

85 per cent of the increase for Canada as a whole. Strikes in the construction industry and the steel industry probably resulted in a fairly significant shortfall from the planned program in Ontario, although the actual increases would still have been substantial.

The three prairie provinces taken together were expecting a small increase in business investment in 1969. Within the total, however, Manitoba expected virtually no change, Saskatchewan a decline of some 16 per cent, and Alberta an increase of about 14 per cent. Plans for the development of downtown Winnipeg and continued work on the Nelson River hydro-electric project have been important features of the program in Manitoba. In Saskatchewan, the completion of the present stage of potash development has coincided with the very sharp decline in farm cash income associated with the present state of the world wheat market, which led to a decline of 23.5 per cent in investment in primary industries, particularly agriculture. However, the trade and services group raised its outlays. In Alberta, sharply higher business outlays occurred in the primary sector, utilities and trade. Primary industry expansion continues to be associated with export markets, as does that in the utilities, notably oil and gas pipeline construction. The influence of growing Japanese investment in resource development in the province again contributed to total growth, including further expansion of transportation facilities. Oil exploration and oil field development have been well maintained, despite the uncertainties introduced by the new Arctic oil discoveries.

In British Columbia, business outlays resumed their advance after a temporary decline in 1968, with the primary industries, manufacturing and trade all recording strong advances. Investment in commercial development in the Vancouver area accelerated sharply. New mining development, notably in copper, was an important feature of the 1969 program. Investment in expansion of pulp facilities was also significant. The Japanese interest in investment in resource industries is particularly apparent in this province.

A large proportion of investment is financed by internally generated sources of funds, including retained earnings and capital cost allowances. These sources of funds continued to expand in 1969, but their growth was insufficient to finance the increase in investment. This is apparent in Chart 12, which compares saving with investment in fixed assets and inventories of private corporations. Non-farm business inventories increased by about \$500 million in 1969 compared with \$473 million in 1968. This does not appear to have been disproportionate to the growth of production and trade during the year. Farm inventories and grain in commercial channels rose by about \$400 million in 1969 compared with \$239 million in 1968; the main factor here is of course the limited level of wheat exports in a year of substantial crops. Less is known about the other uses of funds of the business sector, including the purchase of land and other existing physical assets, which are not included in investment in the national accounts, and the extension of trade credit. In the circumstances prevailing in 1969, one would expect these uses of funds also to have expanded.

It is certainly clear that the business sector as a whole borrowed substantially more in 1969 than in 1968, despite the increasing cost and difficulty of financing as the year progressed. Table 4 brings together some of the more important and readily available statistics on the sources of funds to Canadian business.