for 15 years. The firm manufactured stoves. He was not fired because of incompetency. He was not fired because of unwillingness to work. He was let out—perhaps that is a better term—because the firm had a supply of stoves which it was estimated would meet all the demands at the present rate for a period of five or six years. I wonder to what extent that sort of thing is happening across this country.

The situation today, Mr. Speaker, is to a degree parallel to the situation we had in 1950, although not in its entirety. In 1950 we faced a situation which had developed five years after the cessation of hostilities. By 1950 people's wartime savings were largely depleted. There was a very marked decline in United States purchases in Canada under the Marshall plan. There were extremely high taxes, the highest the people of this nation had ever encountered. Business had already met, in the main, the backlog of effective consumer demand for those commodities which the consumers had not been able to purchase during the war years. By February of 1950 inventories had been built up to the point where manufacturers were definitely beginning to worry.

The problem of unemployment in February, 1950, was not, in my estimation, as serious as it is today. One of the ministers, I believe it was the Acting Prime Minister, stated in this house yesterday that in March, 1950, we had 308,000 unemployed. I cannot just say offhand whether or not those were registered unemployed, but I believe that is what they would be. Three months later that figure had fallen to 129,000. I presume the Acting Prime Minister was trying to read a moral or a lesson into what happened then. Let me remind hon. members of this house that a very unusual situation developed during the late spring months of 1950. Developments in the Far East, in Korea to be specific, occurred and by June of that year war—I know some hate to call it war—broke out in Korea. Immediately the wheels of industry began to hum, particularly industry engaged—

Mr. Philpott: Will the hon. member permit a question? The figures he has just given show that the decline in registered unemployed was from 308,000 in March to 139,000 in June, one month before the Korean war broke out.

Mr. Shaw: I realize that. It was 129,000, not 139,000—

Mr. Philpott: No, it was 139,000.

Mr. Shaw: Well, it does not matter, but that was three months later. By June, 1950, it became completely obvious to all thinking persons as to what was going to happen the next day, two days later, a week later, or a month later.

Mr. Philpott: It was a surprise to President Truman.

Mr. Shaw: The fact is this. We did become involved in what I am pleased to call a war. Some others call it a police action. We did become involved in an armed conflict as a part of the United Nations. The wheels of industry began to hum. Men were invited to join the armed services, and their wages became an effective demand on consumer goods. The wages of those who were engaged in war industry became an effective demand on consumer goods. Once more our economy began to move on a more stable, yet I would argue very uncertain, basis.

We are faced with a situation today more serious economically than it was in February of 1950. I hope no one is thinking or has been compelled to think in terms of the only solution being the solution that faced us in June of 1950. Heaven forbid. But I say to you, Mr. Speaker, and to the house that it is quite conceivable nothing short of that sort of tragedy will restore equilibrium to the economy of this country.

Sometimes I am amazed at the way some persons toy with the expression "stable economy of today". In my estimation the facts prove only one thing, and that is that it is a most unstable one. Today the situation is not entirely parallel with that of 1950. However, the attitude of the government is similar; and I am fearful that unless there is a change in that attitude, difficulties of an extremely serious nature may confront the nation within a reasonably short period of time. I am not one who becomes unduly pessimistic, yet I cannot be one who is foolishly optimistic. Naturally we hope for the best, but we must face up to the issues realistically.

Very recently the Minister of Finance (Mr. Abbott) referred to a feeling of optimism based upon what he called investment plans in Canada. Well, it is true that so far as can be ascertained investment plans for the coming year are on a par with those of 1953. But let us not forget that those are nothing more than plans. Any serious economic slip, a move in the direction of recession, could almost automatically cause a change in those plans. Let us not forget that. This may not be necessarily so in respect of government investment, but it is most certainly true so far as private investment is concerned.