

DEPARTMENT OF TRADE AND COMMERCE
DOMINION BUREAU OF STATISTICS - CANADA
INTERNAL TRADE BRANCH

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CANADA'S TOURIST TRADE, 1942

Expenditures of travellers from other countries in Canada in 1942 are estimated at \$81,900,000 and the travel expenditures of Canadians outside of Canada at \$27,700,000. These figures compare with estimates of foreign expenditures in Canada of \$111,000,000 in 1941 and \$105,000,000 in 1940 and the expenditures of Canadian travellers outside of Canada estimated at \$21,000,000 in 1941 and \$42,400,000 in 1940. The net expenditures in Canada in 1942 were \$54,200,000 compared with \$90,000,000 in 1941 and \$62,600,000 in 1940.

The most important development in 1942 was the decline in the automobile traffic. This was the principal factor in the reduction in expenditures of United States travellers in Canada. Part of the reduction in expenditures of auto tourists was offset however by higher expenditures by persons travelling by rail. Since the rate of decline in the automobile traffic progressed during the year, the usual summer expansion in the volume of traffic was very slight. As a result, expenditures were less concentrated in the summer months and accordingly a smaller proportion of the total represents the expenditures of summer vacationists and a larger proportion reflects business and official travel than formerly.

Expenditures in Canada of Travellers from Other Countries

1. From Overseas Countries

The expenditures in Canada of travellers from overseas countries in 1942 are estimated at about \$2,900,000 compared with about \$4,000,000 in 1941. These amounts include the expenditures of travellers from Newfoundland.

2. From the United States

The expenditures in Canada of travellers from the United States in 1942 are estimated at \$79,000,000 compared with \$107,000,000 in 1941 and \$98,000,000 in 1940. The expenditures of travellers by rail represented 41% of this total in 1942 compared with 26% of the total in 1941. Automobile travel accounted for 33% of the 1942 total in contrast with 50% in 1941.

The contraction in automobile travel was of course to a large extent a reflection of the general reduction in the use of automobiles for extended trips and the introduction of gasoline rationing. The decline in local auto traffic was not so sharp as in the case of the longer term motor car travel. The number of United States cars entering Canada without permits for short visits close to the border declined in 1942 to 77% of the number in 1941 while the number of United States cars entering with traveller's vehicle permits declined in 1942 to 42% of the 1941 traffic. The decline in this class of travel was even greater in the third quarter of the year which covers the season in which this traffic is most heavily concentrated. Entries of cars with permits in the third quarter of 1942 were only 33% of the traffic in the same period of 1941.

Analysis of the states of origin of the permit class discloses that the sharpest decline in traffic was in cars originating in states which are not adjacent to the Canadian boundary. Cars originating in this group of states in 1942 were only 22% of the same group in 1941 while cars from states adjacent to the border in 1942 were 54% of the number of cars from the same states in 1941. It is of interest to note that, while in the group of states non-adjacent to the border the traffic from eastern states in which gasoline rationing was in effect during most of the year

declined relatively more than in the states where rationing was not in effect, there was virtually no difference in the proportionate changes in the traffic originating in rationed and non-rationed states along the border. These changes in traffic indicate the importance of distance from the border as a factor influencing the decline in traffic to Canada.

Gasoline rationing in most areas of the states along the eastern seaboard was introduced in May 1942. In the autumn of the year it was extended to all parts of this group of states and in December the rationing was extended to cover all states in the United States.

Expenditures of Canadian Travellers in Other Countries

1. In Overseas Countries

The expenditures of Canadian travellers in overseas countries including Newfoundland are estimated at about \$3,000,000 in 1942 which is about the same level as in 1941.

2. In the United States

The expenditures of Canadian travellers in the United States are estimated at \$24,400,000 in 1942 compared with \$18,300,000 in 1941 and \$39,800,000 in 1940.

The principal factors influencing this group of expenditures have been the restrictions upon pleasure travel which were first introduced in July 1940. In order to conserve Canada's supply of United States dollars for more essential uses, the government under the Foreign Exchange Control Order placed restrictions at that time upon pleasure travel involving the use of United States dollars. Since then Canadian expenditures in the United States have mainly represented expenditures for such purposes as business trips, travel for health reasons, etc. The low levels of expenditures reached in 1941 and 1942 are a reflection of this policy.

Well over half of the expenditures in 1942 were by persons travelling by rail. This class of traffic along with bus travel expanded considerably over the levels of the previous year, while the volume of expenditures by persons travelling by automobile, airplane, and boat contracted.

Sources of Statistical Information

Very marked progress has been made in recent years in estimating travel expenditures. Through the co-operation of the Customs Division of the Department of National Revenue and the Immigration Branch of the Department of Mines and Resources, with the Dominion Bureau of Statistics, new methods of estimating tourist expenditures, first introduced in 1940, have resulted in a greater volume of data than was formerly available. In 1941, a more extensive organization of tourist statistics procedure was undertaken. Progress was made especially in the estimation of the expenditures of automobile tourists. A more uniformly classified count was obtained as a basic record of traffic. In addition, much larger and more representative samples of tourist expenditures were collected.

In 1942, further progress was made in extending the proportion of total expenditures reported. The principal improvement in technique was in this direction. In the case of United States motorists entering Canada on Traveller's Vehicle Permits, over 82% reported expenditures to the Dominion Bureau of Statistics compared with 76% in 1941 and 50% in 1940. For the expenditures of local motorists a sample covering over 38% was obtained in 1942 compared with one of about 25% in 1941 and no direct sample at all in 1940. More than 97% of Canadian motorists reported expenditures in 1942 compared with about 95% in 1941 and 80% in 1940.

Table 1.--Expenditures of Foreign Travellers in Canada

(Millions of Canadian Dollars)

<u>1. Travellers from the United States</u>	<u>1940</u>	<u>1941</u>	<u>1942</u>
(a) Automobile	49.5	54.0	26.0
(b) Rail	26.5	28.0	32.0
(c) Boat	6.0	7.0	4.0
(d) Bus (Exclusive of local bus)	5.7	7.0	6.0
(e) Airplane	1.3	3.0	3.0
(f) Other (Pedestrians, local bus, etc.) ..	<u>9.0</u>	<u>8.0</u>	<u>8.0</u>
Total, U.S.A.	98.0	107.0	79.0
<u>2. Travellers from Overseas Countries</u>	<u>7.0</u>	<u>4.0</u>	<u>2.9</u>
Total, All Countries	<u>105.0</u>	<u>111.0</u>	<u>81.9</u>

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

(Millions of Canadian Dollars)

<u>1. Travellers to the United States</u>	<u>1940</u>	<u>1941</u>	<u>1942</u>
(a) Automobile	10.3	3.8	2.6
(b) Rail	20.0	8.5	13.9
(c) Boat	1.2	0.7	0.5
(d) Bus (exclusive of local bus)	3.2	1.5	2.6
(e) Airplane	0.6	1.2	1.1
(f) Other (pedestrians, local bus, etc.) ..	<u>4.5</u>	<u>2.6</u>	<u>3.7</u>
Total, U.S.A.	39.8	18.3	24.4
<u>2. Travellers to Overseas Countries</u>	<u>2.6</u>	<u>2.7</u>	<u>3.3</u>
Total, All Countries	<u>42.4</u>	<u>21.0</u>	<u>27.7</u>

Table 3.--Balance of Payments on Tourist Account

(Millions of Canadian Dollars)

<u>United States Account</u>	<u>1940</u>	<u>1941</u>	<u>1942</u>
Credits	98.0	107.0	79.0
Debits	<u>39.8</u>	<u>18.3</u>	<u>24.4</u>
Net Balance	<u>+58.2</u>	<u>+88.7</u>	<u>+54.6</u>
<u>Overseas Account</u>			
Credits	7.0	4.0	2.9
Debits	<u>2.6</u>	<u>2.7</u>	<u>3.3</u>
Net Balance	<u>+4.4</u>	<u>+1.3</u>	<u>-0.4</u>
<u>Total All Countries</u>			
Credits	105.0	111.0	81.9
Debits	<u>42.4</u>	<u>21.0</u>	<u>27.7</u>
Net Balance	<u>+62.6</u>	<u>+90.0</u>	<u>+54.2</u>

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