelson, 1977), 386.

40. *Ibid.*, 18.

41. 'There are two "natural" channels through which an individual's needs are properly met: the family and the market economy ... (when these fail) a third mechanism of need fulfillment is brought into play – the social welfare structure. This is conceived as a residual agency, attending primarily to emergency functions, and is expected to withdraw when the regular social structure – the family and the economic system – is again working properly. Because of its residual, temporary, substitute characteristic, social welfare thus conceived often carries the stigma of "dole" or "charity"', Harold L. Wilensky, & Charles N. Lebeaux, *Industrial Society and Social Welfare* (New York: The Free Press, 1965), 138-139.

42. The preference for the 'welfare society' was modified following John XXIII's support for the welfare state and the deliberations of Vatican II.

43. Wilensky & Lebeaux, *Industrial Society*, 138-139.

consistent with the Church's aim to achieve a just distribution of social services. Rather than being an avenue of last resort, the state, then, was recognised as a legitimate source of social support. On this reading the role of the state complements the role of lesser units, i.e. the operation of the principle of subsidiarity is realised in common with the principle of the common good. Moreover, charity coexists with justice. Although mindful of the danger of state dominance it inclines the Church to support government involvement in the provision of health and welfare.

Catholic social teaching, then, has at least two key aspects. The preconciliar interpretation argues for a minimal role for the state in which the role of government is to assist the family and intermediary groups. Government programs that threaten the 'proper' function of the family and intermediary groups, then, meet with Church resistance. Postconciliar teaching, however, inclines the Church to an acceptance of greater state initiative. Indeed, social services provided by the state may assist the Church to achieve her mission and realise the common good. The adoption of either reading, however, is conditioned by context.

### *The Australian Context*

A key aspect of Catholic resistance in the 1940s and 1970s concerned access to hospitals. The failure of mutual aid, voluntary health insurance, and charity resulted in calls for the community to underwrite access. Labor argued this would be best addressed by national universal health schemes. Several features of Australian society, however, influenced Catholic reaction to this increased role of the state.

During the 1940s and 1970s Catholic health care adhered to what Hehir describes as an 'immigrant model of healthcare' – the product of 'the ecclesial impulse to heal, teach and serve', but also of the need to protect and preserve the Catholic community.<sup>44</sup> The establishment of Catholic hospitals, then, was partly informed by a fear that the Catholic community would suffer, if not disintegrate, if it was exposed to outside and hostile influences. Only those institutions under the control of the Church, free from state interference and sectarian influence, would protect the souls of Catholics.<sup>45</sup>

Secondly, the Australian Church, which was closely tied to the working class, supported proposals designed to improve pay and conditions,<sup>46</sup> but this did not extend to support for a dominant state, a stance consistent with the wider Australian population.<sup>47</sup> Rather the Church and the Australian working class, supported the payment of a just wage, the right to manage one's own affairs free from state interference, and a residual safety net – a consequence of efforts to achieve a 'workingman's welfare state', not state collectivism.

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44. J.B. Hehir, 'Identity and Institutions: Catholic Healthcare Providers must refashion their identity as actors and advocates in the world', *Health Progress* 76/8 (1995): 19.

45. *Ibid.*; Smyth, 'Reclaiming Community?', 21-22.

46. James G. Murtagh, *Australia: The Catholic Chapter* (Melbourne: Polding Press, 1969), xix, 93, 120-130.

47. Smyth, 'Reclaiming Community?', 17-30.

Thirdly, the attitude of the Church was not immune to economic and political events. In particular the threat of communism, particularly within industry, shaped relations between the Church and the ALP. The manoeuvres of the clandestine anti-communist Catholic Social Study Movement (CSSM) or 'Movement' led by B.A. Santamaria resulted in the 'Split' that divided the ALP. It also fractured relations between the ALP and the Church, especially in Victoria where Catholic authorities subsequently resisted any policies proposed by the ALP, a situation that persisted well into the nineteen seventies.<sup>48</sup> Moreover, it gave rise to the formation of the quasi-Church Democratic Labor Party (DLP) whose chief purpose was to keep the ALP out of office. As it held the balance of power in the Senate it was able to frustrate the introduction of Medibank.

Fourthly, the different cultures and traditions of the Sydney and Melbourne Churches produced different styles of Catholicism exemplified in the different responses to the 'Split'. Essentially the pragmatic NSW hierarchy, which had over time reached a mutually advantageous accommodation with Labor, argued Church agencies should maintain relations with the ALP, unlike the Victorian hierarchy which favoured resistance.<sup>49</sup>

Finally there was increasing evidence that reliance on voluntary insurance and means tested public provision of health care was not meeting the needs of the population, especially the poorer sections. Consequently there was a push away from a 'welfare society' towards a 'welfare state'.<sup>50</sup> At the same time a change emerged in Catholic thinking – a change exemplified in the pronouncements of John XXIII and Vatican II,<sup>51</sup> although the Australian Church, which was inclined to pragmatism rather than intellectual engagement,<sup>52</sup> was slow to read the signs of the times. Together these factors produced a Church suspicious of the role of the government, which when combined with a preconciliar reading of Church teaching inclined Catholic authorities to an attitude of resistance.

### ***National Health in the 1940s***

The Curtin-Chifley scheme of the 1940s made provision for non-contributory cash benefits, and 'free' public beds in exchange for the abolition of the means test. It formed part of a comprehensive social security cash

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48. Murtagh, *Australia*; O'Farrell, *Catholic Church and Community*; Gerard Henderson, *Mr Santamaria and the Bishops* (Sydney: Hale and Iremonger, 1983); Michael Hogan, *The Sectarian Strand: Religion in Australian History* (Ringwood: Penguin Books, 1987); Duncan, *The Church's Social Teaching* Paul Ormonde, ed., *Santamaria: The Politics of Fear: Critical Reflections* (Richmond, Vic: Spectrum Publications, 2000).

49. O'Farrell, *The Catholic Church and Community in Australia*; Duncan, *Church's Social Teaching*.

50. Smyth & Wearing, 'After the Welfare State?', 226-243; Smyth, 'Reclaiming Community?.'

51. *Pacem in Terris* in *Catholic Social Thought*, 151-154; William McSweeney, *Roman Catholicism: The Search for Relevance*, (New York: St. Martin's Press, 1980), 135-153; Eamon Duffy, *Saints and Sinners: A History of the Popes*, (New Haven: Yale University Press, 1997), 271-283.

52. Murtagh, *Australia*, xi-xviii; Hogan, *Sectarian Strand*, 9; Duncan, *Church's Social Teaching*, v-vi; Michael Hogan, *Australian Catholics: The Social Justice Tradition*, (North Blackburn: Collins Dove, 1993), 10.



benefits scheme that supported Labor's main objective – full employment.<sup>53</sup> Acceptance by Catholic authorities, however, was compromised by the recommendations of the *Sixth Interim Report of the Joint Parliamentary Committee on Social Security*. It reflected the influence of the national hygiene movement, which argued political and economic conditions were the social manifestations of medical causes that could only be reversed by medically controlled scientific courses of treatment delivered through state-subsidised hospitals in urban areas, and a chain of public health laboratories in rural areas, not the payment of cash benefits.<sup>54</sup> Consequently the Joint Parliamentary Committee on Social Security (JPCSS) recommended the standardisation, classification, and regionalisation of hospitals; and greater Commonwealth control.<sup>55</sup> Whilst this amounted to nationalisation it was a consequence of medical paternalism, not socialism. Chifley, however, rejected even this when he marginalised the Committee in favour of traditional Labor practice. Far from seeking the radical re-organisation of the health system the Government sought to remove 'the taint of pauperism by dismantling restrictive means tests, extending access to the public hospital system to all'.<sup>56</sup> Nevertheless the centralisation and bureaucratisation implicit in the scheme, along with the discredited JPCSS recommendations, generated Catholic resistance.<sup>57</sup>

Catholic hospital authorities argued that government wished to reduce Catholic hospitals to the status of 'public utilities';<sup>58</sup> abolish the free market; destroy the relationship between doctor and patient by making both servants of the state; and centralise control over medico-moral issues in a Godless state, fears fanned by what they perceived as lack of consultation.<sup>59</sup> Moreover, the abolition of the means test, which they believed would deny Catholic hospitals the fees necessary to subsidise the care of the poor,<sup>60</sup> threatened the economic survival of Catholic hospitals. The scheme, then, would remove or severely alter the essential character of Catholic hospitals – a character that rested upon

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53. Crichton, *Slowly Taking Control?*, 40-41; Gwendolyn Gray, *Federalism and Health Policy: The Development of Health Systems in Canada and Australia*, (Toronto: University of Toronto Press, 1991), 62; Paul Smyth, 'British and European Influences on the "Australian Way" from the 1980s', *Social Policy & Administration*, 36/4 (2002): 429; Smyth, 'Reclaiming Community?', 17-30; Paul Smyth, *Australian Social Policy: The Keynesian Chapter*, (Kensington NSW: UNSW Press, 1994), 54; Smyth & Wearing, 'After the Welfare State?', 226-243.
54. Claudia Thame, *Health and the State: The Development of Collective Responsibility for Health Care in Australia in the First Half of the Twentieth Century*, (PhD Thesis, Unpublished, 1974), 241, 302, 307; Gillespie, *The Price of Health*, 31-48; Gray, *Federalism and Health Policy*, 60.
55. National Archives of Australia, *Sixth Interim Report from the Joint Parliamentary Committee on Social Security* (1943); National Archives of Australia, *Seventh Interim Report from the Joint Parliamentary Committee on Social Security* (1944); Thame, *ibid.*, 290; Gillespie, *ibid.*, 158-160; Gray, *ibid.*, 68.
56. Gillespie, *ibid.*, 199.
57. *Ibid.*, 182-185.
58. *Ibid.*, 198.
59. N.M. McNally, 'Nationalisation of Medicine in Australia: The Problem in Catholic Hospitals', *The Transactions of the Medical Guild of St Luke Australia*, Series III, No 4 (1943): 68-74.
60. Archives of Archdiocese of Canberra/Goulburn, 'National Health Scheme Catholic Hospitals: ACHA Statement of Evidence to JPCSS': 01, 18/9/44: 77-79.

the expression of charity, protection of the Catholic ethos, and observance of 'right order'. Protection could only be assured by Catholic control. Non-interference by outside bodies, then, was a defining principle justified on the grounds of safeguarding the moral and spiritual status of Catholic health care. Co-operation with Labor was possible, but only if Catholic hospitals retained their independence and autonomy.

Government attempts to nationalise the banks, growing concern over the centralisation of power in Canberra, extension of wartime powers beyond the War, and the growth of communism within the labour movement<sup>61</sup> made it easier to paint Labor's scheme as socialist. However, this obscured the fact that the labour movement and the ALP generally concurred with the dominant principles of self-help and individual responsibility.<sup>62</sup> Whilst some did expound socialist rhetoric, the government was committed to the introduction of a 'free' national health service that addressed the question of inequality through the generation of full employment, not nationalisation of health. Nevertheless the prevailing political and social context when combined with the preconiliar interpretation of Catholic social teaching resulted in the conclusion that it was not in the interest of Catholic hospitals to become 'mere' instruments of the State. Access should be financed by private contribution – voluntary health insurance – and the maintenance of charity for those unable to provide for themselves, a view consistent with preconiliar Catholic social teaching. This arrangement, however, had failed prompting one to question whether the interests of maintaining the independence of Catholic hospitals and corporatist welfare arrangements overshadowed mission.

### *National Health in the 1970s*

Medibank was designed to address uneven protection and poor access to health services – especially among those most in need. It provided universal medical benefits and access to free treatment as a public patient in a public hospital or out-patient clinic. Whilst some members of the ALP advocated the nationalisation of health, the dominant pragmatism of the Party resulted in a scheme that included private and not-for-profit providers, fee-for-service and choice of doctor. Medibank, then, did not nationalise health.<sup>63</sup> The re-introduction of free public care, however, threatened the size and viability of private hospitals if more patients elected to be treated as public patients.<sup>64</sup>

Catholic hospital authorities did not oppose the idea of national universal health as such but the specific programme. In their opinion Medibank's

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61. Sidney Sax, *A Strife of Interests: Politics and Policies in Australian Health Services*, (Sydney: Allen and Unwin, 1984), 58-59.

62. Thame, *Health and the State*, 274-275; M.A. Jones, *The Australian Welfare State: Growth, Crisis and Change* (Sydney: Allen and Unwin, 1983), 37; Gordon W. Ternowetsky, 'The 1938 National Health Insurance and Pensions Legislation: Another view of why it failed' (School of Social Sciences Research Committee, La Trobe University, 1983), Paper No. 66: 13.

63. Sax, *A Strife of Interests*, 79.

64. Gray, *Federalism and Health Policy*, 135; R.B. Scotton, & C.R. Macdonald, *The Making of Medibank*, Australian Studies in Health Service Administration no. 76 (Kensington NSW: School of Health Services Management UNSW, 1993), 26-27.

objective was the economic management of health insurance, which took little or no account of the nature, delivery, and practice of health care. Whilst supportive of access for all, especially the poor,<sup>65</sup> and mindful of the need for rationalisation to remove costly duplication of equipment, facilities and services, they argued rationalisation should not be the ‘dominant and exclusive concern in formulating a national approach to hospital and health services’.<sup>66</sup> Certainly it did not obviate the need for religious and charitable hospitals.

In particular Catholic authorities worried that Medibank threatened both the financial viability of Catholic hospitals, and their freedom to manage and direct their own affairs. Catholic hospitals would be forced, absorbed or incorporated into the public system. ‘It is basically a National Health Insurance Scheme and embodies discrimination and a progressive denial of freedom of choice. There is basically allowed one system of health delivery and would tend to suggest a gradual elimination of Private Hospitals’.<sup>67</sup> Moreover, Catholic hospitals would be obliged to provide the same range of treatments as public hospitals, including abortions and sterilisations, a position that was abhorrent to the Church and clearly antithetical to their ethos. These fears were further fuelled by Medibank’s orientation ‘towards the individual and not the family’,<sup>68</sup> which Catholic authorities argued threatened the security of the family,<sup>69</sup> especially given the centralisation of all medical, personal, and payment details in Canberra. The Government should ‘leave alone those things which are functioning well within the hospital and ... provide support where there is any faltering ... The National Health Insurance Program should not make individuals, families or institutions hostages in a desire for National uniformity’.<sup>70</sup> Clearly this position reflected the principle of subsidiarity. Care provided by the state was a measure of last resort. In effect this conformed to the ‘Catholic world of welfare’.

Whilst the government assured Catholic authorities on several occasions that it did not want to force religious and charitable hospitals into the public system or make them assume a public character,<sup>71</sup> they did not assuage Catholic concern. Certainly, recommendations contained in the *Health Insurance Planning Committee Report (Green Paper)* did give reason for

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65. Archives of the Sisters of Charity of Australia, A502/67: ‘Report of the meeting held at the Mercy Hospital, Melbourne, Thursday 25th October, 1973’.

66. Ibid.

67. Archives of the Little Company of Mary, Province of the Holy Spirit, 02, 1973: ‘Report of meeting on Private Psychiatry and Hospitalisation attended by Fr P. Duffy, S.J., Lecturer in Government, Sydney University, 26th August, 1973’.

68. Archives of the Little Company of Mary, Province of the Holy Spirit, 06, 1973: ‘Notes of a Meeting Convened by the National Executive of the Conference of Major Superiors of Australia to consider the White Paper entitled “National Health Insurance Program”, 23rd November, 1973’: 10.

69. ‘There is a need for devolution of authority to enable barriers to be erected between the Federal Government and the receiver of health care. There needs to be a means to break down the power of the Government purse through the payment of subsidies to various agencies, which in turn would be paid to the recipient of the health care to enable him to meet his costs’. Ibid.

70. Ibid: 10-11.

71. Archives of the Sisters of Charity of Australia, A502/67: ‘Report of the meeting held at the Mercy Hospital, Melbourne, Thursday 25th October, 1973’: 4

some concern, but they were proposals for discussion, not government policy. Indeed, the offending recommendations were addressed in the subsequent White Paper.<sup>72</sup> Nevertheless, Catholic authorities continued to resist the scheme campaigning instead for the survival and independence of religious hospitals; the maintenance of the dual system; freedom of patient choice; and the freedom of religious orders to continue their traditional apostolate to the sick and dying.<sup>73</sup>

In a crucial sense, this belies the complexity of what was actually happening on the ground. The hierarchies in New South Wales and Queensland were not as vehement as Victoria in their opposition.<sup>74</sup> Indeed, John Kelly, the Chairman of the Brisbane Mater Misericordiae Public Hospital, lamented the conflict. The Government's willingness to inject more funds into health and hospital services

placed an obligation on all of us to see that this laudable purpose should be achieved *for the benefit of those who most need it and there can be no question that those who most need it are to be found, not in the single rooms of private hospitals, but in and about the ward and out-patient areas of large over-crowded public hospitals.*<sup>75</sup>

Nevertheless the NSW and Queensland hospitals did not publicly distance themselves from the Victorian Church, which by virtue of her links with the DLP became a significant force in the debate over Medibank.

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72. R.B. Scotton, & C.R. Macdonald, *Medibank Sources: Unpublished Documents Relating to the Establishment of National Health Insurance in Australia*, Research Report No. 5, Centre for Health Program Evaluation Monash University (1995), A731024a, 1: 36.

73. Archives of the Sisters of Charity of Australia, A500/51: 'The National Health Insurance Plan and Religious Hospitals', undated: 1.

74. Whilst NSW and Queensland Catholic hospitals had reservations about the Government's intention to introduce the universal health insurance scheme they were not as perturbed as Victorian Catholic hospitals. Indeed Archbishop Freeman took advice from Monsignor McCosker, a supporter of the scheme and Mother Mary Philomena, the president of the National Council Major Superiors, and Cecil O'Dea, a member of the North Sydney Mater Misericordiae Hospital Board, were inclined to negotiate with the Federal Government. By way of contrast the Victorians Dr. Jim Breheny, Medical Director of the Mercy Maternity and Mercy Private Hospitals, James Gobbo QC, and B.A. Santamaria's close associate, Fr Paul Duffy S.J., opposed any contractual arrangements that might impede the autonomy of Catholic hospitals. This is evident in Dr Breheny's commentary on the *Health Insurance Planning Committee Report* (Archives of the Sisters of Charity of Australia, A500/7), in the deliberations of the *Catholic Hospitals Association (Victoria)* (Archives of the Sisters of Charity of Australia A502.3/5) in which all three assumed leading roles, and *The Australian Association for the Defence of Religious Hospitals*, which published Fr Duffy's damning pamphlet *The National Health Insurance Plan and the Future of Catholic Hospitals* (1973). Indeed after noting a level of support from NSW and Queensland Catholic authorities in diary entries dated from the 19th October 1973 to the 15th November Scotton concluded that the Government 'must isolate Victorian private hospitals – Breheny will not be satisfied with anything' (Scotton Diary, 14/11/73: Unpublished). The removal of the DLP Senators following the 1974 double dissolution election ultimately removed the need for accommodation. Nevertheless the Victorians had frustrated the introduction of Labor's health scheme and done so in spite of the willingness of other sections of the Church to negotiate.

75. Scotton & Macdonald, *Medibank Sources*, A731019c, 1: 36; emphasis in original.

The deep seated antagonism of Victorian Catholic hospitals had its roots in preconiliar Catholic social teaching, but it was also informed by ‘the Split’. They opposed any contractual arrangements that might impede their autonomy. Freedom of choice and non-interference could only be guaranteed by a voluntary system. Moreover, voluntary insurance arrangements had provided their hospitals with Commonwealth benefits and tax concessions, which they believed could be removed or reversed by the Labor program. This in turn would drastically reduce admissions and threaten the viability of Catholic hospitals.<sup>76</sup> Maintenance of a voluntary system, however, was increasingly unfeasible, especially as it had not secured access for around seventeen per cent of the population – mostly low income groups.<sup>77</sup> Still the Victorians, conditioned by pre-Vatican II thinking and the anti-communism of the ‘Movement’, opted for the maintenance of the *status quo*. Only Catholic hospitals under Catholic control would suffice – a position fuelled by fears about loss of control of important economic institutions, a concern that Kelly intimated was antithetical to the mission of Catholic hospitals.

### *Aspects of Catholic Resistance*

The study of the 1940s and 1970s reveal several factors that inclined Catholic authorities to resistance. First, it was predicated on, if not always explicitly stated, the preconiliar teaching that preserved the role of the family and intermediate groups whilst restricting the role of the state. To a large extent this accorded with the historical practice of the Australian labour movement. Secondly, the exaggerated but nonetheless real threat of communism in both the 1940s and 1970s inclined Catholic leaders to the view that the nationalisation of health would impose practices contrary to Catholic moral teaching. Thirdly, the response was informed by the Church’s significant investment in health care.<sup>78</sup> Whilst this may be necessary if the Church is to fulfil her mission, there is a risk that ownership may compromise mission – a risk that even now concerns Catholic health care providers.<sup>79</sup> Indeed a Church worried about the future of her institutions may act to limit the role of the state in order to preserve those institutions. John Coleman SJ warns that ‘like any other institution; Catholic institutions also draw upon a more naked self-interest ... No one should do a purely altruistic reading of institutional churches’ engagement in policy formation’.<sup>80</sup> Fourthly, the fact that Catholic hospitals concentrated their attacks in both periods on documents that were superseded by later material, namely the *Sixth Interim Report of the Joint Parliamentary Committee on Social Security* in the 1940s, and the

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76. Scotton & Macdonald, *The Making of Medibank*, 111.

77. *Ibid.*, 13

78. Australian Catholic Health Care Association, *Response to the National Health Strategy’s Issues Paper No. 2: ‘Hospital Services in Australia. Access and Financing’*, (Canberra: ACHCA, 1991), 7.

79. Gerald Arbuckle, *Healthcare Ministry: Refounding the Mission in Tumultuous Times* (Collegeville: Liturgical Press, 2000), 76.

80. J.A. Coleman, ‘American Catholicism, Catholic Charities U.S.A., and Welfare Reform’, *Journal of Policy History*, 13/1 (2001): 75.

*Health Insurance Planning Committee Report (Green Paper)* in the 1970s, suggests that the Church's response was also ideological. Finally, the Church's response was influenced by the animosity and cultural differences between Sydney and Melbourne. Their different cultures and traditions produced different styles of Catholicism, which ultimately influenced their attitude to the ALP and its policies.

Together these features inclined Catholic authorities to a conservative 'welfare society',<sup>81</sup> a position consistent with a residual welfare state. As Sullivan noted, safety nets stigmatise and further marginalise the poor,<sup>82</sup> a situation not in keeping with the mission of the Church. Moreover, a residual welfare state divides the population into those who can provide for themselves and those who must rely on welfare, and neglects the needs of those on the margins, namely those who earn too much to qualify for assistance but not enough to provide for their own needs. Support for a residual welfare state, then, raises questions about the realisation of the common good. Whilst Catholic authorities were less attracted to an institutional welfare state the introduction of the schemes that satisfied at least the basic requirements for health care had the capacity to contribute to the well being of citizens and society – aims that accorded with the Church's proclaimed mission to the sick, and its commitment to the common good.

### **Conclusion**

Catholic resistance in the 1940s concerned the charitable nature of Catholic hospitals, their independence and autonomy especially in relation to medico-moral matters, and the economic survival of Catholic hospitals. The tone of resistance, however, was not absolute. Catholic authorities declared they could work with Labor's scheme provided Catholic hospitals were guaranteed independence over their own affairs. Resistance in the 1970s, however, was sharper and less accommodating, in part due to the events of the 1950s. Whilst Catholic authorities argued that all, including the poor, should have access to quality health care the evidence reveals a pragmatic preoccupation with the survival of Catholic hospitals, especially private hospitals, as well as concerns about the increasing centralisation of power in the State and the absorption of Catholic hospitals into the public system.<sup>83</sup>

The change in attitude evident in Sullivan's endorsement of Medicare does not discredit earlier responses by the Church, or impute 'unworthy' motives.<sup>84</sup> Nor is Catholic social teaching simply amenable to circumstances. Rather it is conditioned by the world in which the Church operates – an ever-changing world. The reading in the 1940s and 1970s was influenced by relations with what the Church perceived as an antagonistic world whose influence waned over the following years. This article argues that historical

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81. Joan Higgins, *States of Welfare: Comparative Analysis in Social Policy* (Oxford: Basil Blackwell & Martin Robertson, 1981), 74.

82. Sullivan, 'Advocates for a just health system'.

83. Archives of the Sisters of Charity of Australia, A502/67: 1-2.

84. McSweeney, *Roman Catholicism*, xi.

context inclined Catholic authorities to stray from consideration of the entire body of core principles contained in Catholic social teaching. Whilst not arguing that the schemes were without flaws, they did significantly improve access to health care for the poor and vulnerable, a key concern of mission. Nevertheless, Catholic authorities opted for mutual aid and charitable support to build and maintain Catholic hospitals – tangible evidence of success over adversity.<sup>85</sup> Insistence on the principle of subsidiarity, independence, and the maintenance of charitable care conservatively understood in the 1940s and 1970s, then, compromised the common good.

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85. Ibid: 19; Smyth, 'Reclaiming Community?', 21-22.