

Gross National Expenditure.—Gross national expenditure indicates the manner in which the nation's output is absorbed. In 1952, there was a substantial increase in the real amount taken by consumers in contrast to 1951, when the over-all value increase of 10 p.c. was almost exactly matched by the price rise. Expenditure on durable goods also increased significantly in physical terms and in value terms 1952 expenditure was 11 p.c. higher than that of the previous year. Expenditure on goods and services by federal, provincial and municipal governments rose by over \$1,000,000,000 or approximately 31 p.c., from \$3,212,000,000 in 1951 to \$4,216,000,000 in 1952. Most of the increase was accounted for by the rise in federal defence spending from \$1,143,000,000 in 1951 to \$1,832,000,000 in 1952, a gain of 60 p.c. The major components of gross domestic investment showed increases in 1952. Investment in new housing increased slightly although the volume remained about the same as in 1951, a result of increases in building costs. Investment in new non-residential construction increased by about 17 p.c. in value, with a corresponding increase in volume of 10 p.c. Investment in new machinery and equipment showed a small increase, amounting to 5 p.c. in physical volume, chiefly the result of increased spending by basic industries and utilities. Additions to inventories, in both volume and value terms, were considerably lower than in 1951.

In 1952 there was a net surplus on current international account, following two years of deficits. The over-all surplus, represented by the difference between 'exports of goods and services' and 'imports of goods and services' in Table 2, was about \$164,000,000. Reflecting this surplus, the Canadian dollar strengthened its position on the international market and exchange reserves continued to grow.

2.—Gross National Expenditure, Selected Years, 1929-52

(Millions of dollars)

Item	1929	1933	1939	1944	1946	1950 ¹ *	1951 ¹ *	1952
Personal expenditure on consumer goods and services.....	4,393	2,887	3,904	6,187	7,977	12,029	13,297	14,334
Government expenditure on goods and services.....	682	526	735	5,022	1,832	2,326	3,212	4,216
Gross Domestic Investment—								
New residential construction.....	247	76	185	225	371	801	781	803
New non-residential construction.....	486	79	166	257	443	1,026	1,260	1,476
New machinery and equipment.....	597	84	254	377	584	1,389	1,769	1,859
Change in inventories.....	61	-82	331	-46	519	960	1,620	278
Exports of goods and services.....	1,632	826	1,451	3,561	3,210	4,183	5,089	5,581
Deduct: Imports of goods and services.....	-1,945	-828	-1,328	-3,569	-2,878	-4,513	-5,613	-5,417
Residual error of estimate.....	+13	-16	+9	-60	-32	+2	+35	-119
Gross National Expenditure at Market Prices.....	6,166	3,552	5,707	11,954	12,026	18,203	21,450	23,011

¹ Newfoundland included for 1950 and subsequent years.