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THE
TOURIST TRADE

in

CANADA

1928

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THE TOURIST TRADE IN CANADA

1928.

The importance of the tourist trade as a factor in Canada's economic growth becomes more widely recognized year by year. Canada's great natural assets - her picturesque scenery, the diversity of lake, forest and river, the many large districts still remaining in their natural state, the healthful and invigorating climate, the charm of the Canadian winter and its distinctive sports, the old world lure of French Canada, attract tourists in ever increasing numbers. The presence on our southern border of the United States with its dense population possessing in a high degree the leisure and means to travel, the ease of communication between the two countries, the large automobile population, the relative cheapness of an automobile holiday in Canada for the average American family, and the close interlocking of business interests between the two countries result in a very large travel over the border. Canadians, too, are attracted by the larger United States cities with their theatres, museums, etc., and the more "settled" scenery, while large numbers of well-to-do Canadians visit United States' winter playgrounds in the south.

That Canadians realize the economic importance of this traffic is evidenced by the large sums spent on highway construction and advertising, and by the good accommodation provided by hotels, tourist homes and camps. In addition to the direct value of the expenditure of tourists, there follows the wider diffusion of knowledge of Canada's resources and increasing investment in them.

It is impossible to obtain a direct record of tourist expenditures and even a rough estimate is extremely difficult to make, since visitors to Canada are of all classes, engaged in different activities or forms of recreation, remaining for varying periods with expenditures ranging from very small to very considerable 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. The first estimate was issued in 1926, showing the value of the trade from 1920-1926. The survey of each succeeding year has introduced improvements in detail and reduced possible inaccuracy. A detailed description of the methods of calculation and estimation adopted is contained in an appendix to the present report.

The expenditure of tourists from other countries in Canada in the years 1920 to 1928 was approximately as follows:

1920	-	\$ 83,734,000
1921	-	86,394,000
1922	-	91,686,000
1923	-	130,977,000
1924	-	158,876,000
1925	-	177,882,000
1926	-	186,791,000
1927	-	215,763,000
1928	-	250,501,000

NOTE:- Figures prior to 1924 are not exactly comparable with later ones. Those for the years 1924-1927 have been revised on the basis of the methods adopted for 1928 and are therefore comparable.

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, cabin, and third-class 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. Our statistics for this class are more complete than heretofore.

Estimated Expenditure of Tourists from Other Countries in Canada

	<u>1 9 2 8</u>		<u>1 9 2 7</u>	
<u>Via Ocean Ports:</u>	\$	\$	\$	\$
Saloon	3,603,000		4,289,000	
Cabin	4,577,000		5,092,000	
Third-Class	2,416,000		1,691,000	
Total		10,596,000		11,072,000
<u>From U. S. A. by Automobile:</u>				
Motorists entering Canada by:				
Maritime Provinces	6,089,000		4,913,000	
Quebec	43,915,000		31,454,000	
Ontario	55,680,000		79,560,000	
Manitoba	2,380,000		1,885,000	
Saskatchewan	1,027,000		1,072,000	
Alberta	762,000		561,000	
British Columbia	17,531,000		14,981,000	
Total		167,384,000		134,426,000
<u>From U. S. A. by Rail</u>				
<u>and Steamer</u>		<u>72,521,000</u>		<u>70,265,000</u>
Total for three classes		250,501,000		215,763,000

(a) Tourists via Ocean Ports:- The number of tourists to Canada via ocean ports decreased slightly in 1928 as compared with the previous year, this decrease occurring principally in the first half of the year. Saloon passengers decreased 572 and cabin class 686, whilst third-class tourists increased 1,209 or 42.9 p.c. Expenditure in Canada of tourists via ocean ports shows a decrease of approximately \$476,000.

(b) Tourists from the United States by Automobile:- The most important factor in the tourist trade of Canada is the automobile traffic between Canada and the United States. The estimated expenditure of this class of tourist in 1928 was \$167,384,000, as compared with \$134,436,000 in 1927, on the basis of our revised estimate. This represents an increase of \$33,000,000, or approximately 25 p.c. over last year. The number of tourist automobiles entering Canada increased by about 16 p.c. The greatest increase was in the number of cars entering on 60-day permits, i.e., 28 p.c. Those entering on 24-hour permits increased 12 p.c., while those on 6-month permits decreased approximately 65 p.c.

Of the provinces, Ontario showed the greatest increase, accounting for \$16 millions of the \$33 millions increase in expenditure. Quebec increased \$12 millions, and British Columbia \$3 millions. With regard to the statistics of expenditure of United States motorists shown by provinces in the above statement, it should be remembered that this is not the expenditure of United States motorists in the respective provinces but only of those who enter Canada by a port in the province, but who may spend part of their money in several other provinces before leaving the country. For example, many tourists to the Rocky Mountain district in Alberta enter Canada via ports in other Western Provinces than Alberta, and most tourists to Nova Scotia and Prince Edward Island enter Canada via New Brunswick.

In connection with their Balance of Payments study, the United States Department of Commerce estimated the expenditure for merchandise imported by these tourists into the United States from Canada, declared to the Customs authorities and shown in their statistics of imports at approximately \$5,000,000 in 1928.

(c) Tourists from the United States by Rail and Steamer:- The returns from the principal railway and steamship companies with lines between Canada and the United States in 1928 with regard to the number of passengers ticketed from United States to Canadian points and vice versa showed an increase of 48,000 over 1927, or slightly over 3 p.c. Estimating the average expenditure of this class of tourist at \$47

(see Appendix), the total expenditure of \$72,521,000 showed an increase of \$2,267,000 over 1927.

Expenditure of Tourists from Other Countries in Canadian Hotels:- In 1927 all the hotels in Canada were circularized and an estimate of the amount of money left with Canadian hotels by tourists from other countries was made on the basis of the returns received. As no statistics on this subject were collected in 1928, it being felt that the variation would be slight, the 1927 figures are here inserted:

	1 9 2 7
P. E. Island	\$ 21,000
Nova Scotia	762,000
New Brunswick	496,000
Quebec	9,902,000
Ontario	7,283,000
Manitoba	627,000
Saskatchewan	128,000
Alberta	1,364,000
British Columbia	1,852,000
CANADA	22,435,000

Increasing the estimate for 1927 in proportion to the increase in the total expenditure, the estimated expenditure of tourists in Canadian hotels in 1928 would be \$26,047,000. It is to be noted that many hotels reported that tourist camps, private dwellings providing tourist accommodation and other tourist resorts along the highways are diverting the tourist trade from the hotels.

Expenditure of Canadian Tourists in Other Countries:- While the tourist trade to 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 general balance of payments. An estimate has been prepared on a similar basis to that for the tourist trade in Canada as there are no statistics bearing directly on the subject.

Canadian tourists have been divided into three classes: (a) Canadian tourists leaving via ocean ports; (b) Canadian tourists to the United States by automobile; and (c) Canadian tourists to the United States by rail and steamer. In the following table, the estimated expenditure by each of these classes is shown:

Estimated Expenditure of Canadian Tourists in Other Countries;

	1 9 2 8	1 9 2 7
<u>Via Ocean Ports</u>	\$	\$
Returning Canadians		
Saloon	2,822,000	5,011,000
Cabin	6,928,000	7,729,000
Third Class	9,077,000	7,745,000
Total	18,827,000	20,485,000
<u>To U. S. by Automobile:</u>		
Canadian cars exported to U. S. A. for touring purposes	59,785,000	57,032,000
<u>To U. S. A. by Rail and Steamer:</u>	24,633,000	26,265,000
Total for three classes	103,245,000	103,782,000

(a) Canadian Tourists via Ocean Ports:- The records of the Department of Immigration and Colonization showing the number of "Returning Canadians" via ocean ports show saloon, cabin and third-class passengers separately. The number of saloon and cabin passengers decreased by 3,524 in 1928, while third-class tourists increased by 3,330, making a decrease in the total number of 194. Applying to each class the estimated average expenditure used last year, the total expenditure for Canadian tourists via ocean ports showed a decrease of \$1,658,000.

(b) Canadian Tourists to the United States by Automobile:- As in the case of United States motor tourists to Canada, the expenditure of this class showed the greatest increase, i.e., \$2,753,000. The number of Canadian cars exported to the United States

for touring purposes increased from 495,929 to 519,871, between 1927 and 1928, and the estimated expenditure from \$57,032,000 to \$59,785,000.

(c) Canadian Tourists to the United States by Rail and Steamer:- The estimated number of rail and steamer tourists to the United States in 1928 was 483,000 as compared with 515,000 in 1927, the calculation being made on the basis of passengers ticketed from one country to the other as reported by the principal railway and steamship companies with lines between Canada and the United States. The estimated expenditure for this class of tourist declined from \$26,265,000 in 1927 to \$24,633,000 in 1928, or approximately 6 p.c.

The totals for the years 1924 to 1928 of expenditures of tourists from other countries to Canada as compared with the expenditures of Canadian tourists to other countries are as follows:

<u>Year</u>	<u>Expenditures of Tourists from Other Countries in Canada.</u>	<u>Expenditures of Canadian Tourists in Other Countries.</u>	<u>Excess of Expenditures of Foreign Tourists over those of Canadian Tourists.</u>
	\$	\$	\$
1924	158,876,000	73,873,000	85,003,000
1925	177,882,000	77,163,000	100,719,000
1926	186,791,000	90,693,000	96,098,000
1927	215,763,000	103,782,000	111,981,000
1928	250,501,000	103,245,000	147,256,000

The "favourable" balance accruing to Canada from tourist trade increased by over \$35 millions in 1928, and represents an "invisible" export which is surpassed in value only by the exports of wheat among the leading Canadian commodities exported from Canada in the fiscal year 1928-29.

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.

APPENDIX

THE METHOD OF CALCULATION

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. To each of the three classes into which the foreign tourist trade of Canada may be divided, different methods were applied as follows:

1. Tourists Entering Canada via Ocean Ports:- The monthly statistics of the Department of Immigration and Colonization were used as the basis for the estimate appearing under this heading. Three classes are shown separately (saloon, cabin and third class) for the fiscal year and the total of the monthly returns for the calendar year was distributed among these three classes on the same basis as the total for the fiscal year.

The Bureau has placed its estimate of the expenditure of foreign overseas tourists in Canada of the saloon class at \$1,200, of cabin tourists at \$750 and of third class tourists at \$600. The United States estimate for similar classes of \$1,900 for first class passengers, \$964 for second class and \$663 for third class is somewhat higher but the lower Canadian estimate for ocean tourists would seem reasonable.

2. Tourists Entering Canada from the United States in Automobiles:- The Department of National Revenue records the number of automobiles entering Canada from the United States in three classes, (a) For a period not exceeding 24 hours (b) For a period not exceeding 60 days, and (c) For a period exceeding 60 days and not more than six months. In 1928, 2,500 U. S. tourists to Canada on 60-day or six-month permits were circularized by the United States Bureau of Foreign and Domestic Commerce, from lists furnished by the Canadian Department of National Revenue to officers of the Dominion Bureau of Statistics. From the returns received, those for 1,200 tourists on 60-day permits were compiled in batches of 100. These batch averages showed an amazingly small range and the sampling commands a very high degree of confidence. The average expenditure per 60-day tourist of \$156.35 which was adopted would, therefore, be within a few dollars of being correct. For those entering on six-month permits, only 27 returns were received, too small a number for a reliable average expenditure. As the total number of cars in this class is only 1,173, the compiled average of \$560 could be wrong by a considerable amount without affecting the total to any great extent. No sampling was done for one day tourists in 1928 but it is proposed to cover this class this year. In the meantime we have used the average of \$7.00 per car agreed upon by the U. S. Bureau of Foreign and Domestic Commerce and ourselves and based largely upon the opinions of the principal tourist authorities throughout Canada.

In view of the co-operative arrangements between the United States Bureau of Foreign and Domestic Commerce and the Dominion Bureau of Statistics for the collection of statistics of the expenditure of automobile tourists, the estimates for this class of tourist traffic for 1928 published by both countries will be identical.

3. Tourists Entering Canada from the United States by Rail and Steamer:- Statistics with regard to the number of passengers ticketed from the United States to Canadian points and vice versa in 1928 were obtained from the principal rail and steamship companies with lines in Canada and the United States. The total number of passengers ticketed from the United States to Canadian points includes U. S. immigrants to Canada, returning Canadians, U. S. tourists to Canada and returning Canadian tourists.

In the statistics of Immigration, the number of U. S. immigrants and returning Canadians is shown but an estimate was made as to what proportion of the total number consisted of U. S. tourists to Canada. After making allowance for the difference in population per car in the two countries (10.07 in Canada and 5.12 in the United States) it was assumed that the total number of U. S. tourists to Canada would be in the same proportion to the total number of Canadian tourists to the United States as the total number of tourist cars entering Canada from the United States (3,645,455) to the total number of tourist cars entering the United States from Canada (519,871). On this basis, the total number of passengers ticketed from the United States to Canadian points was distributed between Canadian tourists to the United States and U. S. tourists to Canada in the same proportion as 519,871 x 10.07: 3,645,455 x 5.12, the resulting estimate for Canadian tourists to the United States being 546,793 and for U. S. tourists to Canada 1,609,415. The latter figures, however, include U. S. immigrants (29,933) and returning Canadians (34,120) which leaves a balance of 1,543,062 as U. S. tourists to Canada.

Applying the average expenditure of \$47 used in previous estimates (based on the opinions of tourist associations and one large railway company) the total rail and steamer tourist expenditure in Canada in 1928 amounted to \$72,521,000.

Estimated Expenditure of Canadian Tourists in Other Countries, 1928.

1. Canadian Tourists via Ocean Ports.- The monthly statistics of the Department of Immigration and Colonization were used and the total was distributed among the three classes (saloon, cabin and third) by the same procedure as in the case of tourists entering Canada via ocean ports.

To these figures, an average expenditure of \$1,000 for each saloon passenger, \$600 for each cabin passenger and \$400 for each third class passenger was applied. This is lower than the similar average for tourists from overseas countries to Canada, but it is thought advisable in view of the fact that out of 37,062 non-immigrants returning to Canada by ocean ports in 1928, 17,560 were British-born returning, 2,683 were British naturalized returning and 2,451 were alien nationals returning, most of whom were probably visiting relatives and whose expenditure, therefore, would be less than that of the ordinary tourist.

2. Canadian Tourists to the United States by Automobile.- The number of Canadian tourists to the United States by automobile was obtained from the records of the Department of National Revenue. The total number of cars exported from Canada annually for tourist purposes is recorded but no subdivision is made as to the length of time permitted to remain outside Canada.

The same estimated expenditure of \$115 per car used last year was applied. This was arrived at by circularizing directly some 250 Canadian tourists whose names were taken at random from the records of the National Revenue collectors in Canada, requesting a statement as to their expenditures on their motor trips to the United States in 1928 and the amount of merchandise imported by them into Canada which they declared to the National Revenue officers on re-entering the country. From the returns received, an average expenditure per Canadian car of \$115 was obtained. (An average deduction of \$4.38 should be made for merchandise declared on re-entering Canada which is already shown in the statistics of imports into Canada, in any statement of the general balance of payments). Although the sample was small it was representative and would seem to justify the adoption of the above averages. It is proposed this year, however, to check these averages by circularizing a larger number of Canadian tourists to the United States, in co-operation with the United States Department of Commerce who sent last year similar questionnaires to United States tourists visiting Canada on 60-day and six-month permits and are this year circularizing 24-hour tourists.

3. Canadian Tourists to the United States by Rail and Steamer.- The method of estimating the number of tourists in this class is described under "Tourists Entering Canada from the United States by Rail and Steamer" (page 5).

The average expenditure of \$51 for this class of tourist was again used. This is higher than the similar figure for tourists from the United States to Canada but is thought reasonable in view of the numbers of Canadians who go south for the winter months.

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