

Unveiling the

The real secrets of Freemasonry have long remained hidden. Many have attempted to lift back the veil, and most have failed. Yet one area has been largely ignored: the finances of the Brotherhood. *Punch* has obtained unique access to documents which strip away that Masonic veil to reveal a highly organised profit-making organisation.

The rituals which the Brethren perform may be secretive, but the business of Freemasonry, which involves millions of pounds, is even more guarded.

At the end of last year there were 54,000 craft Masons in London, 252,000 elsewhere in Britain, and 30,000 overseas. In the past two years, the craft has lost about 22,000 members, but the business of Freemasonry is still in a healthy state because of this still-large captive market.

The dates of birth, dates of joining, addresses, telephone numbers, and, of course, occupations of Masons are logged and kept on databases. Individual lodges keep meticulous financial records; meeting rooms, dinners, certificates and regalia all cost money. Masons are warned upon joining about the financial burden placed on them. The proposer and second of a prospective candidate are asked to make sure that he is aware of these responsibilities.

A typical craft lodge has between 25 and 40 members. Take the Guildhall School of Music Lodge No. 2454, founded in 1892. In 1997 its income from subscriptions of its 26 members was £1,050. Income from dining fees came to around £1,430. In 1997 the lodge had to pay dues of £554 to Grand Lodge. The hire of lodge meeting rooms came to a further £244. It sounds insignificant, but multiplying those figures by the estimated 8,400 craft

Never mind the handshakes, behind the Brotherhood is a money-making machine even more hush-hush.

Pete Sawyer and Jon Paul Morgan investigate

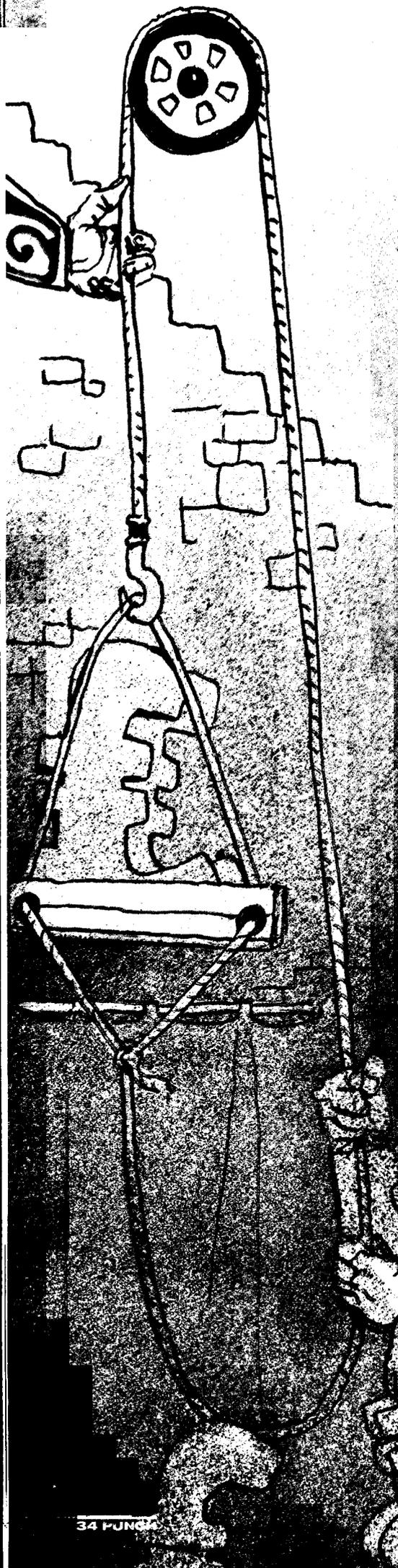
lodges in the UK means a lot of guaranteed income for the United Grand Lodge of England, the main governing body of Freemasons in England and Wales.

Then there are initiation fees, exaltation fees, fees for joining another lodge and fees for the higher degree certificates. On top of that, Brothers are expected to make substantial donations to Masonic charities.

In 1997 receipts from the lodges under the United Grand Lodge's control came to more than £4.5 million. The sale of Masonic books added another £33,000, and the United Grand Lodge's investment portfolio generated another £1.3 million. The payroll came to more than £3 million, and professional fees were more than £64,000.

Last year United Grand Lodge's investments had a market value of around £7.2 million. Its staff pension and life assurance scheme had net assets of over £7 million.

The list of companies in the portfolios reads like a Masonic conspiracy theorist's hit-list. It includes British Energy, BP, Norwich Union, RTZ, Glaxo Wellcome, Zeneca, Unilever and Shell. The United Grand Lodge's investment portfolios are managed by Cazenove Fund Management Ltd, which is owned by stockbrokers, Cazenove & Co. The



secret finances of the Masons

account is handled personally by Bernard Cazenove, 51, a partner of Cazenove & Co.

Historically, Cazenove & Co has Masonic connections. Another partner in the firm, Henry de Lerisson Cazenove, was a 33° Mason, a member of the Holy Empire Chapter No. 600, headed by Prince Michael of Kent, and the Morning Star Chapter No. 33. Henry died in 1991, aged 48, having reached the highest levels of Freemasonry.

Cazenove also manages the funds of the main Masonic charity in the UK, the Grand Charity. Much of the money raised by lodges finds its way to the Grand Charity, which was set up, supposedly, to allow greater emphasis on giving to non-Masonic charities. However, even Prince Michael, the Duke of Kent, has acknowledged that, of the £16 million net expenditure by the major Masonic charities last year, only £1.35 million — just over 8 per cent — went to non-Masonic charities.

In effect the Grand Charity acts as a mutual assurance society. A Brother or his widow facing hardship is entitled to petition the Grand Charity for grants. If the grant is agreed, the cheque is sent on to the Brother's lodge, which acts as trustee. The lodge is instructed to disburse the money in "gifts" of irregular amounts and on irregular days. This stops the money being regarded as income by the Inland Revenue or Department of Social Security. Last year the Grand Charity paid out £2.1 million to 1,562 Masonic petitioners.

Other degrees of Masonry have their own administrative bodies which also charge fees.

Many are administered by the Chancery of the Orders at Mark Mason's Hall in St James. The Grand Lodge of Mark Master Masons has its own catering company, which had a turnover of around £800,000 last year. The Hall charged a management fee of £60,000.

The higher degrees are controlled by the Supreme Council 33° nearby. Its financial affairs are much harder to penetrate. A dormant company, Ten Duke Street Ltd, holds the absolute title to the Supreme Council's property and assets "on trust". Through the company, the Supreme Council has obtained a loan from Clydesdale Bank, based in Glasgow. We have no idea how much the loan is for, or for what purpose. There are no accounts filed.

The directors of the company are all very senior Masons. They include Lord Swansea, Jeremy Pemberton, Richard Sandbach, Philip Mann, Robin McGarel-Groves, Michael Morgan, Richard Tydeman and Sir James Stubbs, who was the Grand Secretary of the United Grand Lodge for 22 years. Their average age is 79. The company secretary is James Daniel, the present Grand Secretary of the United Grand Lodge.

All are members of the elite and highly secretive Morning Star Chapter No. 33, which has a warrant allowing it to transfer quickly from one headquarters to another, if and when necessary. Why such a warrant is needed in peacetime is a mystery.

For many years Richard Sandbach ran Grand Lodge's Masonic publishing business, QC Correspondence Circle Ltd. Two years ago

he stepped down and was replaced by Robert Gilbert, a bookseller from Bristol.

Although all the businesses we examined appear to be run by Masons for Masons, it is unclear to what extent their suppliers are Masonic. However, we have uncovered evidence that, despite claims to the contrary, some top Masons are intent on favouring other Masonic-led commercial organisations.

Last year, when James Daniel, the then Grand Secretary General of the Supreme Council 33°, was approached by an insurer, Aon Risk Services, offering terrorism cover, an internal debate raged. Daniel had pointed out to his financial assistant at Duke Street, Nigel Banks, that William Gloyne, the chairman of Aon's commercial property division, was a Brother. He asked Banks to find out how much the Supreme Council's present insurers were charging.

Banks expressed concern. He told Daniel: "Should we, in the present climate, change to a company of which the chairman is a Brother. Could he be deemed to be gaining an unfair advantage, however fairly competitive Gloyne's company may be?" Daniel told Banks: "We are not going to blacklist 'Masonic' suppliers."

Whether Aon get the contract remains to be seen. It is up for renewal next month. Daniel has now moved on to become Grand Secretary of the United Grand Lodge of England, replacing Commander Michael Higham, ousted after senior Masons grew unhappy with his policy of greater openness.

Expectation of favours in business is a practice confirmed at grass-roots level. Although the rules forbid it, one Mason told us that using Masonic connections to further your own interests is acceptable and widespread, as long as you do it discreetly. It is a sleight of hand in which the "profane" — the public — are the paying audience. □

ILLUSTRATION BY STEVE O'BRIEN

