

WASHINGTON (AP) — The volume of the nation's total economic output jumped 2.5 per cent during the three months ending in March and moved to within a whisker of its prerecession peak, the government said today.

The Commerce Department said the volume of the nation's Gross National Product (GNP) climbed at an annual rate of 7.5 per cent for the quarter, compared to a 5 per cent growth rate during the previous quarter,

The jump pushed the dollar value of the GNP to an annual rate of \$1.616 trillion — 19.4 per cent ahead of peak output during the final quarter of 1973. But inflation cut the quarter's volume of goods and services to two-tenths of a per cent below the 1973 peak,

The Gross National Product 'represents the total output of goods and services in the nation's economy and is the broadest gauge of the nation's economic performance.

The quarter's increase is within the range expected by Commerce Secretary Elliot L. Richardson and others, but at the high end of the range. The figures for the quarter are preliminary and subject to revision,

Richardson had said he expected the rate of growth for the first three months of the year to be higher than for the previous three months.

But, Richardson noted in an article in "Commerce America," his department's

monthly magazine, that the GNP, after adjustment -for inflation, would have to grow by 8.5 per cent to retain the prerecession peak.

"It is unlikely that output increased that rapidly in the first quarter, and therefore it

will be the second quarter before the previous peak is retained and surpassed," Richardson predicted.

Richardson said the latest GNP figures should show a net increase in business inventories this time and "as final sales continue to rise inventory accumulation should gain momentum during the remainder of the year."

Richardson said the new GNP figures and other economic indicators coming out of the government should prompt a favorable revision of the administration's initial economic expectations this year.

The latest 7.5 per cent unemployment rate, for example, is already below the 7.7 per cent initially expected to be the average unemployment rate for the year.

And there are some signs that business inventories are now about to fuel further economic growth. Business stocks in relation to sales are now at the lowest level in nearly two years. When business depletes its stocks without replenishing them, production capacity is idled and workers are thrown out of work. When stocks are

accumulating, workers are  
busy supplying inventory goods  
as well as those sold directly.