

## GROSS NATIONAL PRODUCT

The gross national product during 1963 manifested continuous growth, registering an increase of just over 6.5 per cent in value from the previous year; at a level of \$43.0 billion, the additional value of output over 1962 amounted to \$2.7 billion. With total prices for the year increasing by less than 2 per cent, more than two-thirds of the value increase in 1963 represented a gain in real output. The year ended on a particularly strong note, a 3 per cent increase in the final quarter representing one of the sharpest gains since the beginning of the present expansion early in 1961. In line with the strength exhibited toward the close of the year, the increase between the fourth quarter of 1962 and the fourth quarter of 1963 was over 7 per cent, somewhat greater than that registered by the annual averages.

The keynote of the expansion during the year was its widespread nature, with all components of final demand sharing in the growth; there was little change in 1963 in the moderate rate at which inventories were being built up.

### RISE IN EXPORTS

Though the expansion in final demand was, on the whole, balanced, the notable 11 per cent rise in the level of merchandise exports and the contraction in Canada's deficit on current-account transactions with other countries were the most prominent developments during the year. The rise in exports was dominated by exceptionally large shipments of wheat to Russia in the final quarter of the year, though increased foreign demand was widespread over many commodities. The growth in exports took place against a background of increasing world trade, expanding economic activity in the main industrial countries and one in which the competitive position of Canadian industry appeared to have improved.

### MODERATE IMPORT RISE

Total imports rose more moderately, by just over 5.5 per cent, but the annual average increase does not reveal the relatively greater importance of the supply of foreign goods and services in the latter half of the year. The performance of business fixed-capital formation, including residential construction, was also noteworthy in 1963, with the sharpest relative year-to-year increase since 1956-57. The increase occurred irregularly through the year, but was particularly pronounced at the end of the year, especially in housing, where special federal legislation designed to stimulate winter building of houses came into effect. Consumer demand registered a higher-than-average year-to-year increase and was particularly strong in the final half of the year, accounting for more than half the total increase in gross national product. This pattern was partly the result of the notably buoyant demand for automobiles in the fourth quarter and of general increases in non-durable goods in the prior quarter.

Government expenditure on goods and services, which rose sharply at the beginning of the year, declined slightly in the final quarter owing to lower federal defence and non-defence spending. The year-

to-year increase of under 5 per cent was smaller than the general increase in gross national product and was less than that experienced in both 1961 and 1962. The net of total revenue and expenditure at all levels of government, on a national-accounts basis, resulted in a decline in the annual deficit from that experienced in 1962. During the year the deficit declined progressively from the second quarter, and in the final quarter of the year was the lowest since early 1960.

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## NATIONAL GALLERY PURCHASES

The Board of Trustees of the National Gallery announced recently that two paintings, one by the French artist Jacques-Louis David and the other by the Flemish painter Jan Brueghel, had been purchased for the Gallery's European collection.

David's *Portrait of M. Seriziat*, one of the new acquisitions, is a good example of the spirit of the heroic republic that predominated in French painting during the Revolution. It is a portrait of the painter's brother-in-law, done in 1790, and is particularly interesting as having preceded the famous portrait of M. Seriziat that hangs in the Louvre. The National Gallery's purchase is an oval portrait in oils measuring 21 3/4 inches by 18.

The Brueghel purchase, entitled *Bouquet of Flowers*, demonstrates this artist's success in achieving striking colour compositions. It is painted in oils on a wood panel measuring 28 3/4 inches by 21 3/4.

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## GRANT TO PARKS BODY

It was announced recently by Mr. Arthur Laing, Minister of Northern Affairs and National Resources, that a grant of \$20,000 to aid the development of the National and Provincial Parks Association of Canada had been approved by the Federal Government. Provision for the grant will be included in federal supplementary estimates for the current fiscal year. Mr. Laing stated that the grant would help strengthen the organization of the Parks Association and assist it in becoming self-sufficient.

### NATURE AND AIMS

The National and Provincial Parks Association of Canada was established recently by a number of well-known Canadians. At present there is a 19-member Board of Trustees, to be expanded eventually to 30 members, to include all regions of Canada. The general aims of the Parks Association are to promote the use and management of both national and provincial parks, promote a wider understanding of the park systems in Canada, encourage the expansion of national and provincial parks systems, and preserve places having outstanding natural or historical significance.