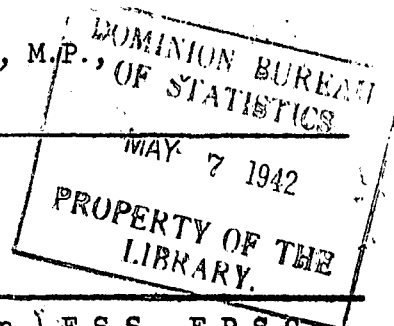


DEPARTMENT OF TRADE AND COMMERCE
DOMINION BUREAU OF STATISTICS
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(Price: 10 cents)

CANADA'S TOURIST TRADE, 1941

The Dominion Bureau of Statistics preliminary estimate of the Tourist Trade between Canada and other countries in 1941 places expenditures of foreign travellers in Canada at \$108,000,000 and expenditures of Canadian travellers in other countries at \$21,000,000, representing a net balance in Canada's favour of \$87,000,000. This compares with revised figures for 1940 of \$102,000,000 and \$42,000,000 respectively, and a net favourable balance in that year of \$60,000,000.

The salient features of the Tourist Trade in 1941 were a considerable increase in the expenditures of American travellers in Canada, and a further large decline in Canadian expenditures in the United States, the latter reflecting the operation of official travel restrictions over the full 12-month period. These two factors together were responsible for the marked rise in net favourable balance on U.S. account from \$55.2 to nearly \$86 millions.

Improvements in Procedure

An extensive reorganization of tourist statistics procedure was undertaken jointly during 1941 by the Dominion Bureau of Statistics and the Customs Division of the Department of National Revenue, with a view to improving estimates of the expenditures of United States tourists entering Canada by automobile. As with the changes already introduced in 1940 these improvements were directed towards two main objectives: a more accurate and uniformly-classified count of cars and persons involved in the movement, and a larger and more representative sample of the tourists' expenditures. Since April 1st, 1941, all customs permits and entry records have been sent for compilation to the Dominion Bureau of Statistics, where the traffic is counted and classified on a uniform basis.

Some idea of the improvement in the data for estimation may be gathered from the fact that in 1941, 76 per cent of all United States motorists entering Canada on Traveller's Vehicle Permits (good for periods up to 60 days or 6 months) reported their total expenditures in Canada as compared with about 50 per cent in 1940. At the same time a sample approximating 25 per cent was obtained from local American motorists where no direct sample at all was available in 1940, and the sample of Canadian motorists' expenditures in the United States increased from 80 per cent to over 95 per cent. In very large measure the great success of these sampling operations was due to the tactful efficiency of the customs and immigration officers at the border ports, and to the willingness and cooperation of the tourists themselves in answering the strictly voluntary questionnaires.

For those persons travelling by rail, boat, airplane and bus, sampling of expenditures is conducted in Canada by the Immigration Branch of the Department of Mines and Resources and in the United States by the United States Immigration and Naturalization Service, in cooperation with the Bureau of Foreign and Domestic Commerce. In both countries the expenditure samples from these non-motoring tourists were larger and more representative in 1941 than in any previous year.

Revision of 1940 Figures

Substantial revision of the 1940 estimates was necessary as a result of the additional information available in 1941. The main groups affected were United States tourists entering Canada by automobile and by rail, these groups together forming the bulk of the total tourist movement. The revision involved a subtraction of over \$25,000,000 from the preliminary figures for 1940 issued last year, and as there was only a negligible revision of Canadian expenditures abroad, almost the whole of this amount is also a subtraction from the net balance in Canada's favour for that year.

Somewhat similar revisions will be necessary in the estimates for 1939 in order to make them comparable with the figures for 1941. Estimates for earlier years have not been revised as yet. It would appear, however, that the volume of United States expenditures in Canada in the past was closer to the proportions which the new estimates show for 1941 than the old figures indicated.

Expenditures in Canada of Travellers from Other Countries, 1941

1. From Overseas Countries

From information at present available it is estimated that travellers from overseas countries spent approximately \$4,000,000 in Canada in 1941 as compared with \$7,000,000 in 1940. As pleasure travel from these countries has been virtually eliminated by wartime conditions, it may be presumed that the major portion of the \$4,000,000 represents expenditures by persons on government or other business.

2. From the United States

The important place which United States tourist expenditures occupy in the Canadian economy in normal times has been more fully recognized since the outbreak of war, as a result of unprecedented demands for United States dollars to pay for much-needed war materials. Sterling balances built up through exports to the sterling area can no longer be converted into United States dollars to pay for purchases in the United States, and thus direct sources of United States exchange such as the Tourist Trade have been of great importance in the furtherance of Canada's war effort.

In order to attract United States visitors to Canada, vigorous efforts were put forth during 1941 by the Canadian Travel Bureau and by provincial and local tourist bureaus, and many private organizations, companies and individual citizens were active towards the same end. It was deemed of special importance to endeavour to counteract the effects of enemy propaganda in the United States, designed to discourage people from coming to Canada, and to clear up misunderstandings among Americans with regard to United States passport regulations and conditions in Canada in war time. These factors had undoubtedly an adverse effect upon the volume of travel in the summer of 1940, and all publicity efforts in 1941 were designed to allay any ill-founded fears concerning difficulties of travel in Canada.

Statistics of tourist entries compiled by the Canadian Immigration authorities indicate that a total of 13,968,088 visitors entered Canada from the United States in 1941 as compared with 13,592,429 in 1940, an increase of 2.8 per cent. However, the groups of longer-stay tourists who account for the major part of the total expenditures, as distinct from the local and short-stay travellers who are large in numbers but spend little, showed a much greater increase. The number of Traveller's Vehicle Permits issued to American automobiles for periods up to 60 days or 6 months rose by more than 18 per cent, and travellers entering Canada by rail increased by 9 per cent. Restrictions on the hours of sale of gasoline which were put into force in July, seemed to have little discernible effect upon the volume of American motor travel to Canada.

Table 1. gives expenditures of United States visitors by type of travel. The total increase in 1941 over 1940 was from \$95 millions to \$104 millions.

Expenditures of Canadian Travellers in Other Countries, 1941

1. Overseas Countries

Canadian expenditures in overseas countries are estimated to have been \$2,750,000 in 1941 and \$2,600,000 in 1940. As in the case of expenditures of overseas travellers in Canada it may be assumed that the great bulk of these amounts represent travel on official business.

2. The United States

The most significant factors influencing Canadian travel in the United States since the outbreak of war have been the restrictive measures introduced by the Dominion Government in order to conserve United States dollar exchange. Together with the energetic efforts to increase the number of American visitors to Canada, these measures have been designed to increase the net favourable balance accruing to Canada as a result of the tourist trade and thus to augment the supply of United States dollars available for vital war needs.

In July 1940, by action of the government under the Foreign Exchange Control Order, virtually all Canadian pleasure travel involving the expenditure of United States dollars was eliminated, and total travel to the United States has been at a low level since that time. It should be pointed out that the government was faced with the problem of deciding on the relative importance of the uses to which our limited supply of United States dollars might be put. Obviously, the purchase of war material, the servicing of our National debt and the meeting of our contractual obligations in the currency of the contract, must have first call on our United States dollar resources.

In 1941, the first full year in which the restrictions were in force, total expenditures of Canadian travellers in the United States are estimated to have been \$18,250,000 as compared with nearly \$40,000,000 in 1940. Statistics of the Immigration authorities show 3,933,137 Canadians returning from the United States in 1941, which compares with a figure of 6,448,500 in 1940 and 11,555,236 in 1939. In addition to the fall in numbers of travellers, average expenditures generally were much lower in 1941 than in the previous year. A large part of the \$18,250,000 estimated to have been spent in 1941 was for business travel in the United States.

Table 2 gives expenditures of Canadians in the United States by type of travel. All groups registered a decline with the exception of air-plane travellers whose expenditures doubled. This is probably explained by the increase in air-line connections between Canadian and American points during 1941 and by the large number of government and business officials who travel by air to save time.

Balance of Payments on Travel Account

Table 3 gives a summary of Canada's Balance of Payments on travel account for 1941 and 1940. The net favourable balance on United States account rose from \$55.2 to nearly \$86 millions and on travel with all countries from just under \$60 to \$87 millions.

Table 1.--Expenditures of Foreign Travellers in Canada

	<u>1941</u>	<u>1940</u>
<u>1. Travellers from the United States</u>		
(a) Automobile	\$ 54,000,000	\$ 49,500,000
(b) Rail	28,000,000	26,500,000
(c) Boat	7,000,000	6,000,000
(d) Bus (exclusive of local bus)	7,000,000	5,700,000x
(e) Airplane	3,000,000	1,300,000x
(f) Other (pedestrians, local bus, etc.).	5,000,000	6,000,000
Total, U.S.A.	\$104,000,000	\$ 95,000,000
<u>2. Travellers from Overseas Countries</u>	4,000,000	7,000,000
Total, All Countries	\$108,000,000	\$102,000,000

Table 2.--Expenditures of Canadian Travellers in Foreign Countries

	<u>1941</u>	<u>1940</u>
<u>1. Travellers to the United States</u>		
(a) Automobile	\$ 3,750,000	\$ 10,300,000
(b) Rail	8,500,000	20,000,000
(c) Boat	700,000	1,200,000
(d) Bus (exclusive of local bus)	1,500,000	3,200,000x
(e) Airplane	1,200,000	600,000x
(f) Other (pedestrians, local bus, etc.).	2,600,000	4,500,000
Total, U.S.A.	\$ 18,250,000	\$ 39,800,000
<u>2. Travellers to Overseas Countries</u>	2,750,000	2,600,000
Total, All Countries	\$ 21,000,000	\$ 42,400,000

x Expenditures of travellers by bus and airplane in 1940 only cover the period April-December. During the first three months of that year, bus and airplane passengers were included under "Other Travellers."

Table 3.--Summary Balance of Payments on Tourist Account

	<u>1941</u>	<u>1940</u>
<u>United States Account</u>		
Credits	\$104,000,000	\$ 95,000,000
Debits	18,250,000	39,800,000
Net Balance	+\$ 85,750,000	+\$ 55,200,000
<u>Overseas Account</u>		
Credits	\$ 4,000,000	\$ 7,000,000
Debits	2,750,000	2,600,000
Net Balance	+\$ 1,250,000	+\$ 4,400,000
<u>Total All Countries</u>		
Credits	\$108,000,000	\$102,000,000
Debits	21,000,000	42,400,000
Net Balance	+\$ 87,000,000	+\$ 59,600,000

