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TOURIST TRADE
in
CANADA
1920 - 1926

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THE TOURIST TRADE IN CANADA

1920 - 1926

In recent years the tourist trade has reached considerable proportions in Canada, having become an important source of revenue in certain sections of the country, and a factor that materially affects the international trade balance. It represents the economic disposition of a national asset in which Canada is particularly rich, namely, its picturesque scenery, its invigorating climate, its opportunities for hunting, fishing and boating, as well as for winter sports - for the exploitation of which a considerable capital expenditure has been made on hotel accomodation, improved highways and other attractions. The expenditure of travellers coming to Canada from other countries on business is of similar significance.

It is impossible to obtain a direct record of expenditures of this kind, Moreover, even a rough estimate of the total is extremely difficult to make, visitors to Canada being of all classes, engaging in widely different activities or forms of recreation, remaining for varying periods, with expenditures undoubtedly ranging from very small to very large amounts.

Various methods have been adopted by the Dominion Bureau of Statistics for obtaining a general idea of the amount and value of this trade, assembling the figures derived by each, and in this way arriving at a sum total. By these various methods of calculation and estimation, the details of which are explained further on in this report, the value of the tourist trade from other countries to Canada in the years 1920 to 1926 is roughly indicated as follows:-

1920	-	\$83,734,000
1921	-	86,394,000
1922	-	91,686,000
1923	-	130,977,000
1924	-	148,942,000
1925	-	173,289,000
1926	-	190,463,000

Methods of Estimation for Different Types of Tourist Traffic

The foreign tourist trade of Canada may be divided into three classes: (a) Tourists entering Canada via ocean ports, a record of the number of saloon and steerage arrivals being kept by the Department of Immigration and Colonization; (b) Tourists entering Canada from the United States in automobiles, a record of the number of automobiles entering Canada for tourist purposes being kept by the Department of National Revenue; and (c) Tourists entering Canada from the United States by rail or steamer, of which no record is kept. In Table I. herewith the estimated expenditure by each of these classes is shown, the following being the methods of estimation employed in each case:

TABLE 1.
ESTIMATED EXPENDITURE OF TOURISTS FROM OTHER COUNTRIES IN CANADA,
CALENDAR YEARS 1920-1926.

	1920	1921	1922	1923	1924	1925	1926
<u>Ocean Ports:</u>							
Saloon 600	5,243,400	3,848,400	2,007,600	1,615,800	1,525,800	1,166,400 ¹	1,122,600 ¹
Steerage 400	6,947,600	5,405,200	4,925,600	5,641,600	5,451,200	4,330,400 ¹	4,241,600
	12,191,000	9,253,600	6,933,200	7,257,400	6,977,000	5,496,800	5,364,200
<u>From U.S.A. by Automobile:</u>							
British Columbia			2,717,000	4,364,000	5,937,000	6,989,000	7,765,000
Alberta			43,000	154,000	147,000	272,000	320,000
Saskatchewan			88,000	267,000	257,000	500,000	1,032,000
Manitoba			812,000	886,000	771,000	1,265,000	1,951,000
Ontario			17,614,000	30,389,000	31,996,000	40,127,000	45,138,000
Quebec			15,285,000	22,992,000	30,038,000	39,566,000	44,833,000
Maritime Provinces			777,000	1,299,000	2,193,000	3,985,000	4,732,000
	20,537,000	27,065,000	37,336,000	60,351,000	71,339,000	92,703,000	105,771,000
<u>From U.S.A. by Rail & Steamer:</u>							
(75% of Automobile Traffic)	15,402,750	20,298,750	28,002,000	45,263,250	53,504,250	69,527,250	79,328,250
Adjusted according to population per car in U.S.A.	33,459,010	42,221,400	47,416,720	63,368,550	70,625,610	75,089,430	79,328,250
Total for 3 classes	66,187,010	78,540,000	91,685,920	130,976,950	148,941,610	173,289,230	190,463,450
Adjusted for Prices Index	83,733,760	86,394,000	91,685,920	130,976,950	148,941,610	173,289,230	190,463,450

1. For fiscal years 1926 and 1927 saloon and steerage Tourists not shown separately. Estimate based on 1924-25 percentages applied to totals.

(a) Tourists via Ocean Ports. - It is estimated that in 1926 tourists who entered Canada by ocean ports spent during their stay. \$5,364,200. The statistics of the Department of Immigration and Colonization with regard to the number of arrivals for the years 1920-1926 were used as a basis for the estimate appearing under this heading: With regard to the amount spent by each tourist: the United States Department of Commerce, in making an estimate of the expenditure of foreign tourists in the United States in 1925 places the total at \$100 millions, including \$27,000,000 estimated to have been spent by 400,000 Canadians. This would leave \$73,000,000 as the expenditure of some 136,110 non-immigrant aliens, exclusive of Canadians, entering the United States in 1925 - an average of \$537. Sir George Paish, in 1910, applied a figure of \$1,000 for tourists via ocean ports to the United States, but Prof. Jacob Viner, in his work on the Balance of Canadian International Indebtedness, 1900-1914, uses the figure of \$300 for steerage passengers, although endorsing Paish's figure of \$1,000 for saloon passengers. The average for steerage passengers has been set in the present calculation for Canada at \$400, and at \$600 for saloon passengers. This produces a general average for all tourists, steerage and saloon, somewhat lower than the official United States figure, and this would appear reasonable.

No attempt has been made to subdivide the expenditures of tourists via ocean ports, by provinces, but the totals are shown in Table I. It will be seen that the years 1920 and 1921 are the high ones, reflecting post-war conditions. The fluctuations in these figures from year to year are due to the number of tourists only, the same average expenditure being applied throughout.

(b) Tourists entering Canada from the United States in Automobiles. - The most important factor in the recent tourist trade of Canada is the automobile traffic between Canada and the United States. It is difficult to estimate. Tourists from the United States visit in Canadian homes, stop in tourist camps and stay at summer resorts and hotels, spending money in varying amounts. Again, at certain points, like Niagara Falls, Ont., large numbers of cars cross and re-cross the international bridges, many of them remaining but a few hours, spending little or nothing in Canada, having obtained their gasoline and other supplies before crossing the line. It is estimated that tourists of this class in 1926 spent \$105,771,000 in Canada.

The Department of National Revenue has recorded the number of automobiles entered from the United States for tourist purposes since 1919, though for the initial years 1919 to 1922, the figures are not considered authoritative. The entries are divided under: (a) Cars admitted for a period not exceeding twenty-four hours; (b) Cars admitted for one month, and (c) Cars admitted for a period exceeding one month and not more than six months. The statistics as to the numbers of cars admitted for a period not exceeding twenty-four hours are of doubtful value as a basis for making an estimate of the expenditure of tourists in Canada for less than one day, in view of the conditions surrounding the recording of these permits at the port of entry. For example, the Department of National Revenue stated in 1925 that the port of St. Stephen, N.B., which showed an exceptionally large number of entries for one day for 1924 and 1925 "is in a rather unusual position so far as keeping a record of automobile traffic is concerned, for the reason that there are at least two bridges connecting that town with the town of Calais, Me. A very large number of automobiles cross from Calais to St. Stephen by one bridge and return by the other, repeating this, in a great many cases, many times in one day." The Department goes on to state that it is very difficult for the Collector to keep a record under these circumstances without counting the same car in his statistics from two to perhaps ten or more times in the one day.

An effort, however, is being made to have the statistics represent a record of the actual tourist traffic at the frontier ports, and the statistics for 1926 are considered to be on a better basis from this standpoint than those for 1925. In the present estimate therefore the figures for cars entering New Brunswick for a period not exceeding twenty-four hours have been adjusted in 1924 and 1925 to compare with the 1926 data.

Various opinions have been expressed as to the average amount expended by these classes of tourists. In view of this diversity, the Bureau of Statistics circularized many of the best-known authorities, including secretaries of boards of trade, automobile and tourist associations, immigration agents, United States consular agents in Canada, and customs officials at border ports, asking for their estimate of the average or typical total expenditure in Canada made per automobile of the three types recorded by the Department of National Revenue as above described. A large number of replies were received from every province, and some valuable information and sidelights on the point obtained. A typical comment pertinent to the difference of opinion with regard to twenty-four hour permits is as follows:

"Automobile tourists coming in here do not spend the amount of money which people imagine they do . . . Seventy-five per cent of the automobile tourists stay with friends or else camp out."

Doubtless there are border points where on holidays and Sundays many cross the line to travel a few miles, picknicking on the Canadian side but spending little.

When the estimates above mentioned were examined, considerable disparity was found between those sent in from different localities. They were therefore compiled by provinces and an average or median struck for each province, which was applied to the number of automobiles entered according to the returns of the Department of National Revenue. The totals are shown in Table I.

A steady increase in expenditure by tourists from the United States in automobiles is shown, as is to be expected with the increasing use of the automobile. The statistics for 1920 and 1921 are not sufficiently reliable to be published by provinces, but the totals in round numbers are included merely as an indication of the general trend, and should be used with caution.

With regard to the statistics for the Province of Quebec, the Quebec Tourist Association does not issue a total figure nor make an estimate of the probable duration of stay in Canada of cars entered on permits of one month or six months. The rate of expenditure applied by the Bureau in the present estimate is higher than that of the Association for twenty-four hour permits, but is in substantial agreement for cars entered for a month and six months, if an average stay of nine and forty-four days respectively are allowed. The Roads Department of the Province of Quebec in their annual report for 1926 quote "a conservative estimate" which "sets at \$45,000,000 the sum spent by American motorists alone in 1925. This sum must have risen to fifty millions in 1926, and nothing prevents it from rising still more." The present estimate therefore is somewhat higher than that of the Tourist Association, but lower than that of the Roads Department.

The estimate for Ontario is greater than that of the Ontario Tourist Association, which sets the total tourist expenditure in Ontario at \$40 millions in

1925, whilst the Bureau credits motorists from the United States with that amount. It is lower, however, than several other recent estimates.

The figures for the Maritime Provinces have been grouped together in the estimate for automobile tourist expenditures. Many tourists to Nova Scotia enter Canada in New Brunswick, and the situation at the border ports has already been mentioned.

The figures for the Western Provinces are based on estimates received from these provinces, though the estimate for British Columbia is less than those of the local tourist associations. Probably, however, a larger proportion of British Columbia tourist trade is via rail and steamer from the United States, for which no separation by provinces has been attempted.

(c) Tourists entering Canada from the United States by Rail and Steamer.-

There are no direct records of the number of tourists entering Canada from the United States in this manner. The figures of immigration from the United States do not afford a basis in the absence of comprehensive data regarding non-immigrants. Similarly, although the total numbers of passengers carried on Canadian railways is known by months, and these show marked seasonal variations, the foreign tourist element cannot be computed.

In an attempt to measure the value of the tourist trade to Canada by rail, the principal railways with connecting lines in Canada and the United States were circularized, and statistics obtained as to the number of passengers travelling from Canadian to United States points, and from United States to Canadian points, for the year 1926. For 1925 insufficient replies were received upon which to base an estimate. For 1926, the statistics furnished by the railways showed a total of 2,302,000 passengers ticketed from United States to Canadian points, including in this total also some passengers ticketed from United States to United States points through Canada. Some means of estimating what proportion of this passenger traffic should be considered as tourists from the United States to Canada, and what proportion tourists from Canada to the United States, had to be found. It is natural to suppose that in view of the greater population of the United States and its density along the border, the tourist trade to Canada would be heavier, and the statistics of automobile tourists would seem to bear this out. In 1926, the statistics of the Department of National Revenue show that 2,076,255 cars were entered at Canadian ports from the United States, but only 346,387 were entered at United States ports from Canada. Probably more people proportionately to the total tourists from the United States would travel in automobiles, than from Canada, for there were 12 persons to every passenger automobile registered in Canada in 1925 and only 5.7 persons in the United States. Making a calculation on the basis of these assumptions, it will be found that the ratio of Canadian tourists by rail or steamer, to those of the United States is 1 to 2.8.

Applying this ratio to the number of passengers ticketed from United States to Canadian points in 1926, namely, 2,302,000, it is estimated that the number of passengers to Canada from the United States in 1926 was 1,696,000, and the number of passengers to the United States, 606,000. From the former must be deducted the number of immigrants, namely, 18,038, leaving the estimated number of tourists from the United States to Canada by rail at 1,678,000.

For the returns received from railway companies for both 1925 and 1926, only 64.5 per cent of the number of passengers carried in 1926 were carried in 1925. On this basis, 64.5 per cent of the 1926 number, or 1,093,920 tourists entered Canada in 1925 from the United States.

It should be remembered that the above figures do not include tourists entering Canada by steamer, and also that some in transit traffic through Canada is included. There are no means of estimating what these amounts are, and the situation is further complicated by the fact that some round-trip tickets, allowing for stop-overs in Canada, may be included in the in transit traffic.

The above figures relate only to numbers of tourists but they should be compared with current estimates of expenditures. The Tourist Association of Ontario has estimated the total tourist trade by rail and steamer as sixty per cent of that of the similar trade by automobile. This works out at a considerably higher figure than is estimated by the United States Department of Commerce for the same type of trade to Canada. On the other hand, in provinces like British Columbia and Nova Scotia, automobile trade is less important proportionately to total tourist trade than in Ontario and Quebec. The Chairman of the Vancouver Publicity Bureau, for example, in discussing the tourist trade of British Columbia in 1923 expressed the view that automobile traffic was then only twenty-five per cent of the total tourist trade in that Province, and this situation no doubt obtained throughout Western Canada. It may also be assumed that visitors by rail and steamer spend more on the whole per capita than do the visitors by automobile. By assuming in the present estimate that the expenditure of tourists from the United States to Canada by rail and steamer, is seventy-five per cent that of tourists in automobiles, the estimated expenditure in 1926 was \$79,-657,000. Comparing this with the estimate of 1,678,000 tourists arrived at from the returns from the railway companies, this would show an average expenditure by each tourist of \$47. The General Passenger Agent of one of the large railway companies estimates that the average stay of each rail tourist in Canada is five days, which would appear reasonable.

Statistics are not available to enable us to make the same comparison for previous years back to 1920, and the increased use of the automobile in the United States since 1920 has made it unsafe to apply the same proportion throughout. In the present estimate therefore, an adjustment has been made in the percentage used according to the population per motor vehicle in the United States in each year. The population per motor vehicle and the percentage applied in each year are as follows:

Year	Population per Motor Vehicle in U. S. A.	Percentage
1920	11.5	163
1921	11	156
1922	9	127
1923	7.4	105
1924	7	99
1925	5.7	81
1926	5.3	75

Some allowance should also be made for the difference in price levels between 1920 and 1926, and on examination of the index number of retail prices, it was thought advisable to add twenty-five per cent to the 1920 figures and ten per cent to the 1921 total expenditures. Most of the calculations in the present estimate are based on 1925 and 1926 statistics, and if 1925 retail prices are considered as 100, 1920 and 1921 are 125 and 110, respectively.

Expenditure of Tourists in Hotels.—As a further check, an endeavour was made to collect information direct from the hotels in Canada as to the amount of money left with them for room, board, and other hotel accommodation, as one of the important items of tourist expenditure. Directories of hotels in Canada were obtained, and every hotel on the list circularized. A representative reply was received, including returns from all sizes of hotels. The proportion of rooms in the hotels from which returns were received was compared with the proportion of rooms in the hotels circularized, by provinces, and an estimated expenditure calculated as shown in the following table:

<u>Expenditures of Tourists from Other Countries in Canadian Hotels, 1924 and 1925.</u>		
	<u>1924</u>	<u>1925</u>
	\$	\$
Western Provinces	4,603,361	5,288,073
Ontario	10,467,889	11,001,282
Quebec	7,757,536	8,503,785
Maritime Provinces	1,095,350	1,199,721
Totals	23,924,136	25,992,861

Expenditures of Canadian Tourists in Other Countries

While the tourist trade in Canada is of great importance, it must be viewed also in relation to the expenditure by Canadian tourists in other countries, particularly in any estimate of the effect of the tourist trade on the trade balance of Canada. In Table II accordingly an estimate has been prepared on a similar basis to that for the tourist trade in Canada. Here also there are no statistics bearing directly on the subject.

Canadian tourists have been separated into three classes: (a) Canadian tourists leaving by ocean ports, (b) Canadian tourists to the United States in automobiles, and (c) Canadian tourists to the United States by rail or steamer.

For the first of these classes, the records of the Department of Immigration and Colonization of the number of "Returning Canadians" via ocean ports, for the years 1920 to 1926, have been used as a basis. These records show saloon and steerage passengers separately, and in the present estimate an average expenditure of \$1,000 for each saloon passenger, and \$400 for each steerage passenger have been applied to these numbers. The amount for saloon passengers is the same as used by Professor Viner in his calculation for 1900-1914, and \$200 less than the figure used by the United States for the expenditure of their tourists abroad. This seems reasonable, owing to the greater number of wealthy Americans who visit Europe. For steerage passengers Viner's estimate of \$500 has been increased to \$400, in view of the higher prices since 1914, and in accordance with the estimate of expenditure by foreign tourists in Canada.

With regard to motor tourists from Canada to the United States, the Department of National Revenue has recorded since 1922 the total number of cars exported annually for tourist purposes, but there is no subdivision as to the length of time for which they are touring. An estimated expenditure of \$120 per car has been applied to these numbers, and this would appear to be confirmed by the estimate of the United States Department of Commerce, in 1925, which amounts to \$27,000,000 as compared with \$26,-769,000 in the present estimate. This U. S. estimate is on a basis of 400,000 Canadian visitors, but in 1925 the number of cars exported from Canada for touring purposes was 223,077 which at the low average of 2 person per car would exceed the U. S. estimate. The above estimate of \$120 per car is therefore conservative.

For the years 1920 and 1921 there are no statistics of the numbers of cars exported for touring purposes, so no attempt has been made to estimate the tourist trade to the United States during these years.

For tourists to the United States by rail and steamer there are no statistics bearing directly on the point. From the statistics obtained from railway companies above quoted, with regard to passengers ticketed from Canada to the United States, a total of 606,000 was obtained for 1926 and 390,870 for 1925; this does not include in transit traffic, as the figures for passengers ticketed from the United States to Canada did. By applying seventy-five per cent to the estimate for expenditures by motor tourists in the United States in 1926, a total of \$31,174,500, is arrived at, which works out at approximately \$51 per rail tourist. This is higher than the similar figure for the tourist from the United States to Canada, but is thought reasonable in view of the numbers of Canadians who go south for the winter months. For these reasons the same procedure has been followed for Canadian tourists to the United States by rail and steamer as for United States tourists to Canada. The percentage applied has been 75 weighted according to the population per motor vehicle in Canada in each year. No adjustment for prices fluctuations was necessary, as no estimate has been made for the years 1920 and 1921 when the large differences occurred.

The totals for the years 1922 to 1926 of expenditures of Canadian tourists in other countries, as compared with the expenditures of tourists from other countries in Canada are as follows:

<u>Year</u>	<u>Expenditures of Canadian Tourists in Other Countries</u>	<u>Expenditures of Tourists from Other Countries in Canada</u>	<u>Excess of Expenditures of Tourists from Other Countries over Canadians</u>
	\$	\$	\$
1922	46,040,000	91,686,000	45,646,000
1923	50,735,000	130,977,000	80,242,000
1924	58,884,000	148,942,000	90,058,000
1925	67,395,000	173,289,000	105,894,000
1926	90,043,000	190,463,000	100,420,000

It will be noticed that whilst there has been a steady increase in the amount spent by tourists from other countries in Canada, there has also been an increase in the amount spent by Canadians in other countries. The 'favourable' balance accruing to Canada from tourist trade, however, has continued to increase until 1926, which

showed a slight decrease from the 1925 figure. The statistics nevertheless demonstrate how valuable an asset to Canada is her tourist attraction. It constitutes an 'invisible' export which is surpassed in value only by wheat among the seventy leading commodities exported from Canada in the fiscal year 1926-27, and if the 'invisible' import of expenditures of Canadian tourists in other countries is deducted, the balance represents an item exceeded in value only by the exports of wheat and newsprint paper. The increase of this asset still further depends not only on additional numbers of tourists from other countries, but also on the extent to which Canadians "see Canada first" when they decide to travel.

The Bureau of Statistics is issuing the present estimate in view of the many conflicting reports which are being circulated. Though many of the details of the calculation are estimates, it is believed that the data are as reliable as can be secured with the information now available. It is hoped moreover to improve the sources upon which the estimate is based as opportunity affords.

Ottawa, 9 August, 1927.

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