



Gross national expenditure indicates the manner in which the total production of goods and services is utilized. The shares of the production of goods and services absorbed by the main components: consumer expenditure, government expenditure, gross home investment and net foreign investment, were comparatively stable as between 1947 and 1948. Consumer expenditure and gross home investment show minor declines from 67.1 p.c. and 21.6 p.c. of gross national expenditure respectively in 1947 to 65.3 p.c. and 20.9 p.c. in 1948. The slight decline in gross home investment as a percentage of gross national expenditure between 1947 and 1948 was due entirely to a marked decline in the rate of inventory accumulation. Expenditure on housing and plant and equipment both showed substantial absolute and relative gains. Government expenditure on goods and services increased in 1948 to 26.2 p.c. of gross national expenditure compared with 26.1 p.c. in 1947. Net foreign investment increased from 0.1 p.c. in 1947 to 2.7 p.c. in 1948. Exports increased in absolute terms and absorbed the same proportion of gross national expenditure in 1948 as in 1947. Imports on the other hand, although approximately stable in absolute terms, declined relative to the total. This was largely the result of emergency restrictions on imports introduced in the fall of 1947 to correct the Canadian shortage of United States dollars.