British Columbia, with its economy so largely based on primary product industries, was stung hard by the depression of the 1930s. Per-capita income, which in 1928-29 had been the highest in Canada, had by 1933 fallen drastically from $594 per year to $314. By the middle of 1931, 27.45 percent of male wage earners were out of work, the highest unemployment rate of any province in the country. As in the past, British Columbia's relatively mild climate acted as a magnet for the unemployed; consequently, the problem of transients was greater in the province than anywhere else in Canada during the depression.¹

These circumstances brought into sharp focus the question of medical services for indigents, particularly for unemployment relief recipients, in the province during the early 1930s. None of the annual federal Unemployment Relief Acts from 1930 on included medical costs in the "allowed" items for approved grants-in-aid to provinces for unemployment relief. Provinces and municipalities were forced, as a result, to fashion and pay for their own medical relief systems. Beginning in 1931 the British Columbia provincial government made special grants to the city of Vancouver (later extended to other municipalities) to pay physicians for attending medical relief cases.² Doctors were on the whole unhappy with the system — refusing in August 1933, for example, to work except in emergencies in the out-patient clinic of Vancouver General Hospital — since the rates of remuneration were considerably less than what the profession considered acceptable.³

The question of how best to pay for medical care within the crisis context of the 1930s stoked up considerable interest in health insurance as at

least a partial solution. While there are now several good accounts of the British Columbia health insurance dispute of the 1930s, the emphasis has been largely on the role of the medical profession; this article examines the other side of the coin, the role of the health insurance plan’s chief architect and promoter, Harry Cassidy.⁴

In September 1934, Harry Morris Cassidy (1900-1951) arrived in Victoria, British Columbia, to take up his new responsibilities as the province’s first director of social welfare. Since 1929 Cassidy, who had a Ph.D. in economics from the Robert Brookings Graduate School of Economics and Government in Washington, D.C., had been an assistant professor in the department of social science (social work) at the University of Toronto, where he had quickly established a reputation as a first-rate social investigator on questions of unemployment, housing, and labour conditions in the men’s clothing trade.⁵ One of Cassidy’s major tasks as director of social welfare was to design and implement a plan of state health insurance for the province. As the first civil servant in Canada to undertake such an assignment, Cassidy was to find that health insurance was a difficult form of social insurance to implement.

Although there had been considerable discussion for a number of years in British Columbia on the desirability of health insurance (including the positive recommendations of two provincial royal commissions), Cassidy’s work on the issue carried him and the government into unmapped regions. Ultimately the province’s doctors mounted a sustained campaign of opposition to the Cassidy health insurance plan that resulted in a number of bitter confrontations and in public health insurance being scrapped for the duration of the 1930s. Had the plan been put into operation in 1937, it would have been North America’s first scheme of state health insurance. Although Cassidy’s relations with the British Columbia medical profession began amicably enough in 1934 they soon widened into a visible breach. At the heart of their disagreement was a fundamental divergence in outlook over the role of the state in Canadian society. Cassidy was a member of the new breed of social scientists in Canada who, during the 1930s,


expressed the need for a vastly expanded state, managed by professional experts such as himself, that would promote progressive social and economic reform. The medical profession was concerned almost exclusively with individual income and professional autonomy outside the embrace of the state.

During Cassidy's lifetime there was an enormous expansion in the role of the state in Canada that was accompanied by the movement of large numbers of activist intellectuals into positions of influence in the provincial and federal bureaucracies. Largely trained in the social sciences, this new group of academic experts promoted a "new interventionist liberalism that rested on a socio-mechanistic view of the state." As a Canadian social welfare reformer, and a member of the "new reform élite" of the 1930s, Cassidy was intellectually indebted to notions of social engineering, technocratic social reform, social planning, managerial efficiency, scientific empiricism, the positive state, and professional and administrative expertise that had been percolating through the Canadian social science community since the early years of the twentieth century.

Cassidy's decision in the spring of 1934 "to leave a comfortable and pleasant University position" and to return to his native province as a civil servant had its origins in the British Columbia provincial election of November 1933. By 1933 Simon Fraser Tolmie's Conservative Party, which had been in power since 1928, was a spent force, unable to deal with the province's overwhelming financial problems springing out of the Depression. As Cassidy observed a number of years later, "progressive British Columbia was shocked" by the "'sound finance,' 'belt-tightening,' 'retrenchment' and 'patience until natural economic recovery'" policies of the provincial Conservative Party. These were not, Cassidy wrote, "precepts to satisfy a vigorous and intelligent people."

On the other hand, the Liberal Party of British Columbia, reinvigorated under the aggressive leadership of T. Dufferin Pattullo, offered what it termed a "New Deal" to the voters of the West Coast. The Liberals' slogan during the 1933 election campaign was "work and wages"; election

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7 University of Toronto Archives, H. M. Cassidy Papers (B72-022), Box 61, Cassidy to A. W. Laver, 20 September 1934. In all subsequent references, the Cassidy Papers are referred to as CP.
promises included economic development, health insurance, educational reform, the expansion of the social services, and the stabilization of provincial and municipal finances. As a “new liberal,” Pattullo maintained that there was a need for an economic council of experts and technocrats who could direct state economic and social planning. Further, Pattullo argued, what was urgently needed was a “socialized capitalism” which, while maintaining individual initiative and ownership, would at the same time use state intervention to benefit everyone in society.10

The position of director of social welfare to which Cassidy was appointed was a new one, created by the reform-oriented Pattullo government. In 1934, British Columbia’s social services were divided among three jurisdictions: the Departments of Labour, Education, and the Provincial Secretary. Historically, most of the health and welfare services in the province had been concentrated under the Provincial Secretary, and it was to this minister, George M. Weir, that Cassidy was responsible. Before the election Weir had been head of the Department of Education at the University of British Columbia, and he held the Education and Provincial Secretary portfolios in the new government. Cassidy described him as a person who “was well known throughout Western Canada as an able teacher and educational leader who held progressive views not only on his own subject but also on social questions in general.”11 Weir was regarded by the reform elements in the Liberal Party as the person “who would provide British Columbia with a modern system of welfare services, and pave the way in Canada for the introduction of social security legislation.”12 Weir’s involvement in Pattullo’s government was for Cassidy “one of the chief guarantees offered to the electorate that the party was really committed to a policy of reform.” Cassidy’s social philosophy was similar to Pattullo’s and Weir’s, and it is not surprising that he was attracted by the opportunity in 1934 to put some of his developing ideas on social welfare and social reform into practice on the west coast. “Clearly the time


had come,” Cassidy remarked, “for a provincial government to turn from the easy-going frontier politics of roads and bridges and construction contracts and patronage and the spoils of office to the politics of social welfare in order to retain the confidence of the people.”

In May 1934 Weir and Pattullo met to tackle the questions of reorganizing the province’s social services and of moving forward rapidly with their election promise for state health insurance. Weir, who knew of Cassidy’s reputation “as the ablest authority in Ontario on social problems” advanced his name as a good bet for the new position of director of social welfare. Pattullo wanted assurances, which were duly provided by Weir, that Cassidy was “not a member of the CCF and did not attend the Regina convention.” Although this was strictly correct, Weir, if he knew, did not report to the Premier that Cassidy had been a member of the Ontario CCF (he resigned in 1933 because of pressure at the University of Toronto), was still a member of the League for Social Reconstruction, and had helped Frank Underhill draft the 1933 Regina manifesto. In fact, Cassidy had made important changes to Underhill’s original section of the manifesto that dealt with state medicine, which Cassidy had suggested be changed to read “socialized health services.” Shortly after the July 1933 CCF convention where the Regina manifesto was adopted, J. S. Woodsworth wrote to Underhill commenting that “we cannot be too grateful to you and Cassidy for the manifesto.” During his meeting with the Premier, Weir, while admitting that Cassidy was “inclined to be radical in economic views,” at the same time pointed out that he had a reputation for being “honourable and loyal.” Whatever misgivings the Premier had, and he would have many over the next several years, were laid aside as Cassidy did seem to be the one person in Canada who by 1934 was a recognized expert on social welfare. Cassidy was offered and accepted the position at an annual salary of $5,400.

Cassidy waded into his new responsibilities in B.C. in the fall of 1934 with his customary exuberant enthusiasm. In his position as director of social welfare Cassidy was to share general jurisdiction with the deputy provincial secretary, Paschal de Noe Walker, over the health and welfare services of the department; Cassidy’s primary responsibilities were to deal

13 Cassidy, Public Health and Welfare Reorganization, 64.

specifically with problems of reorganization, planning, and coordination, “while the flow of ordinary administrative work continued to go through the deputy’s office.”

From the beginning Cassidy recognized that the reorganization of British Columbia’s health and welfare services and the design and implementation of health insurance posed a formidable challenge. Nevertheless, he began his work on an optimistic note and was convinced, he told a number of friends, that British Columbia would move ahead rapidly in the development of its health and welfare services. George Weir too was excited at having Cassidy in his new position: “I feel that a new epoch in the social history of British Columbia is about to open,” he told his director of social welfare.

Before they took up residence in Victoria, Cassidy and his wife spent July and August of 1934 in England and Europe, with the idea of studying the British social services and the International Labour Organization in Geneva. Throwing himself into his work with single-minded determination, Cassidy reported to George Weir that he had interviewed about thirty people involved with the British social services, had visited a number of social welfare institutions, and had collected a great many government reports and private publications. By the middle of August 1934, he was admitting to Weir that “quite frankly I have seen so much and been told so many things that my head is rather in a whirl with the whole business.”

Most of Cassidy’s time in England, however, was taken up with looking into the operation of the British system of health insurance, since he desperately needed some basis to begin designing the plan for B.C. By the 1930s the British system, in operation since 1911, was in a somewhat ramshackle state and Cassidy was forced to the conclusion, as he told Weir, that “it is pretty clear that certain characteristics of the English system [of health insurance] are not desirable for the Canadian provinces.” For one thing, there would be no need to use Approved Societies in Canada; in fact, the officials at the British Ministry of Health had told Cassidy “that if they were starting their system afresh they would not turn over the administration to Approved Societies.” Cassidy had other advice for Weir:

Several very able and well-informed men have expressed quite strongly to me their view that if we can possibly do it, we should work out first the Public Medical Service, building up from the Public Medical Service already carried on by the Municipalities. They point out that in Great Britain there is a

16 CP, Box 61, Cassidy to A. W. Laver, 20 September 1934. CP, Box 65, G. M. Weir to Cassidy, 14 September 1934.
serious gap between the Public Health work done by the local authorities on the one hand, and the medical service provided under the National Health Insurance on the other hand. That, they consider, is one of the greatest weaknesses of the British system, and they think that we would do wisely to avoid what is in effect a dual system of Public Medical Service.\(^\text{17}\)

One of the first steps which the Liberal government took after its November 1933 election victory was to canvass the British Columbia medical profession to determine what degree of support for health insurance could be expected from that quarter. Four hundred replies were received; only 10 percent of the doctors expressed opposition at this time. Cassidy was heartened to find that such preparatory work already had been done by the time he arrived in Victoria, and that it was expected that plans would go ahead immediately to implement health insurance.\(^\text{18}\) Soon after he arrived in the fall of 1934, the decision was made to start work on a draft health insurance bill that could be presented to the legislature early the following year. It was at this point that Cassidy became actively involved.

Cassidy was determined that the draft bill be basically acceptable to the medical profession. At the annual meeting of the Canadian Medical Association (CMA), held in Calgary in 1934, the association’s Committee on Economics had presented a statement of principles relating to health insurance.\(^\text{19}\) Subsequently, Cassidy put a number of questions to the Health Insurance Committee of the College of Physicians and Surgeons of British Columbia, including the following: “Does the Committee accept the statement of principles to be incorporated in a health insurance system in Canada as laid down by the Committee on Economics ... in 1934?” The college replied in the affirmative. Cassidy then asked the college to appoint a representative to assist in drafting the legislation; Dr. Grant Fleming, Director of the Department of Public Health and Preventive Medicine at McGill University, and secretary of the CMA’s Committee

\(^{17}\) CP, Box 61, Cassidy to G. M. Weir, 15 August 1934. For a discussion of public health and health insurance policy in Britain during these years, see Bentley B. Gilbert, *British Social Policy, 1914-1939* (Ithaca, New York: Cornell University Press, 1970), chaps. 3, 6. Approved Societies were created by Lloyd George in 1911 to administer the new plan of state health insurance, which was compulsory. As Derek Fraser notes, “the state was compelling its citizens to provide insurance for themselves rather than providing simple state medicine and sickness benefits.” See Derek Fraser, *The Evolution of the British Welfare State* (London: The Macmillan Press Ltd., 1973), 154.

\(^{18}\) CP, Box 61, Cassidy to H. S. Hunter, 19 September 1934; Cassidy to Dr. F. Boudreau, 19 September 1934.

\(^{19}\) See Naylor, *Private Practice, Public Payment* for a discussion of the 1934 CMA report on health insurance, 68-70.
on Economics, was the chosen representative. Fleming later reported that the Health Insurance Committee of the College of Physicians and Surgeons of British Columbia instructed him, at the outset, to “try to secure in the proposed legislation the principles set forth by the C.M.A. and to accept a sum of approximately $3.50 per capita for general practitioner services.”

Always concerned with efficient administration, Cassidy also immediately turned his attention to the problem of finding a chief administrator for the health insurance scheme. Allon Peebles, his old friend from pre-university days in British Columbia, was the person Cassidy favoured. Peebles had a Ph.D. in economics, had worked with a committee in the United States on the costs of medical care, and currently was employed by Northern Life Assurance Company of Canada in London, Ontario. Cassidy felt that Peebles had considerable administrative skills and that he got along well with other people. “It is particularly important,” Cassidy explained, “that we should have a lay person rather than a medical man in charge of our scheme, but he must be a person who could gain the confidence and cooperation of the medical profession.” The fact that Peebles was a native of British Columbia also was in his favour. “There is a very strong attitude of provincialism here at the present time,” Cassidy told a friend, “which makes it politically quite expedient to appoint only native sons to any kind of Government job at all.” As evidence of that, Cassidy remarked that “the Government was able to ballyhoo my appointment to quite an extent with the yarn about a home boy coming home.”

Over the next few months, Cassidy and Peebles corresponded frequently about the possibility of Peebles coming to British Columbia. In the meantime, Cassidy invited Peebles, and another acquaintance, Hubert Kemp, an economist at the University of Toronto, to send him an outline of a comprehensive plan of health insurance.

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20 Taylor, “Saskatchewan Hospital Services Plan,” 23, 24. In 1938, Grant Fleming, along with C. F. Blackler and Leonard Marsh, published Health and Unemployment: Some Studies of Their Relationships (Oxford University Press), which was, perhaps, the first book in Canada to examine thoroughly the socio-economic aspects of medicine. The authors concluded that there was a direct relationship “between the employment status of individuals, families or communities, and the prevalence and duration of illness,” and that, “if medical care is a contingency left to each individual to secure as best he can it becomes a function of the distribution of wealth” (3, 216).


22 CP, Box 61, Cassidy to L. W. Jones, 19 September 1934.
In December 1934, George Weir, who had overall responsibility for planning and co-ordinating the introduction of health insurance, travelled to Ottawa and Toronto to gather further information that could hasten the implementation of the scheme. In Ottawa, Weir spent a great deal of time working with actuaries and statisticians on financial concerns regarding health insurance. His deliberations put him in an optimistic frame of mind. “We are developing an economically and socially sound system that can be gradually introduced and which if successful, will make history for the Pattullo Government,” Weir told the Premier. “Ten or fifteen years from now what we are aiming to do in B.C. today will be regarded as a commonplace.” In Toronto, Weir continued his discussions with insurance experts such as P. B. Alley of the Canadian Imperial Bank of Commerce, and with others whom he described as two of President Roosevelt’s “ablest public health men.” Back in British Columbia, the Victoria Times argued, in a 1934 Christmas Eve editorial, that “State Health Insurance is not merely good social policy but also good business.”

Despite the favourable beginning, there were clearly some ripples of dissent, which Weir became aware of as he travelled in the East. “On reaching Toronto,” Weir informed Pattullo, “I received a sheaf of letters mostly to the effect that certain powerful influences in the Cabinet were strongly opposed to the early introduction of Health Insurance. I do not know who has been talking, but apparently some one has been rather garrulous. Any measure of such importance must be sane, economic, financially possible... and soundly in the public interest. There is nothing personal in such a measure. It must stand or fall on its own merits.” Weir was shocked, he informed Pattullo, about “one grotesque suggestion,” made before he had left Victoria for his trip east, that could “be discarded at once”: to bring forward a health insurance bill, give it first reading, and then let it die. Weir was adamant that he would “take no part in delivering still-born offspring — or other abortions!” He was certain that the bill he had in mind would “commend itself from practically every angle to any reasonable-minded man.” Unable to foresee the rough road that lay ahead for health insurance, Weir remained confident that “the Cabinet, medical profession and the public will appreciate its essential soundness and the public benefits involved.”

During January and February 1935, Cassidy devoted most of his time to the preparation of the draft bill on health insurance. He received

23 PP, vol. 67, folder 6, Weir to Pattullo, 3 December 1934.
24 Victoria Times, 24 December 1934.
25 PP, vol. 67, folder 6, Weir to Pattullo, 6 December 1934.
assistance from Henry Angus, his former economics teacher at the University of British Columbia, as well as from Fleming, Kemp, and Peebles.26 At this time he also informed Peebles that George Weir, who had met Peebles while on his trip to the east, had been favourably impressed with him, and that Weir was seriously considering asking Peebles to come to British Columbia, if and when the health insurance scheme went through. Cassidy was enthusiastic: “I am delighted with the prospect, for, as you know, if the plan that we have in mind at present works out we shall both be members of the health insurance commission. I think that we should be able to work together quite harmoniously, and that we should have a grand time in working out the administration of a fairly good scheme.” However, Cassidy cautioned, the situation was by no means entirely clear at this time. R. B. Bennett’s recent “New Deal” broadcasts, in which he had startled his listeners with his widespread proposals for social reform, had left British Columbia and the other provinces in an uncertain position with regard to social insurance legislation. “It is unlikely that the policy will be decided upon definitely here,” Cassidy commented, “until we know exactly what Ottawa is going to do.”27

Several weeks later, Cassidy informed an increasingly anxious Peebles that health insurance legislation was unlikely to be passed at the current session of the legislature. Premier Pattullo had announced that the government did not intend to proceed immediately with a final bill; the Bennett announcements had created too much uncertainty. Cassidy added, however, that Pattullo had reaffirmed his party’s commitment to the principle of health insurance, “and stated that there would be further preparatory work and detailed discussion of the plan during the coming year.” In further trying to reassure Peebles, Cassidy wrote: “It is perfectly clear that big social insurance schemes lie immediately ahead, and that these will create a considerable demand for the services of people with training such as you have had.” Cassidy also warned Peebles “that the life of a civil servant of British Columbia, and particularly of the civil servant who moves from the university world into Dr. Weir’s service, has a certain element of insecurity and uncertainty”:

26 CP, Box 61, Cassidy to Allon Peebles, 18 January, 12 February 1935.
As you may imagine, the old time politicians are not too friendly to Dr. Weir's kind or to his new and progressive ideas. The battle has by no means been won either for the new men or the new ideas. I think myself that there is a good chance of its being won in British Columbia and I think that it is worthwhile to work with Dr. Weir in the process. Therefore, I hope very much that you will come to British Columbia if you are invited to do so for I think that you will find the game worthwhile. But I do want to tell you frankly that there are some risks in it.28

Even though Pattullo was not planning to introduce a final version of health insurance to British Columbia in 1935, it was his intention still to introduce to the legislature the draft bill that Cassidy and his colleagues had been preparing. In February 1935, Cassidy confidently informed Dr. F. G. Boudreau of the Health Section of the League of Nations that the province's draft bill on health insurance, the first of its kind in Canada, would “play a part in deciding health insurance policy in Canada whether actual legislation comes first in British Columbia or in the Dominion.”29 On 22 March 1935 George Weir tabled in the British Columbia legislature “A Plan of Health Insurance for British Columbia 1935,” which consisted of an actual draft bill accompanied by a lengthy explanatory memorandum. Weir informed the House that the draft bill was intended to provide a focus for discussion by all interested parties, “including members of the Legislature, employers and employees, the professions concerned, and the general public.” He anticipated that “all phases of the proposed plan [could] be fully canvassed” over the next six or eight months, with the result that a health insurance plan could be formulated for adoption at the next session of the legislature.30

In preparing the draft bill, Cassidy and his colleagues had concluded “that the present economic arrangements for providing medical care for the mass of the population . . . [were] thoroughly unsatisfactory.” The existing system, whereby each person bought his or her own medical service, no longer worked. It was only because many doctors had been willing to provide “a vast amount of free service,” and because the state had underwritten hospital deficits, “that the system . . . [had] not broken down completely long since.” Cassidy and the other architects of the plan provided assurances that the proposed bill was based on the “extensive

28 CP, Box 64, Allon Peebles to Cassidy, 7 February 1935; Box 61, Cassidy to Allon Peebles, 12 February 1935.
29 CP, Box 61, Cassidy to Dr. F. G. Boudreau, 8 February 1935.
30 G. M. Weir, Foreword to Department of the Provincial Secretary, A Plan of Health Insurance for British Columbia (Victoria: King's Printer, 1935). Copy in Public Archives of British Columbia, Record Group #391, folder 4.
study of the best modern thought upon the subject as well as upon consider-
ration of the experience of other countries with health insurance.” In
preparing the draft, Cassidy had drawn on the advice of Canadian, British,
and American experts in health insurance; as well, information had been
obtained from the social insurance section of the International Labour
Office in Geneva. Estimates of probable costs had been obtained from
Canadian actuaries and statisticians, and medical advice had been sought
from the Committee on Economics of the Canadian Medical Association
and from the medical profession in British Columbia.\(^{31}\)

The comprehensive draft plan of health insurance proposed that the
following persons be insured: (i) employees earning $200 per month or
less and their dependants (this would be compulsory); (ii) other persons
earning $200 per month or less and their dependants, who joined the
scheme voluntarily; (iii) farmers and their families, who could be insured
through arrangements made with those rural municipalities which joined
the scheme voluntarily; and (iv) indigent persons (those drawing un-
employment relief, etc.) and their dependants. Health insurance would
be financed through weekly or monthly contributions by both employees
and employers; employees would contribute not more than 3 percent of
their wages, and employers not more than 2 percent of their payrolls.
Voluntary contributors would pay sufficient contributions to cover the
total cost of their medical benefits. The provincial government would
make contributions to cover the cost of providing medical benefits for
indigents, and to cover half the costs of administering the whole plan;
however, it was stipulated that the provincial contributions would not
exceed $1,200,000 in any one year. Medical benefits to be provided under
the act included, for every insured person: (i) general medical practi-
tioner services, including maternity care; (ii) hospital services, including
twenty-one days of free public ward care and 75 percent of the cost of
care for an additional period, not to exceed ten weeks; (iii) the services
of medical specialists; (iv) drugs, and medical, surgical, and optical
supplies, although insured persons might be required to pay not more than
one-quarter of these costs; (v) laboratory services; (vi) limited home
nursing service; and (vii) limited dental services, primarily of a preventive
nature. Provision was also made for cash benefits to be paid to those who
had been forced to give up their work as a result of sickness; the benefits
would be one-half of ordinary wages, not to exceed ten dollars per week,
for a period not to exceed twenty-six weeks. Medical services would be
provided by doctors in private practice. The methods and rates of remu-

\(^{31}\) Ibid., 7, 8.
neration would be worked out with doctors and with other agencies providing health services; however, the rates to be paid for indigent persons would be only one-half of the regular rates.

The health insurance act would be administered by a commission of five persons: the director of social welfare (chairman), the provincial health officer, the chairman of the Workmen’s Compensation Board, the administrator of health insurance, and the director of medical services. They would be assisted by a central advisory board of fourteen persons and by an appeal board of three members. The Minister of Finance would be the custodian of the health insurance fund and would oversee all financial arrangements by the commission. The Minister of Finance in the Pattullo government was John Hart. As Cassidy was well aware, he was not known for his progressive views; in fact, he was “frankly conservative.” Hart had been assigned the task of cleaning up “the tangled financial affairs of the province” and of finding the money for the social reform thrust of the Liberal government. He was in a strategic position, for, as Cassidy noted, “without his collaboration social reform could not go very far.” Hart’s social philosophy and policies turned out to be a barrier to the extension of public services generally, since “he was a ‘sound money’ man who would not agree to anything that would interfere seriously with the balancing of the budget and the re-establishment of provincial credit with the financial houses of Montreal and New York.”

The question of payments for indigents at one-half the regular rates proved, in the months to come, to be a major sticking point. Throughout the early years of the depression, the incomes of British Columbia’s doctors fell dramatically. A study carried out by the British Columbia Medical Association showed, for example, that general practitioners’ net incomes in Vancouver fell from an average annual rate of $3,742 in 1929 to $2,361 in 1933; specialists’ incomes suffered an even bigger drop: from $6,025 in 1929 to $3,848 in 1933. In Victoria and the rest of the province it was much the same story: doctors were being required to handle an increasing number of “charity” cases of those on public relief and were increasingly unhappy with the arrangement.

Sprinkled throughout the pages of the chief organ of the British Columbia Medical Association, the Bulletin of the Vancouver Medical Association, in the 1930s were complaints about the non-remunerative care of the

32 Ibid., 8-12.
33 Cassidy, Public Health and Welfare Reorganization, 64, 65.
34 British Columbia Medical Association Papers, file, “Miscellaneous,” “Study of Incomes re British Columbia Physicians.”
poor; an editorial in the February 1933 issue was typical in complaining that "our generosity and idealism are being exploited and abused." In August 1933 doctors at the Vancouver General Hospital collectively agreed to refuse any relief cases except in emergency situations unless the city made adequate financial provisions; somewhat later some increased funds were made available by the municipality, but only to the extent of 25 percent of what doctors had been requesting. For doctors looking to health insurance as a way out of the impasse, the March 1935 draft bill offering half-rates for indigents simply did not go far enough.\textsuperscript{35}

Cassidy spoke about the British Columbia plan of health insurance at the 1935 National Conference of Social Work, held in Montreal. As well as outlining the main provisions of the plan, he offered his own assessment of the scheme. On the question of the provision of cash benefits, which proved to be controversial and would ultimately be dropped in the bill's final version, Cassidy argued that the inclusion of a cash benefit was necessary for two reasons: first, there was a need for benefits to replace wages when workers were ill, and it was unlikely that any other social insurance source would fulfil the need in the immediate future; second, cash benefits appealed to Labour, whose support was essential for the implementation of health insurance. Cassidy told his audience of social workers that the coming of health insurance would, in all likelihood, increase doctors' incomes by 75 percent or more; he was optimistic, therefore, that doctors would accept health insurance. As well, he maintained that, in essence, the British Columbia plan was an attempt to combine in one programme three types of social medicine: "The first of these is European health insurance designed for workers in urban industry. The second is public medical services for the indigent. . . . The third is public medical service in rural communities, which has had a good deal of practical application in Western Canada under the title of the 'municipal doctor system.' \textsuperscript{36}

While publicly Cassidy was expressing optimism about the medical profession's reaction, privately he had some serious reservations. Writing to Allon Peebles at the end of May 1935 to congratulate him on his recent appointment as technical advisor on health insurance for British Columbia, he commented:

\textit{We have a real battle ahead of us in getting through a health insurance bill that is reasonably satisfactory. Don't be under any illusions that the battle has}

\textsuperscript{35} Naylor, \textit{Private Practice, Public Payment}, 62.

been won as yet. A Committee is to be formed as soon as possible to hold public hearings on the draft bill and to receive suggestions and comments from all interested persons. Many of the suggestions will be valueless but they will indicate how we must trim our sails to public opinion and to the feelings of different groups. The doctors have begun to howl and I am a little worried about the reaction which comes from a number of them. I can assure you that we shall have our fun with them as well as with other people.  

In late May 1935, Cassidy held an evening meeting at the Vancouver General Hospital to allay doctors' concerns about the draft health insurance bill that had been simmering away since its introduction several months earlier. Following the meeting, Cassidy had a growing sense of unease that the doctors were far from convinced of the bill's merits; consequently, he set out in a letter to Vancouver doctor John E. Walker some further points that he hoped would answer a number of the physicians' reservations. Cassidy gave categorical assurances that under the plan remuneration for medical practitioners would increase considerably to an average annual gross income of $5,500 or a net income of $3,500; this, Cassidy hastened to point out, was at least $1,500 more than the current average net income. Cassidy brushed aside doctors' fears that payment for indigents would not be at a reasonable level under the plan and assured them that changes to the bill would be made if legitimate criticism was forthcoming.

Cassidy had a propensity to lecture his opponents and the occasion of his letter to Dr. Walker was no exception. There was one point, Cassidy suggested to Walker, that was not made at the meeting at the hospital: "the point in question is, to use Bentham's well-worn phrase, 'the greatest good of the greatest number.'" The public interest, Cassidy argued, rather than private monetary interest must come first; he expressed disappointment that the doctors at the meeting had overlooked this crucial factor. "Fair and even generous treatment" for the doctors was possible, Cassidy maintained, "at the same time that an enlightened and progressive and humane program of protecting the health of the people of British Columbia is put into effect."

At the end of July 1935, George Weir, as he had promised in March, appointed a committee to conduct public hearings on the draft insurance bill; its mandate was to obtain from interested individuals and organiza-

37 CP, Box 61, Cassidy to Allon Peebles, 30 May 1935.

38 British Columbia Medical Association Papers, file “Correspondence with the B.C. Government and Publications and Speeches Coming from Them,” Cassidy to Dr. John E. Walker, 25 May 1935.

39 Ibid.
tions their criticisms and suggestions for improvement and revision. While the policy of inaugurating health insurance was not in question, further thought was required on the best way to frame and present the scheme. Allon Peebles was appointed chairman; Cassidy was to be a consultant to the committee. Since his arrival in British Columbia that spring, Peebles had been active in speaking to various groups in the province about the merits of the proposed health insurance plan. The group that was most concerned about health insurance was, of course, the medical profession, and by September 1935 doctors were becoming increasingly vocal in their opposition to the draft health insurance plan. Addressing the annual banquet of the British Columbia Medical Association in Vancouver, Dr. J. C. Meakins, a professor of medicine at McGill University and President of the CMA, exhorted his listeners to "stand together — shoulder to shoulder — man to man — defend our rights. We are attacked by a common front of political enmity. The game of politics consists of ruthless paraphrasing and taking advantage of other men. We are the last bulwark of society to go down. Now they are trying to pick us off and make us serve their selfish financial ends." Meakins concluded his harangue by calling for a federal royal commission to make a coast-to-coast investigation of the whole matter. Many prominent West-Coast doctors, Canadian and American, heartily endorsed Meakins' stand. George Weir was quick to challenge Meakins' purple prose; while he agreed that the draft plan should be revised and simplified to reduce its benefits and costs, he pointed out that the government's poll of British Columbia doctors had indicated that 75 percent were in favour of health insurance. Weir also released a letter from Dr. Alfred Cox, former secretary to the British Medical Association, which praised the long-established British system of health insurance.  

One of British Columbia's most astute political commentators, Bruce Hutchison, had written in the July 1935 Canadian Forum that

to-day British Columbia is probably the most radical area in all Canada. It is an accepted commonplace of politics . . . that the socialist CCF would sweep the province if an election were held tomorrow. It is an accepted commonplace also that the existing government of Mr. T. D. Pattullo is going to swing more sharply to the left than ever during the next twelve months — first, because it wants to; second, because it has to.  

The foundations had been well laid for a prolonged confrontation between organized medicine and the Liberal government of British Columbia. The

40 Vancouver Province, 20 September 1935.
fears that Cassidy had expressed to Peebles several months earlier were now fully materializing.

During August and September 1935, the Hearings Committee on Health Insurance held public meetings in eighteen different centres throughout the province; 139 organizations and individuals presented briefs. Cassidy was an active participant in these hearings, and represented the committee at sessions held in the Okanagan Valley in such places as Kamloops, Vernon, Revelstoke, Kelowna, Penticton, and Trail. An idea of Cassidy's participation in the committee's deliberations can be determined from the minutes of two meetings of the Hearings Committee itself, held in Vancouver and Victoria at the end of August and in October 1935. At the August meeting, Percy R. Bengough, a member of the committee and a prominent trade unionist, argued strenuously that the salary ceiling of $2,400 a year for those to be covered by the plan (anyone with a salary above that level was considered able to pay for his or her own medical expenses) should be raised to include the better-off classes in the province. This would substantially raise the level of the fund and help defray the costs to lower-income groups, he argued, since people who were better off tended to be sick less often. A number of the other members of the committee sided with the medical profession's position that the $2,400 limit, rather than being raised, should be lowered to $1,800. This would enable doctors to charge patients above the cut-off much higher fees than under health insurance and so help to maximize their income. Physicians wanted the best of both worlds. Cassidy was adamantly against reducing the ceiling and supported Bengough's arguments at the meeting. He also patiently explained the rationale behind the plan's arrangement, which was troubling the medical profession, to pay only half the regular rate of remuneration to doctors for the care of indigents: "To say half of the costs of the doctors' fees does not really mean that, it is really the principle of reducing the total sum allotted to physicians and is in effect a formula to achieve that particular objective." This issue was quickly materializing to become one of the major stumbling blocks in the health insurance dispute over the next few years.42

During the October meeting of the committee, Cassidy argued, on the basis of evidence he had heard, that the provision for cash benefits should be dropped. They could, if necessary, be introduced later by an amend-

42 Public Archives of British Columbia, Record Group #391, British Columbia Provincial Secretary, Hearings Committee on Health Insurance 1935, "Report of a Meeting of the Hearings Committee, Re a Plan of Health Insurance for British Columbia, held at the Court House, Vancouver, B.C., on Friday, 30 August 1935," 12, 13, 14, 22, 47-48.
ment. He continued to endorse strongly the recommended salary ceiling of $2,400 per year for compulsory insurance.43

The most important brief to the Hearings Committee was that of the Health Insurance Committee of the British Columbia College of Physicians and Surgeons. It was critical of several key provisions. The $2,400 per year income ceiling was too high: "It seems perfectly clear that the person earning $200 a month, with or without dependents, needs no assistance." The government should agree to underwrite the scheme fully; cash benefits should not be included; payment for indigent services should be at full rates; and payments generally should be on a fee-for-service basis. The brief argued that the act should be postponed until a royal commission had been appointed to study the question again.44

The Hearings Committee issued its report in November 1935. Noting that, with very few exceptions, all those appearing before the committee had favoured the early introduction of health insurance, the committee conceded that the original plan, as presented to the legislature the previous March, was too comprehensive and costly for introduction at the present time. Only one member of the Hearings Committee, J. H. McDonald, president of the B.C. Manufacturing Co., Ltd., was opposed to any legislation at all; he thought that business must have a breathing spell from too much social legislation that would "tend to restrict employment." Accordingly, the committee recommended that a number of significant changes be made in the draft bill: the income level of those who would be required to join the scheme should be reduced from $2,400 to $1,800 per year; those employees (and their employers) earning less than $1,000 per year should be assessed a flat rate, and those earning between $1,000 and $1,800 per year should be assessed at the rate of 2 percent of their wages instead of 3 percent, and their employers at the rate of 1 percent instead of 2 percent; physicians should receive full instead of half pay for treating indigents; sickness cash benefits should be deleted from the current bill (and perhaps introduced later); and there should be no specific provision for an appeal board.45 The new health insurance bill, which was to be based on these recommendations, "already looms as one of the major issues for the next session of the legislature," commented the Victoria Times.46 Cassidy and Peebles immediately began to redraft the bill.

43 Ibid., meetings of 10 and 11 October, in Victoria, 18, 72.
44 Ibid., meeting of 24 September 1935.
45 Department of the Provincial Secretary, Report of the Hearings Committee on Health Insurance 1935 (Victoria: King's Printer, 1935), 5-10. Copy in Public Archives of British Columbia, Record Group #391.
46 Victoria Times, 10 December 1935.
Shortly after the Hearings Committee report was released, Cassidy wrote to his old friend, Lorne Morgan, at the University of Toronto, to report that "our modest and essentially conservative plans for health insurance are being fought bitterly by the doctors... with the backing of industrial groups. It is perfectly amazing how frantic some of the doctors have become. A group of prominent specialists in Vancouver and Victoria have the bit in their teeth in connection with the whole matter and they appear to be disposed to stop health insurance by hook or by crook."  

Despite the mounting opposition, Cassidy and Peebles were optimistic that the difficulties could be overcome and the bill passed. After all, Cassidy told Grant Fleming, many doctors had reacted favourably to the report of the Hearings Committee.  

It was Cassidy's view that much of the opposition to health insurance was based on misconception and misinformation. "If my argument is correct," he commented to the lieutenant-governor of Ontario, Herbert Bruce, whose housing report Cassidy had written two years before, "it follows that research and public education should be very greatly extended in Canada as a means of throwing more light upon our problems — and that the universities have a great task to perform in this direction. So far they have not done much in the field of social research. I hope it will not be long before there is a social research institute at the University of Toronto."  

By February 1936 the British Columbia division of the Canadian Manufacturers' Association had joined with the medical profession in opposing health insurance. A delegation of businessmen met with Premier Pattullo 20 February 1936 and offered to provide funds to study the plan's feasibility if action on the proposed bill was delayed for another year. Their main objection was that the payroll levies on both employers and employees to finance the scheme represented a form of taxation that simply could not be afforded at the present time. Further trouble soon developed when the Liberal member for Vancouver Centre, Gordon S. Wismer, indicating that many in the Liberal caucus shared his views, suggested that the health insurance plans be delayed for six months, in order to hold a plebiscite to clarify public opinion. Pattullo promptly announced that his government had no intention of proceeding this way.

47 CP, Box 61, Cassidy to Lorne Morgan, 13 November 1935.  
48 CP, Box 61, Cassidy to Grant Fleming, 28 December 1935.  
49 CP, Box 61, Cassidy to Honourable Herbert Bruce, 15 November 1935.  
50 Vancouver Province, 20 February 1936.  
51 Victoria Colonist, 22 February, 23 February 1936.
Throughout March 1936 the debate on the revised and rewritten health insurance bill was the central issue in the province's politics. The bill was introduced to the provincial legislature on 3 March. Provision now was made to cover all those earning less than $1,800 a year, who would contribute 2 percent of their salaries; employers would contribute 1 percent of their payrolls. Physicians were to be paid between $4.50 and $5.50 per insured person. One of the main provisions of the 1935 draft bill was deleted: government contributions to provide health insurance coverage for indigents. Eliminated, too, was the government's offer to pay one-half of the costs of administration. Although the changes reflected many of the doctors' demands, their opposition did not diminish. When Weir pointed out that Dr. Grant Fleming had helped draft the bill in 1935 in consultation with the medical profession, the British Columbia Medical Association bitterly denounced Fleming, accusing him of being too much of an enthusiast for health insurance, and of wanting health insurance experimentally tried out immediately, in any province that seemed agreeable.

By the middle of March 1936, the Liberal caucus, by a substantial majority, had approved the bill, although there were some within the party who were strongly opposed. The Vancouver Province was quick to note that this marked a notable victory for Hon. G. M. Weir... in his long fight for health insurance. It is recognized by everybody that without his determination to force the bill to a conclusion this session, it would have no chance of passage. ... Working with him on the technical aspects of the measure are his two young experts, Dr. Harry Cassidy and Dr. Allon Peebles, joint authors of the bill.

Weir's speeches in defence of health insurance, both in the legislature and outside, were, according to Bruce Hutchison, dramatic:

He clasps and unclasps his hands. His shoulders rise and fall. His face is contorted with emotion. He bites his words off as if he were biting pieces off a red-hot poker. In such a state he is the master of extemporaneous metaphor and simile, of lightning phrases, of words which are Greek to most of us. He quotes Emerson and classics and medical authorities and the Daily Colonist as easily as if they were familiar nursery rhymes.


54 Vancouver Province, 17 March 1936.

The Health Insurance Act finally was passed 31 March 1936, although, as Cassidy told several friends, “there was a terrific fight with opposition from business interests and the medical profession over passage of the bill.” On the final vote, seven members of the Liberal Party voted against the plan. While Cassidy lamented the fact that medical coverage for indigents was not included in the act, he was greatly relieved that the measure was now on the statute books. Cassidy confessed to being entirely worn out by the battle: “We worked day and night and weekends for months and we were nervous and physical wrecks by the time the fight was finished.”

Cassidy was very disappointed that the medical profession had been unwilling to co-operate. He attributed their opposition to the fact that the provincial medical organization was dominated by a group of specialists in Vancouver and Victoria who were “highly individualistic in their attitude and have succeeded in making good incomes even during the depression, and... have come to look upon health insurance... with a great deal of suspicion.” He also felt that doctors’ attitudes had been adversely influenced by publications on health insurance of the American Medical Association.

The 1936 Health Insurance Act was written by Peebles and Cassidy. As Cassidy told his friend from the Brookings Graduate School, Ralph Fuchs, now with the Department of Law at Washington University, in May 1936, I can assure you that I have sweat blood over the whole business... I had the main responsibility of formulating the various sections and a great deal of what I drafted myself remains in the Act as it finally went through... I have become quite interested in the business of drafting... I only wish that I had some legal training as a foundation for work of this kind.

That month, Allon Peebles was named chairman of the British Columbia Health Insurance Commission. In announcing the appointment, George Weir stressed that a number of months of detailed planning would be necessary before benefits finally could be granted.

As 1936 drew to a close, Cassidy prepared a nine-page commentary, “The Shape of Things in British Columbia,” which he labelled “for pri-

56 CP, Box 61, Cassidy to L. Richter, 21 April 1936.
57 CP, Box 44, H. M. Cassidy, “The Shape of Things in British Columbia” (16 December 1936), 2.
58 CP, Box 61, Cassidy to Dr. G. F. McLeary, 22 June 1936.
59 CP, Box 61, Cassidy to Ralph Fuchs, 18 May 1936.
vate circulation only” and distributed to friends. The first issue he discussed was, not surprisingly, health insurance. After outlining the important features of the Health Insurance Act which had been passed at the end of March, he described his own role in its formulation. He remarked that work on the health insurance scheme afforded a liberal education... the amount of detailed work required to translate broad principles into a precise statutory statement was terrific. ... Some idea of the difficulty of finding good precedent for what was done may be illustrated by the fact that I was only able to pull a few phrases out of the British Health Insurance Act to be used verbatim in the Act that we drafted.

Cassidy expressed considerable pessimism about whether the act would ever be implemented. Doctors were holding adamantly to their earlier position that they be paid on a “fee for service” basis rather than by the capitation method favoured by Cassidy and Peebles. However, Cassidy attributed the main opposition of “the medics,” particularly the younger ones, to the fact that health insurance threatened their “opportunity of making a killing.”

By late summer 1936, opposition by the province’s doctors to the Health Insurance Act was gathering steam. The thorny question of medical services for indigents was surfacing again as a major bone of contention. Weir asked Cassidy to prepare a background document that would give some direction to the government in handling this nagging issue. Cassidy, who customarily worked at full throttle, prepared a twenty-two page document in short order, “A Provincial Medical Service for Indigents.” In it he recommended that the provincial government should assume complete responsibility for the costs and administration of a medical service that would provide the essentials of health care to all those receiving some form of public assistance. The service would operate ultimately in conjunction with the health insurance act, and would emphasize prevention.

Early in 1937, as Cassidy feared, the plans for implementing the Health Insurance Act began to come apart. Since the passage of the act, Allon Peebles, as chairman of the Health Insurance Commission, had been organizing the machinery for carrying out the act and registering both employers and employees. On 8 January 1937 Premier Pattullo announced that health insurance would begin in March; collections were to be made from that date, and benefits were to begin a month later. Cassidy remarked to Leonard Marsh that “Peebles has a big job on his hands to

61 CP, Box 44, “The Shape of Things in British Columbia.”
62 CP, Box 44, H. M. Cassidy, “A Provincial Medical Service for Indigents,” 3 September 1936.
get all the arrangements in shape in time. During the next few weeks there will be crucial discussions with doctors, hospitals and pharmacists regarding the basic question of rates of remuneration. There may be explosions, but it is pretty clear that decisions are to be reached for good or for ill."363

There were indeed explosions. On 1 February 1937 doctors in Vancouver and Victoria announced that they would not work under the British Columbia health insurance plan as it was then constituted. They put forward several reasons for their opposition. The plan excluded those people who were most in need of health insurance: the indigent and their dependants, old age pensioners, the low wage earner (earning less than ten dollars per week), and farm labourers. Furthermore, under the plan hospitalization was to be available to the insured. Since hospitals in Vancouver were filled to overflowing, it would be impossible to fulfil this commitment.64 Several days later, Allon Peebles issued a statement, claiming that the doctors' real objection to the health insurance scheme was that their remuneration would not be high enough, even though they likely would receive more income under the provisions of public health insurance than they had in private practice.65

Throughout February, the confrontation between the government and the medical profession picked up momentum. On 10 February, after conferring with Premier Pattullo, who was in Ottawa, the cabinet decided to postpone implementation of the act until Pattullo returned. Several days later, the minister of finance, John Hart, who had written to the Premier on 11 February to inform him that a number in the party were strongly opposed to putting the act into force at the present time, hurried east to confer with Pattullo on “the present embarrassing position of the government and the Health Insurance Commission.”66 By 19 February Pattullo had ordered Weir to postpone indefinitely the implementation of the scheme; several days later, it was revealed that the whole question would be decided by a referendum at the next provincial election, likely in May or June.67

Cassidy's role during the dispute was to encourage George Weir to continue supporting health insurance despite the fact that many in the cabinet were now openly voicing their opposition. On 5 February he sent a

63 CP, Box 61, Cassidy to Leonard Marsh, 14 January 1937.
64 Vancouver Province, 1 February 1937.
65 Vancouver Province, 6 February 1937.
67 Vancouver Province, 19 February, 22 February 1937.
detailed memorandum to Weir, suggesting how responses to the doctors' opposition might be framed. The following steps needed to be taken immediately to persuade doctors to serve health insurance patients:

(1) Definite assurances of government action to deal expeditiously and effectively with two major problems, indigent medical services and hospital overcrowding . . .

While these considerations are . . . irrelevant to decisions upon the medical practice proposals, the doctors refuse to consider them irrelevant and are much influenced by them. Moreover . . . the doctors' arguments on these points are accepted by the general public. If these two problems could be dealt with two of the strongest points in the doctors' case would be eliminated.

(2) A vigorous program of publicity, whereby the factual material would be made public, to show the mass of the doctors and the general public that the proposed remuneration for physicians (at $5.50 per insured person per annum) is fair and reasonable.

Cassidy explained in detail how his two suggestions could be carried out. He reminded Weir of the detailed programme for re-organizing the indigent medical service that he had presented in September 1936, and he made a number of recommendations for increasing the number of available hospital beds, in Vancouver and throughout the province. “There are great advantages in the program which has been proposed,” Cassidy concluded, “which involves frank recognition by the Government of the existing problem, a willingness to meet legitimate objections by the doctors and vigorous action to meet those problems which are definitely capable of solution within the limits of the financial policy now being pursued by the Government.”

Weir promptly forwarded Cassidy's memorandum to Premier Pattullo; in his covering letter, Weir strongly endorsed Cassidy's arguments. He added several points regarding strategy that had emerged as a result of his discussions with Cassidy:

(a) The Government cannot allow a minority group, incited by avarice and Tory malice, to nullify an act of the legislature and to defy the Government. Such a result would make the Pattullo administration a laughing-stock of the public and an object of contempt to future historians of social legislation in Canada.

(b) The doctors have provided us with a splendid fighting issue for the forthcoming election campaign — the protection of the health of the people against an avaricious medical monopoly. . . . If the Government fights the issue along these lines it can easily win the forthcoming election.
Despite their efforts, the act was postponed. In April, a provincial election, which would include a plebiscite on health insurance, was announced for 1 June. Writing in April 1937 to his friend and former colleague at the University of Toronto, Gilbert Jackson, now with the Bank of England, about the health insurance dispute, Cassidy commented, “Can you imagine a greater fiasco? Personally, I have been sick about the whole matter for the last two or three months.” It was not so much the technical aspects of the Health Insurance Act which were the problem, he contended, but the way in which the whole issue was being handled politically. “Moreover, the opposition to health insurance has been immensely stronger than had been anticipated.” As a result of his experience with health insurance, Cassidy was convinced that it was “the most difficult form of social insurance to put into effect,” particularly when cash benefits were not included. “Wage-earners apparently will tolerate a scheme which gives them medical services in return for contributions which they must make, but they have no burning desire to obtain such an element of security.”

Nevertheless, Cassidy was still optimistic that the act eventually would be implemented. He believed that a clear majority would vote in the affirmative in the coming plebiscite, and he was certain that the Liberal Party would be returned to power on 1 June. Although he was right on both counts, the government was returned to power with a much reduced majority with George Weir narrowly escaping personal defeat; as well, only about 60 percent of the votes cast in the plebiscite favoured state health insurance. “Nothing was really settled by this reference to public opinion,” Cassidy observed, “except that support of vigorous governmental action against the position taken by the medical profession was not so great as had been anticipated.” Writing to Dr. Grant Fleming at McGill University at the end of June, Cassidy expressed his conviction that, after making some amendments, the government would go ahead with the act.
However, the Pattullo government did not proceed with the necessary legislation later that year, or in succeeding years. It was clear that the results of the June 1937 election and plebiscite had dampened enthusiasm for any immediate action and “counsels of caution prevailed in official circles.” At the British Columbia Liberal Association Convention in Kelowna in August 1938, Premier Pattullo commented that he could not promise that health insurance would be implemented at the next session of the legislature. Weir promised to continue his efforts to make health insurance operative as soon as possible. In July 1939, Weir wrote to Pattullo that, unless health insurance was implemented in the near future, it was unlikely that any Liberals would be elected in Vancouver in the next provincial election. Pattullo was not convinced. In November 1940 the executive of the provincial Liberal association passed a resolution which urged the government “to consummate the plebiscite of the people and the platform of the Party by bringing into effect a Health Insurance Act.” Still no action was taken. There were annual references to health insurance in the provincial estimates, which provided for the continued existence of the Health Insurance Commission, although in effect it had no work to do. It was not until 1948 that a Hospital Care Insurance Act, modelled on the Saskatchewan act of the previous year, finally was passed and implemented.

Underlying the health insurance conflict in British Columbia in the 1930s was a fundamental issue: the role of the emerging technocratic state and its management by academic experts. As the provincial state in Canada came more and more to be directed by experts such as Harry Cassidy, it was bound to come into conflict with entrenched interest groups such as the medical profession. Cassidy was one of the first, if not the first, of the new social science experts in Canada who was to find that putting theory into practice was a daunting task.

Badly bruised by the health insurance dispute, Cassidy left British Columbia in early 1939 to become head of the school of social welfare at Berkeley, a position he held until 1945; from 1945 until his death in 1951, he was director of the school of social work at the University of Toronto. Years after the dispute, Cassidy still fumed with anger whenever he thought about the failure during the 1930s to implement health insurance

73 Cassidy, Public Health and Welfare Reorganization, 92.
74 University of British Columbia Archives, B.C. Liberal Association Papers, Box 1, Minutes of the B.C. Liberal Association Convention, August 1938; Minutes of Executive Meeting, November 1940; PP, vol. 67, George Weir to T. D. Pattullo, 12 July 1939; Pattullo to Weir, 13 July 1939.
in B.C. In 1943, he wrote in *Social Security and Reconstruction in Canada*:

Caught between the cross-fire of the doctors' heavy artillery and the rifles of the common people, a pusillanimous and divided government has sheltered for more than five years in a funkhole behind a moribund commission and a dead-letter act, lacking the courage either to go forward or to retreat. Thus did British Columbia ingloriously lose the distinction of being the first legislative jurisdiction in North America to put state health insurance into effect.\(^6\)