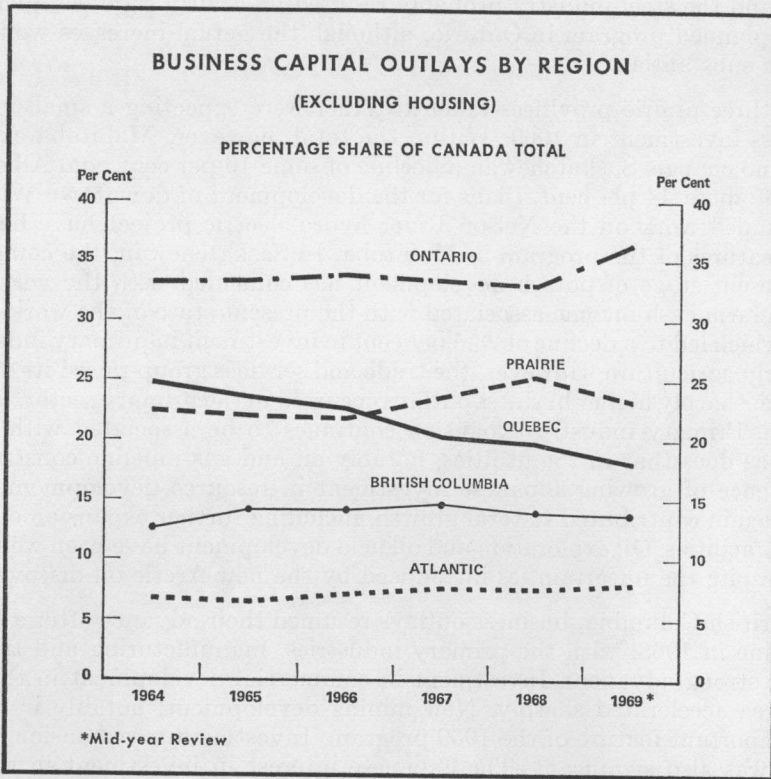


CHART 11



in government participation, partly reflecting the maturing of some incentive programs offered to industry by provincial governments. The increased costs of borrowing by provincial governments and their agencies have probably also affected the investment activity of some smaller utilities.

Business investment in Quebec was expected to rise by 2 per cent at the time of the mid-year review, following two years of decline from the 1966 peak. A number of rubber, textile and metal manufacturing industries increased their investment significantly, but these gains were all but offset by sharp declines in the petroleum and chemical products industries, where existing major developments were nearing completion and work was barely due to begin on new large projects. There was a continued downward drift in the trade, finance and commercial services sector, while utilities raised their expenditures slightly above 1968 levels.

In Ontario, the trade, finance and commercial services group planned capital outlays of \$720 million in 1969, an increase of nearly 23 per cent from the previous year. This amount, nearly one-fifth of business capital expenditures in Ontario, represented 42 per cent of all such outlays in Canada. A large part of the total activity reported was located in major metropolitan areas and involved the construction of new business facilities intended for rental. Manufacturing investment was expected to rise by nearly 40 per cent in Ontario. This represented