

by 8 p.c., from \$10,151,000,000 to \$10,956,000,000. After allowing for price increases this represents an increase of 3 p.c. in real consumption. Government expenditure on goods and services accounted for 13 p.c. of gross national expenditure in 1949 compared with 12 p.c. in 1948. This increase is mainly due to increased defence expenditures and larger outlays by the provincial and municipal governments on public health, hospital care, maintenance of highways, education and certain capital expenditures. Exports of goods and services remained at approximately the 1948 level of \$4,054,000,000, but imports increased from \$3,636,000,000 to \$3,825,000,000 with the result that net foreign investment declined substantially.

2.—Gross National Expenditure, 1939, 1943-49

(Millions of dollars)

NOTE.—Figures for the years 1926-41 will be found at p. 1091 of the 1948-49 Year Book, and for 1942 at page 381 of the 1950 Year Book.

Item	1939	1943 ¹	1944 ¹	1945 ¹	1946 ¹	1947 ¹	1948 ¹	1949 ¹
Personal expenditure on consumer goods and services.....	3,861	5,880	6,382	7,050	8,018	9,225	10,151	10,956
Government expenditure on goods and services.....	724	4,230	5,025	3,708	1,832	1,562	1,797	2,088
Gross home investment—								
Housing.....	145	131	157	210	338	492	647	753
Plant and equipment.....	409	697	599	672	1,024	1,565	2,016	2,076
Inventories.....	327	-47	-67	-283	538	901	609	101
Exports of goods and services.....	1,451	3,462	3,596	3,597	3,210	3,638	4,054	3,987
Deduct—imports of goods and services.....	-1,328	-2,917	-3,569	-2,910	-2,878	-3,621	-3,636	-3,825
Residual error of estimate.....	+9	-153	-204	-234	-74	-105	-135	-62
Gross National Expenditure at Market Prices.....	5,598	11,283	11,919	11,810	12,008	13,657	15,503	16,074

¹ Exclusive of Newfoundland.

The data on value, volume and price changes in gross national expenditure enable a comparison to be made between the total real volume of expenditure (or the total real output) in 1939 and in 1947, 1948 and 1949. As shown in Table 3 the gross national expenditure, in terms of current dollars, was \$16,074,000,000 in 1949 and \$5,598,000,000 in 1939, whereas gross national expenditure deflated by price indexes on a 1935-39 base was \$9,432,000,000 in 1949 compared with \$5,523,000,000 in 1939. Thus, in terms of real volume, 1949 expenditures were 71 p.c. higher than those of 1939 whereas an increase of 187 p.c. is indicated if current dollar values are used. The difference is attributable to a rise in prices between the two periods. The method used to determine price and quantity changes is given in more detail in Appendix "B" of "National Accounts Income and Expenditure 1942-49, Dominion Bureau of Statistics.