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**Some dimensions of the tourist
and recreation industry in the
Atlantic provinces in 1966 :
summary of data compiled
by the former Atlantic Development Board**

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SOME DIMENSIONS OF THE TOURIST
AND RECREATION INDUSTRY IN
THE ATLANTIC PROVINCES
IN 1966

A Summary
Of Data Compiled for the
Former Atlantic Development Board

Prepared By
Canada
The Department of Regional Economic Expansion,
1971

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FOREWARD

Considerable research and data compilation were undertaken through the late 1960's under the planning program of the former Atlantic Development Board. An analysis of the tourism and recreation industry and its potential for growth was an important element in that program. Various consulting contracts were entered into in the summer of 1966 and later for this purpose.

A principle assignment was undertaken by the Traffic Research Corporation of Toronto, which shortly thereafter became Kates, Peat, Marwick and Company. Mr. W.M. Baker of Toronto was retained by the Board as a staff consultant to assist in guiding study and was later commissioned to examine and report on a number of separate aspects of concern in the recreation-tourism sector.

The tourist industry in P.E.I. had been examined in 1965 under a separate federal-provincial program. The study in 1966 therefore excluded the Island for the most part, although the 1965 research and other studies were used in some instances.

The principle report of the study by KPM was completed in 1968 but various inadequacies discouraged its general distribution. However, it has been used continually by the various federal government agencies directly concerned with tourist development with recognition of its limitations. The demand for certain of the data and the analyses has persuaded the agencies now responsible for the report to commission the preparation of a factual summary of the data for 1966,

together with pertinent excerpts from analytical procedures. This document constitutes that summary into which material gathered independently by W.M. Baker has been incorporated on a clearly identifiable basis.

It is considered that this document provides a reasonably reliable and factual data base for the recreation travel industry in the Atlantic Region in 1966 against which current and future data may be analyzed.

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PART I

TOURIST AND RECREATION TRIP PATTERNS^{1/}

Information respecting the volume and nature of the demand for tourist and recreation facilities and services in the three provinces constituting the study area was quite limited in 1966. A visitor exit survey underway in Nova Scotia in that year provided useful data on non-resident visitation to that province particularly in the summer season. However, wide information gaps existed with respect to resident activity patterns.

The closing of these gaps became a first priority objective of the 1966 research assignment. Unfortunately the timing of the contract negotiations prevented full use of the 1966 summer season for survey purposes. It was recognized however that 1967 would not be a representative year in view of centennial celebrations and Expo in particular. Therefore, it was decided to proceed in 1966 by analyzing existing data to measure and describe non-resident recreational trips, and by undertaking a household survey to determine resident activity. The results of these studies are summarized in Part I.

Time constraints, the inexperience of the contractors, and various difficulties severely limited the accuracy of the basic data obtained in some instances,

^{1/} This section summarizes the demand data assembled by Kates, Peat, Marwick and Company and reported to the Atlantic Development Board in Tourism and Recreation in Nova Scotia New Brunswick and Newfoundland, Part 2. Demand and Economics pp. 15 to 136.

and its projection and analysis in others. The less reliable data and analyses have been excluded from this summary. The material included is considered to be sufficiently reliable to provide a reasonably good indication of the volume and nature of tourist and recreational tripping activity in the Study Region in 1966.

It is important to note that some data presented in this part of the report refer to total travel, including business and non-recreational trips, and some to recreational travel only. The distinction is made consistently in the title of each table where necessary.

All tables refer to 1966 data unless otherwise indicated. "Study Area" signifies Nova Scotia, New Brunswick and Newfoundland only, whereas "Atlantic Region" includes Prince Edward Island.

Tripping expenditures are analyzed separately in Part 2 of this summary.

CHAPTER I

RESIDENT TRIPPING ACTIVITY

Introduction

In this chapter recreational travel and related activity in 1966 by residents of Newfoundland, Nova Scotia and New Brunswick within their own and each of the other provinces is examined. The results of interviews of a sample of non-farm households undertaken throughout the three provinces during the late summer and early fall of 1966 represents the essential data base. ^{1/2/}

Some non-recreational trips were reported^{3/}, and recreational trips were separated for more detailed analysis. Trips were categorized by duration into day trips, overnight trips (one to three nights)^{4/} and extended trips (over three nights).^{5/} They are examined in that sequence.

The expansion process was based on an estimate of households in 1966 from the then five year old data in the 1961 Census of Canada. The 1966 Census revealed that the estimate was somewhat low and this error is reflected in totals shown in Part I of this report. Upward adjustments were made in some subsequent sections of the report on the basis of 1966 census data. Also, a two to three per cent increase was introduced in some instances to allow for resident recreational travel attributable to farm households, but no such adjustment is involved in statistics presented in Part I of this report.

Footnotes:

- 1/ The survey was carried out by Kates, Peat, Marwick & Co. About 4,000 non-farm households were interviewed mainly by telephone on the basis of a two stage sampling procedure that initially selected communities and subsequently households within them. A total of 3,865 usable interviews were completed for a net sampling density of just over one percent of non-farm households in the three provinces.
- 2/ To obtain an Atlantic Provinces perspective where necessary or desirable, resident recreational trip data for the study area was extended by extrapolation to Prince Edward Island.
- 3/ In the survey no attempt was made to record data on other than recreational trips. Some other types of trips, however, were recorded, and constitute the difference between total trips and recreational trips. They represent about 16% of the total and are included in the tabulations in this chapter only where specifically indicated.
- 4/ The interviews obtained information on day and overnight trips made within the previous seven days only. Some, but possibly inadequate adjustment was made to overcome the bias resulting from the late summer timing in projecting the data from weekly to yearly totals.
- 5/ Households that agreed to give further information were sent trip diaries on which to record extended trips made at other times in the year. The response was limited

Day Trips ^{1/}

Table 1

Comments on Table 1:

- a) There was close correspondence between the percentage distribution of households by province and that for tripping by province. In effect the propensity for day tripping is roughly similar in each province in spite of income variations.
- b) Destinations were largely confined to the province of origin and hence also to the study region. The implication is that the economic benefits of day trip travel as well as the obligations to provide facilities are largely confined to the province of residence.

Table 2

Comments on Table 2:

- a) The average radius of residents' day trips was less than 50 miles from home. While average travel distance were somewhat higher in New Brunswick, differences between provinces are not significant. It is clear that the current market area for public and private facilities designed to meet the needs of day trippers is spatially restricted.

^{1/} a) See footnote ^{2/}, page 4 respecting inclusions of P.E.I.

b) Routine, intercommunity commuter trips across a provincial or international border were excluded from the survey.

Table 1. Recreational Day Trips by Origin, by Destination, Atlantic Region

(000's)

Province of Origin	Households		Total Trips		Recreational Trips		Nova Scotia		New Brunswick		P.E.I.		Newfound-land		Other	
	No.	%	000	%	000	%	000	%	000	%	%	%	%	%	%	
Nova Scotia	185	44	937	40	774	40	768	99	3	1	3	3	-	-	-	-
New Brunswick	142	32	789	33	603	31	11	1	577	99	2	1	-	-	13	100
P.E.I.	25	5	140	6	115	6	1	-	-	-	114	96	-	-	-	-
Newfound-land	97	22	502	21	442	23	-	-	-	-	-	-	442	100	-	-
Atlantic Region	449	100	2,368	100	1,934	100	780	100	580	100	119	100	442	100	13	100

Table 2: Day Trip Characteristics, All Purposes of Travel, Study Area

<u>Characteristics</u>	<u>Nova Scotia</u>	<u>New Brunswick</u>	<u>Newfoundland</u>	<u>Study Area</u>
Trips per household per year	5.63	6.24	5.64	5.83
Average Distance per round trip (miles)	82.70 ⁷	93.30 ⁷	89.60	88.60
Estimated yearly mileage	7.74 x 10 ⁷	7.52 x 10 ⁷	4.49 x 10 ⁷	19.75 x 10 ⁷
Cost at 3¢ per mile (\$Million)	2.32	2.26	1.35	5.93
Party size:				
- average (persons)	2.77	2.78	3.40	2.93
- medium (persons)	1.72	1.68	2.50	1.87
Percentage of trips reporting visiting friends / relatives	31%	25%	20%	26%

- b) New Brunswick exceeded the other two provinces with a value of 6.24 trips per household per year. Similar values for Nova Scotia and Newfoundland were approximately identical. The variation in the case of New Brunswick is probably attributable at least in part to the somewhat higher proportion of business trips recorded. In essence the average annual number of trips per household can be considered roughly similar in all provinces in the Study Area.
- c) Newfoundland, which showed by far the lowest yearly mileage and cost per trip, was also notable for having the largest average party size, 3.4 persons.
- d) The importance of visits to friends and relatives is indicated by the fact that 29,413 trips per week or 26% of a possible 112,753 trips reported this activity.

Overnight Trips

The overnight trip was defined as one that involved up to three nights away from home.

The 513 households reporting overnight trips within the preceding seven days represented 13.3% of all households in the survey.

Table 3

Comments on Table 3:

- a) There were 840,000 overnight trips, of which 690,000 or about 82%, had destinations in the Atlantic Provinces; The region therefore retained most of its resident overnight trips.

Table 3: Origin and Destination Patterns for Overnight Trips, Atlantic Region

<u>Province of Origin</u>	<u>Total Trips</u>	<u>Recreational Trips</u>		<u>Nova Scotia</u>		<u>New Brunswick</u>		<u>P.E.I.</u>		<u>Newfoundland</u>		<u>Other</u>	
		000's	000's	%	000's	%	000's	%	000's	%	000's	%	000's
Nova Scotia	351	274	38	249	89	17	9	6	9	1	-	1	4
New Brunswick	254	232	33	27 ^{1/}	10	168 ^{1/}	90	14	25	1	-	22	96
P.E.I.	52	41	6	1 ^{1/}	-	2 ^{1/}	1	38	66	-	-	-	-
Newfoundland	183	166	23	2	1	-	-	-	-	164	100	-	-
Atlantic Region	840	713	100	279	100	187	100	58	100	166	100	23	100

^{1/} Estimates only.

- b) The percentage distribution of total trips was again close to the percentage distribution of households. The ratio appeared to be higher in the case of Prince Edward Island, but the data are uncertain.
- c) Nova Scotia was the main generator and recipient of trips; About 38% of the recreational overnight trips were originated by residents of this province and it received 39% of the region's total. New Brunswick generated 33% and received only 26%.
- d) New Brunswick, situated adjacent to the State of Maine and the Province of Quebec, accounted for 96% of the recreation trips with destinations outside the region.

Table 4

Comments on Table 4:

- a) About 96.5% of the party-nights involved in overnight trips by residents of the Study Area were spent within the Atlantic Provinces. New Brunswick was the only province whose residents spent nights outside the region on overnight trips; these amounted to 42,000 party-nights.
- b) About 84% of all party-nights or a total of 1,015,000 were spent within the province of origin. Similar ratios for each province were Nova Scotia 88%, New Brunswick 70%, Newfoundland 99%.
- c) Some 150,000 party-nights were spent in the Atlantic Provinces outside the province of trip origin. Nova Scotia received 58,000 or 39% of these nights of which 93% represented New Brunswick residents. New Brunswick was the locale for 36,000 party-nights or 24%, of which 100% were Nova Scotia residents.

Table 4: Origin and Destination Patterns for Party-Nights
on Recreational Overnight Trips, Study Area

<u>Province of Origin</u>	<u>Total Nights</u>	<u>Destination</u>									
		<u>Atlantic Region</u>		<u>Nova Scotia</u>		<u>New Brunswick</u>		<u>P.E.I.</u>		<u>Newfoundland</u>	
		000's	%	000's	%	000's	%	000's	%	000's	%
Nova Scotia	448	448	39	396	87	36	10	12	24	4	1
New Brunswick	451	409	35	54	12	315	90	37	76	3	1
Newfoundland	308	308	26	4	1	-	-	-	-	304	98
Study Area	1,207	1,165	100	454	100	351	100	49	100	311	100

- c) continued
Prince Edward Island received 49,000 or nearly one-third, of which 76% came from New Brunswick.
- d) Newfoundland residents accounted for 304,000 of the 308,000 party-nights spent in their province.

Table 5

Comments of Table 5:

- a) The overnight trips reported were mainly for tourism and recreation purposes. Only 9% were motivated primarily for business purposes.
- b) The yearly average for the region was slightly over two overnight trips per household. Over 60% of the trips were made during the summer season. The average radius of trips was 160 miles which is again an indication of a fairly geographically restricted market area for public and private facilities designed to meet the needs of this type of resident tripping.
- c) Visits to friends and relatives as a main activity accounted for 30% of all overnight trips while 46% of all party-nights were spent with friends and relatives.
- d) In each province camping was of minor significance as a reported main activity and was negligible in Newfoundland, but assumed greater importance as a type of accommodation.
- e) Fresh water fishing was an important main activity only in Newfoundland.
- f) Overnight trips were most prevalent (63.4%) in the summer months but there were variations by province. About 72% of the year's total in Newfoundland occurred

Table 5: Overnight Trip Characteristics,
All Purposes of Travel, Study Area

<u>Trip Characteristic</u>	<u>Province of Residence</u>			<u>Total for Study Area</u>
	<u>N.S.</u>	<u>N.B.</u>	<u>Nfld.</u>	
Trips per Week	15,950	13,376	10,469	39,795
Estimated Total Trips Per Year	350,900	254,100	183,200	788,200
Trips Per Household Per Year	2.11	2.01	2.06	2.06
Seasonal Distribution of Trips				
- Spring	16.3%	11.5%	10.9%	13.2%
- Summer	55.7%	65.2%	72.0%	63.4%
- Fall	16.8%	13.1%	11.8%	14.2%
- Winter	11.2%	10.2%	5.3%	9.2%
Average Distance Per Round Trip (Miles)	308	297	386	325
Party Size				
- Average (persons)	2.18	2.83	2.98	2.61
- Median (persons)	1.32	2.00	1.93	1.68
Average Duration of Trip (days)	1.64	2.00	1.89	1.83
Travel Mode				
-- Car only	84.0%	81.5%	93.1%	85.6%
- Plane	2.1%	1.8%	0.5%	1.6%
- Bus	4.6%	2.4%	0.5%	2.8%
- Rail	0.9%	0.8%	-	0.6%
- Boat	-	0.7%	-	0.2%
- Combination & Other	8.3%	12.7%	5.9%	9.1%

Main Activity				
Trips Reporting	15,950	13,376	10,469	39,795
- Business	16.4%	4.0%	4.1%	9.0%
- Business & Pleasure	2.5%	8.2%	5.2%	5.1%
- Pleasure	19.9%	18.0%	41.0%	24.8%
- Urgent Personal Affairs	4.7%	1.6%	2.6%	3.1%
- Visiting Friends/Relatives	30.1%	34.7%	23.2%	29.8%
- Sight-Seeing	5.7%	2.2%	2.1%	3.6%
- Special Events	4.6%	2.7%	-	2.7%
- Fishing				
- Fresh Water	1.5%	2.3%	9.1%	3.8%
- Salt Water	0.5%	-	-	0.2%
- Camping	5.4%	6.9%	0.4%	4.6%
Accommodation Usage				
- Party-Nights/Year	5.76x10 ⁵	5.09x10 ⁵	3.46x10 ⁵	1.432x10 ⁶
- Hotel/Motel (%)	20.5	15.9	10.0	16.3
- Cabins	0.5	3.0	9.6	3.6
- Tourist Home	0.5	1.3	0.8	0.9
- Friends/Relatives	49.0	45.3	42.8	46.2
- Own Cottage	11.1	9.5	11.3	10.6
- Tent/Trailer	14.7	19.0	17.6	16.9
- Other	3.7	5.9	7.8	5.5

- f) continued
in these months as compared with 55.7% in Nova Scotia.

Extended Trips

Extended trips included those that exceeded three nights away from home.

One or more extended trips during the year were reported by 2,845 households, or 73.6% of the sample.

Table 6

Comments on Table 6:

- a) A total of 281,000 extended trips to all destinations inside and outside the Atlantic Provinces were undertaken. The distribution of trips generated was roughly similar to the percentage distribution of households. New Brunswick and Newfoundland however had a slightly higher ratio for trips of this type.
- b) Of 281,000 extended recreational trips undertaken by residents of the Atlantic Provinces 208,000 or 74% had primary destinations in the Atlantic Provinces. Some 115,000 or 41% of the trips had primary destinations outside the Atlantic Provinces. More than one primary destination was sometimes recorded by respondents, hence total destinations exceeded the total number of trips undertaken.
- c) Of the 208,000 trips, the total of extended trips with reported primary destinations within the Atlantic Region, Nova Scotia received 36%, New Brunswick 28%, Prince Edward Island 12%, and Newfoundland 24%.

Table 6: Extended Recreational Trips by Origin and Destination, Atlantic Region

Origin \ Destination	Total All Destinations		Nova Scotia		New Brunswick		P.E.I.		Newfoundland	
	000	%	000	%	000	%	000	%	000	%
Nova Scotia	108	38	51	67	19	32	10	38	5	11
New Brunswick	106	38	15	20	26	44	10	38	1	2
P.E.I.	16	6	6	8	12	20	5	20	-	-
Newfoundland	51	18	4	5	2	4	1	4	41	87
Atlantic Region	281	100	76	100	59	100	26	100	47	100

- d) Newfoundland was a destination for 80% of the extended trips of its residents. The corresponding ratios were: Nova Scotia 47%, New Brunswick 24%, and Prince Edward Island 31%. New Brunswick's proximity to the U.S.A. was reflected in the relatively lower retention of trips.

Table 7

Comments on Table 7:

- a) A total of 3.4 million party-nights were spent away from home by residents of the study area engaged in extended recreation trips. The percentage distribution by provinces varied somewhat from that of trip volumes shown in Table 6 but variations are probably not of major consequence.
- b) A total of 1,534,000 nights or 45% were spent outside the Atlantic Provinces. 1,901,000 nights or 55% were spent within these provinces.
- c) Of the 1,901,000 party-nights spent in the Atlantic Region, ratios per provinces were as follows:
Nova Scotia 39%, New Brunswick 27%, Newfoundland 27%, Prince Edward Island 7%.
- d) Of the party-nights on extended recreational trips spent by residents of a province, Nova Scotia retained 72%, New Brunswick 63% and Newfoundland 92%.

Table 7: Party-Nights on Extended Recreational Trips
by Origin and Destination, Study Area

<u>Province of Residence</u>	<u>Total All Destinations</u>		<u>Total Atlantic Region</u>		<u>Nova Scotia</u>		<u>New Brunswick</u>		<u>P.E.I.</u>		<u>Newfoundland</u>	
	000's	%	000's	%	000's	%	000's	%	000's	%	000's	%
Nova Scotia	1,561	46	803	42	575	78	113	22	61	44	54	11
New Brunswick	1,208	35	629	33	140	19	395	77	74	53	20	4
Newfoundland	666	19	469	25	24	3	8	8	4	3	433	85
Study Area	3,535	100	1,901	100	739	100	516	100	139	100	507	100

Table 8

Comments on Table 8:

- a) The summer season accounted for 78.4% of the extended trips made by residents of the study area. In Newfoundland the percentage reached 84.5%, and was 77.5% and 76.6% in Nova Scotia and New Brunswick respectively.
- b) Strictly business trips made up only 1.8% of the total trips reported.
- c) Visits to friends and relatives were reported as the main activity for 36.2% of the party trips and were mentioned in 63% of all trips reported.
- d) Nova Scotia had a slight edge on New Brunswick in total trips reported but the average number per household was noticeably lower. The average trip duration for Nova Scotia residents was significantly longer however, being 15.2 to 11.9 days. Total party-nights correspondingly reflected these differences.

Accommodation Usage

Initially accommodation patterns are examined in terms of party-nights and facility types for overnight and extended trips combined. Subsequently extended trips are considered separately.

Table 9

Comments on Table 9:

- a) In terms of total party-nights for overnight and extended trips combined, the proportionate distribution between provinces was similar to that for their

Table 8: Extended Trip Characteristics

All Non-Farm Households - 1966, Study Area

<u>Trip Characteristic</u>	<u>Province of Residence</u>			<u>Total for Study Area</u>
	<u>N.S.</u>	<u>N.B.</u>	<u>Nfld.</u>	
Trips Actually Described	977	1,280	630	2,887
Total Trips Per Year	115,285	110,154	52,898	278,337
Trips/Household Per Year	0.692	0.871	0.595	0.729
Seasonal Distribution of Trips -				
Spring	6.8%	7.0%	4.4%	6.4%
Summer	77.5%	76.6%	84.5%	78.4%
Fall	8.3%	11.1%	6.8%	9.2%
Winter	7.4%	5.3%	4.2%	5.9%
Average Distance Per Round Trip (Miles)	1,500	1,315	1,280	1,387
Party Size				
-Average (persons)	2.84	3.06	2.98	2.95
-Median (persons)	1.85	2.02	2.17	1.96
Average Duration of Trip (days)	15.2	11.9	14.8	13.8
Travel Mode				
-Car only	61.0%	67.9%	61.1%	63.7%
-Plane	9.0%	3.6%	11.0%	7.3%
-Bus	1.2%	0.8%	0.2%	0.9%
-Rail	6.2%	7.0%	3.8%	6.1%
-Boat	0.5%	0.2%	0.7%	0.4%
-Combination & Other	22.0%	20.5%	23.4%	21.7%
Destination				
-Within Own Province	47.0%	25.0%	79.5%	44.6%
-Other Atlantic Prov.	31.7%	25.8%	12.0%	25.7%
-Rest of Canada	18.0%	29.0%	11.4%	21.0%
-United States	14.7%	23.7%	6.2%	16.6%
-Rest of World	4.6%	1.9%	2.1%	3.1%
Main Activity - Trips Reporting	107,115	98,462	47,960	253,537
-Business	2.7%	1.3%	0.8%	1.8%
-Business and Pleasure	2.4%	3.4%	2.0%	2.7%
-Pleasure	22.3%	40.0%	44.6%	33.4%
-Urgent Personal Affairs	2.4%	1.1%	1.5%	1.7%
-Visiting Friends/Relatives	39.9%	32.6%	35.1%	36.2%
-Sight-Seeing	11.6%	6.3%	5.3%	8.4%
-Special Events	1.3%	2.1%	1.1%	1.6%
-Fishing				
-Fresh water	2.0%	0.3%	2.4%	1.4%
-Salt water	1.1%	0.1%	0.1%	0.5%
-Camping	5.7%	2.3%	1.4%	3.5%
Trips reporting				
Visiting friends/relatives	62,177	65,349	32,633	160,159

Table 9: RECREATIONAL TRAVEL --- OVERNIGHT AND EXTENDED PARTY-NIGHTS BY TYPE OF ACCOMMODATION, BY ORIGIN AND DESTINATION WITHIN ATLANTIC REGION STUDY AREA

Area of Residence	Accommodation Used	Origin		Destination Area		Atlantic Region
		N.S.	N.B.	P.E.I.	NFLD.	
		(000's)				
Nova Scotia	Commercial	117	36	24	6	183
	Home of Fr./Rel.	441	84	26	35	586
	Camping	156	24	22	10	212
	Own Cottage	232	1	-	-	233
	Other	24	4	1	7	36
	Total	970	149	73	58	1,250
New Brunswick	Commercial	27	72	29	3	131
	Home of Fr./Rel.	104	248	40	18	410
	Camping	43	109	30	1	183
	Own Cottage	13	240	9	-	262
	Other	7	41	4	-	52
	Total	194	710	112	22	1,038
Newfoundland	Commercial	7	1	2	125	135
	Home of Fr./Rel.	15	5	2	382	404
	Camping	2	-	-	133	135
	Own Cottage	-	-	-	76	77
	Other	5	2	-	20	27
	Total	29	8	4	737	778
Study Area	Commercial	151	109	56	134	449
	Home of Fr./Rel.	560	337	68	435	1,400
	Camping	201	133	52	144	530
	Own Cottage	245	241	9	77	572
	Other	36	47	5	27	115
	Total	1,193	867	189	817	3,066

- a) continued households. Nova Scotia accounted for 41% of the party-nights and 41% of the households: similar ratios for New Brunswick were 34% and 32% and for Newfoundland 25% and 22%.
- b) The emphasis given to the various types of accommodation was roughly proportionately the same in all provinces except Newfoundland where cottages occupied a less important position.
- c) The homes of friends and relatives were very important as an accommodation facility in all provinces. About 46% of all accommodation party-nights spent in the Atlantic Region were of this type.
- d) Camping accounted for 17% of the party-nights accommodation in the Atlantic Region. About 38% of this activity occurred in Nova Scotia, 25% in New Brunswick, and 27% in Newfoundland.

Table 10

Comments on Table 10:

- a) Of the total of 3,983,478 party-nights involved on trips to all destinations, 3,443,910, or 86% were spent in the primary accommodation used on the trip. In effect, multiple use of accommodation types was not pronounced.
- b) Commercial accommodation accounted for 683,229 party-nights or 17% of the total. The homes of friends and relatives far exceeded this, with 1,910,603 or 48% party-nights. Tent or trailer party-nights totalled 523,834, or 13% and cottages 470,986 or 12%. Other forms of accommodation including boats and automobiles accounted for 394,826 party nights or 10%.

Table 10: Primary Type of Accommodation Used on all Extended Trips, Study Area

Statistic	Commercial	Home of Friend/ Relative	Own Cottage	Tent or Trailer	Other	Totals
Number of Extended Trips	57,879	151,979	21,105	46,270	23,861	301,094
Total Party-Nights	683,229	1,910,603	470,986	523,834	394,826	3,983,478
Average Duration of Trip (days)	11.8	12.6	22.3	11.3	16.5	13.2
Party Nights Spent in:						
-Primary Accommodation	683,229	1,666,921	455,879	443,717	195,164	3,444,910
-Other Accommodation	-	243,682	15,107	80,117	199,662	538,568
Party Size:						
Average (persons)	2.69	2.81	3.26	3.84	2.77	2.95
Median (persons)	1.76	1.85	2.20	3.43	1.75	1.96
Purpose of Trip (percent of trips)						
-business	5.2%	0.4%	-	1.1%	3.4%	1.6%
-business/pleasure	8.9%	1.1%	7.6%	1.2%	4.3%	3.3%
-urgent personal affairs	0.4%	2.0%	-	-	2.0%	1.2%
-visiting friends/relatives	6.2%	60.8%	4.4%	12.3%	41.2%	37.3%
-other recreational	79.3%	35.7%	88.0%	85.4%	49.1%	56.4%
Party-Nights Spent in:						
-Own province	139,151	649,473	431,220	232,481	68,377	1,520,702
-Other Atlantic Prov.	84,592	301,964	25,563	121,799	44,266	578,184
-Rest of Canada	77,159	647,465	10,814	84,986	162,204	982,628
-United States	134,085	251,189	2,780	65,803	80,712	534,569
-Rest of World	248,242	60,512	500	18,765	39,267	367,386
Per Cent of Trips By:						
-Automobile	71.4%	66.0%	89.3%	83.1%	40.3%	69.3%
-Bus	0.9%	1.7%	0.2%	0.4%	0.3%	1.1%
-Rail	1.9%	12.7%	1.7%	1.2%	38.1%	10.1%
-Plane	15.9%	10.0%	0.6%	1.2%	7.1%	8.9%
-Boat	9.2%	8.3%	7.1%	14.0%	12.9%	9.6%
-Other	0.6%	1.3%	1.1%	0.2%	1.3%	1.0%

- c) The largest average party sizes were reported for tent or trailer accommodation namely 3.84 persons, and cottages, 3.26 persons.

Some Relationships by Income Class^{1/}

The households participating in the survey were classified according to their income range: less than \$5,000 per annum, \$5,000 to \$10,000, and over \$10,000. The relationships between income and activity are the basis of Tables 11 and 12.

Table 11

Comments on Table 11

- a) As household income increased, the following items also increased: numbers of overnight and extended trips per household per year; percentage of trips made outside the Atlantic Region and abroad; use of commercial accommodation (party-nights in hotels and motels); and numbers of party-nights spent at the residents' own cottages, with the exception of Newfoundland's Income Class 3.
- b) As income increased, there were decreases in the numbers of party-nights spent at the homes of friends or relatives, and also in the frequency of visits to friends or relatives during trips.

^{1/} In the following sections, referring to income class and urban type, no attempt is made to analyze fully the significance of the descriptive data presented in Tables 11 and 12.

Table 11: Travel Activity By Income Class, Study Area

Statistic	Income Class*	Province of Residence			Study Area
		N.S.	N.B.	Nfld.	
<u>Non-Farm Households</u>	1	102,940	66,059	54,112	123,111
	2	54,963	51,817	31,423	138,203
	3	8,626	8,526	3,414	20,566
<u>Trips Per Household Per Year</u>					
-- Day Trips	1	5.5	4.1	3.6	4.6
	2	5.4	6.1	5.7	5.8
	3	5.2	7.2	6.2	6.8
-- Overnight Trips	1	1.3	1.4	1.3	1.3
	2	3.2	2.4	3.3	2.9
	3	5.4	4.0	3.3	4.5
-- Extended Trips	1	0.50	0.64	0.42	0.52
	2	0.90	1.10	0.85	0.96
	3	1.58	1.29	0.99	1.36
<u>Duration of Extended Trips (Days)</u>					
	1	15.0	10.5	14.0	13.2
	2	14.1	10.9	12.2	12.4
	3	14.7	17.8	15.8	16.0
<u>Per Cent of Extended Trips</u>					
-- Out of Atlantic Region	1	30.2%	38.8%	14.0%	30.1%
	2	28.7%	51.9%	14.2%	35.6%
	3	40.7%	58.0%	51.4%	59.1%
-- Abroad	1	3.6%	1.1%	1.8%	2.3%
	2	4.5%	1.7%	1.9%	2.8%
	3	13.6%	4.7%	11.7%	9.7%
<u>Party-Nights on Extended Trips (thousands)</u>					
	1	781.2	442.9	319.7	1543.8
	2	699.5	623.7	324.1	1647.3
	3	199.6	194.9	53.5	488.0

Statistic	Income Class*	Province of Residence			Study Area
		N.S.	N.B.	Nfld.	
<u>Per Cent of Nights on Extended Trips Spent in:</u>					
- Hotel/Motel	1	22.0%	9.5%	9.5%	15.8%
	2	24.0%	16.8%	12.3%	19.0%
	3	32.2%	28.7%	45.1%	32.2%
- Home of Friend or Relative	1	56.6%	54.7%	68.1%	58.4%
	2	35.3%	29.1%	55.1%	40.6%
	3	26.5%	16.2%	21.7%	21.4%
- Tent or Trailer	1	8.9%	14.4%	12.6%	11.2%
	2	14.7%	15.1%	10.8%	14.1%
	3	10.3%	5.4%	13.6%	8.6%
- Own Cottage	1	5.0%	7.3%	2.9%	5.2%
	2	15.1%	17.6%	8.4%	14.7%
	3	22.1%	44.3%	3.5%	29.5%
- Other Accommodation	1	7.6%	14.0%	7.0%	9.3%
	2	10.9%	11.4%	13.4%	11.6%
	3	8.9%	5.4%	16.1%	8.3%

Trips on which Visiting Friends or Relatives were Mentioned (Percent of Total Trips)

- Day Trips	1	36.6%	33.9%	27.7%	33.9%
	2	23.3%	28.8%	22.9%	25.4%
	3	20.8%	29.1%	28.6%	26.4%
- Overnight Trips	1	51.1%	59.2%	44.2%	52.0%
	2	42.3%	53.5%	49.7%	48.1%
	3	50.3%	42.0%	46.7%	46.5%
- Extended Trips	1	59.2%	73.3%	68.6%	66.1%
	2	56.6%	63.8%	69.9%	62.3%
	3	56.5%	58.7%	53.0%	56.9%

* Class 1: Household Income less than \$5,000 per annum.
 Class 2: Household Income between \$5,000 and \$10,000 per annum
 Class 3: Household Income over \$10,000 per annum

Some Relationships by Urban Type

Party trips were analyzed according to size of community of residence. These community classes were established: larger metropolitan areas, smaller cities and towns, and non-farm rural communities.

Table 12

- a) The frequency of overnight and extended trips increased markedly with the size of community of residence.
- b) This pattern however may largely reflect changes in income level with size of community. There is also the probability that those living in smaller communities, situated closer to recreational resources, would not be so compelled to take longer trips to satisfy their recreational needs.

Hunting and Fishing Trips

Hunting and fishing trips were under-reported in the interview procedure, owing to its timing in the late summer and early fall. A proxy indicator for interest in these activities is provided by the records of hunting and fishing licenses issued to residents: In 1965 in Nova Scotia, 52,900 hunting licenses and 71,189 fishing licenses were issued. For the same year in New Brunswick, the numbers were, respectively 74,813 and 52,338, and for Newfoundland in 1966 the records showed 28,406 and 11,717 respectively.

Table 12: Travel Activity By Urban Type - Study Area

Statistic	Urban Type*	Province of Residence			Study Area
		N.S.	N.B.	Nfld.	
<u>Number of Households</u>	1	67,119	47,108	24,487	138,714
	2	29,436	20,616	21,751	71,803
	3	69,974	58,678	42,711	171,363
<u>Trips per Household Per Year</u>					
- Day Trips	1	3.8	5.1	4.8	4.4
	2	8.0	3.7	4.8	5.8
	3	6.0	5.7	4.2	5.4
- Overnight Trips	1	3.1	3.4	2.9	3.1
	2	2.2	1.2	2.3	2.0
	3	1.1	1.2	1.4	1.3
- Extended Trips	1	0.94	1.13	0.93	1.00
	2	0.70	1.00	0.64	0.77
	3	0.46	0.62	0.38	0.49
<u>Duration of Extended Trips (Days)</u>					
	1	13.3	12.5	13.2	12.9
	2	15.9	12.0	12.6	13.6
	3	16.7	9.6	13.6	13.0
<u>Percent of Extended Trips</u>					
- Out of Atlantic Region	1	29.0%	42.7%	20.4%	32.8%
	2	42.0%	49.9%	14.3%	37.9%
	3	26.2%	52.2%	12.9%	34.8%
- Abroad	1	2.5%	2.6%	4.3%	2.8%
	2	8.0%	1.1%	2.4%	4.0%
	3	8.0%	0.8%	-	3.4%
<u>Party Nights on Extended Trips (thousands)</u>					
	1	825.2	665.2	301.1	1791.4
	2	324.8	247.2	176.6	748.7
	3	530.4	348.7	219.6	1098.7

Percent of Nights on Extended
Trips Spent In:

- Hotel/Motel	1	16.1%	19.4%	18.5%	17.7%
	2	22.1%	10.5%	11.2%	15.7%
	3	37.5%	13.8%	8.6%	24.2%
- Home of Friend or Relative	1	49.1%	33.6%	47.3%	43.0%
	2	45.7%	52.2%	57.3%	50.6%
	3	35.5%	47.2%	74.7%	47.1%
- Tent or Trailer	1	13.7%	11.9%	14.6%	13.2%
	2	14.2%	14.5%	11.6%	13.7%
	3	6.4%	15.2%	8.1%	9.5%
- Own Cottage	1	9.5%	24.2%	8.1%	14.7%
	2	9.9%	7.6%	6.7%	8.4%
	3	14.7%	14.1%	1.0%	11.8%
- Other Accommodation	1	11.6%	10.9%	11.5%	11.3%
	2	8.1%	15.2%	13.1%	11.6%
	3	5.9%	9.7%	7.6%	7.5%

Trips on Which Visiting Friends
or relatives were mentioned
(percent of total trips)

- Day Trips	1	27.5%	33.9%	34.0%	31.5%
	2	26.0%	35.2%	21.5%	26.5%
	3	36.9%	27.8%	22.4%	30.4%
- Overnight Trips	1	54.0%	46.6%	45.5%	49.6%
	2	38.3%	65.9%	45.2%	46.0%
	3	34.3%	66.4%	51.7%	51.1%
- Extended Trips	1	61.2%	61.4%	64.1%	61.7%
	2	65.2%	73.4%	66.1%	66.5%
	3	47.2%	71.3%	75.8%	62.7%

- * Type 1: Larger Metropolitan Areas
Type 2: Smaller Cities and Towns
Type 3: Non-farm Rural Communities

Validity of the Results

Comparison checks indicated that the resident household survey results were consistent with information available from other sources. The independent sources included the exit surveys carried out by Acres Research and Planning for Prince Edward Island.

CHAPTER II

NON-RESIDENT TRIPPING PATTERNS

Introduction

A variety of data sources were analyzed to obtain measurements of non-resident recreational tripping to all four provinces of the Atlantic Region.^{1/2/3/} Origins were distinguished only as USA and the rest of Canada. Other separations were made on the basis of mode and season of travel.

The total number of parties staying at least one night and the average length of stay were determined. This provided the basis for estimating total party-nights.

Tourist and recreational party-nights and the number of party-nights for each type of accommodation involved were estimated.

1/ Sources:

- 1) Nova Scotia Visitor Survey, Department of Trade and Industry, 1966;
- 2) Prince Edward Island Exit Survey, Acres Research and Planning, 1965;
- 3) "Travel Between Canada and the United States", DBS, Vol. 22, Nos. 1-12;
- 4) "Travel Between Canada and Other Countries", DBS, 1965;
- 5) Report of the Tourist Development Division, Newfoundland, 1966;
- 6) Out-of-Province Automobile Entries, New Brunswick Tourist Bureau;
- 7) Airline Passenger Origin and Destination Statistics, Air Transport Board of Canada, 1966.

Footnotes: (Continued)

- 2/ The data sources were assembled and the analysis made by Kates, Peat, Marwick and Company.
- 3/ Recreational party-nights for car travel were calculated from the total numbers by subtracting the small percentage of non-recreational trips reported in the Nova Scotia Visitor Survey, and by subtracting the estimated non-recreational travel from the other provincial totals. Car party-nights in New Brunswick included an allowance for in-transit travel to other destinations.

Party Trip Patterns All Purposes of Travel One or More Nights

The essence of the situation relative to volume party visitation is summarized in Table 13. Origin areas, season of travel and mode of transport are clearly indicated.

Table 13.

Comments on Table 13:

- (a) There were about 436,600 visiting parties to the Atlantic Provinces in 1966. About 192,600 or 44% were American and 244,000 or 56% Canadian.
- (b) About 254,000 or 58% of the above total, irrespective of origin, came to the Atlantic Provinces in the summer months of July and August. Another 182,000 or 42% came sometime in the remaining 10 months. Off-season travel is therefore extremely modest with residents of Other Canadian Provinces supplying 109,500 or almost 60% of the parties. In the summer months Canadian parties are less dominant making up 134,500 or 53% of the parties.
- (c) Many parties visited more than one province so that there were a total of 548,000 provincial visits. About 65% or 357,700 of them were made in July and August and 190,300 or 35% in other months of the year. New Brunswick received 311,600 or 58% of this

Table 13: TOTAL VISITOR PARTY-TRIPS OF OVERNIGHT OR LONGER FOR ALL PURPOSES OF TRAVEL, ATLANTIC REGION

<u>Origin</u>	<u>Travel Mode</u>	<u>Season (S) or Off-Season (OS)</u>	<u>Total Trips</u>	<u>N.S.</u>	<u>N.B.</u>	<u>P.E.I.</u>	<u>Nfld.</u>
U.S.A.	Car*	S	105,000	61,834	100,000	22,100	2,500
		OS	64,000	28,000	63,000	3,000	800
	Plane	S	9,562	5,000	4,000	500	3,000
		OS	6,150	3,000	2,500	300	2,500
	Bus	S	4,481	2,454	1,598	429	-
		OS	2,540	1,270	1,270	-	-
	Rail	S	38	-	38	-	-
		OS	137	-	137	-	-
	Boat	S	660	315	331	-	14
		OS	256	7	242	-	7
	All Non-car	S	14,471	7,800	6,000	900	3,000
		OS	9,083	4,300	4,100	300	2,500
REST OF CANADA	Car	S	90,000	39,748	89,500	21,185	3,180
		OS	50,000	30,000	49,000	4,000	1,270
	Plane	S	23,000	**	**	**	**
		OS	27,000	**	**	**	**
	Bus	S	7,500	**	**	**	**
		OS	6,500	**	**	**	**
	Rail	S	14,000	**	**	**	**
		OS	26,000	**	**	**	**
	All Non-car	S	44,500	**	**	**	**
		OS	59,500	**	**	**	**

* In addition to the numbers of visitor trips by car shown in the table, we estimate that there were some 38,400 visiting parties (by car) from the United States passing through New Brunswick en route to (14,500) or from (23,900) Quebec and/or Ontario. Of these, approximately 30,000 trips took place during the tourist season; the balance represent off-season trips.

** A distribution by province of destination for Canadian visitors travelling by non-car modes has not been estimated.

annual total, due largely to its border position with Quebec and the State of Maine. Nova Scotia received 171,600 parties or 31%, Prince Edward Island 51,500 or 9%, and Newfoundland 13,300 or 2%.

- (d) The automobile was the dominant mode of travel accounting for 309,000 party trips or 71%. American visitors made 89,834 party trips by car to Nova Scotia, compared with only 69,748 Canadian party trips. The figures for New Brunswick were 163,000 American to 138,500 Canadian. The Canadian automobile visitors predominated moderately, however, in Prince Edward Island and Newfoundland.
- (e) The airplane as a mode of transport occupied a secondary position. Only 65,712 party-trips or 15% involved this type of transport. Canadian parties accounted for 50,000 or 76% of these trips.

Recreational Party-Nights by Mode and Season of Travel

It is important to note that although all purposes of travel are included in the table, this discussion is focused solely upon recreational or leisure time travel. Party-nights related to business and other non-recreational or tourist travel have been excluded.

Table 14.

Comments on Table 14:

- (a) Summer seasonal travel dominates the pattern. About 72% of the party-nights spent in the Atlantic Provinces as a whole are related to this season of travel. Similar ratios for Nova Scotia and New Brunswick are 70% in each case and 71% for Newfoundland. In Prince Edward Island 90% of the party-nights are related to summer tourist traffic.

Table 14: TOTAL AND RECREATIONAL* PARTY-NIGHTS BY MODE OF TRAVEL AND SEASON OF VISIT, ATLANTIC REGION

(000's)

<u>Origin</u>	<u>Travel Mode</u>	<u>Season (S) or Off-season (OS)</u>	<u>N.S.</u>	<u>N.B.</u>	<u>P.E.I.</u>	<u>Nfld.</u>	<u>Total in Atlantic Region</u>
USA	Car	S	324	342	83	30	779
			317	325	81	27	750
		OS	150	239	12	10	411
			105	144	8	7	264
	Non-car	S	42	31	6	15	94
			32	23	4	11	70
		OS	25	21	2	10	58
			13	10	1	5	29
REST OF CANADA	Car	S	274	332	112	38	756
			254	298	107	34	693
		OS	161	162	15	12	350
			97	89	9	7	202
	Non-car	S	134	123	10	29	296
			76	69	6	17	168
		OS	180	167	12	34	393
			77	70	5	17	169

* In each cell of the table, two entries are shown. The upper entry represents total party-nights; the lower entry represents recreational party-nights.

- (b) On a 12 month basis and including all modes of travel, Canadian parties contributed somewhat more party-nights than Americans. For the Atlantic Provinces as a whole, Canadian citizens provided 1,232,000 party-nights or 52% of a total of 2,345,000. Similar ratios for the provinces were as follows: Nova Scotia 52%, New Brunswick 51%, Prince Edward Island 57%, Newfoundland 60%.
- (c) In terms of annual party-nights related to automobile travel American car travellers outnumbered those from the rest of Canada. For the region as a whole the totals were: American 1,014,000 party-nights, and the rest of Canada 895,000.

Recreational Party-Nights by Type of Accommodation

Accommodation usage data were available only for visitors by car to Nova Scotia and Prince Edward Island during the tourist season. To arrive at the figures for all visitors, it was assumed that visitors by any mode of travel would follow the same pattern of accommodation usage during the tourist season. It was also assumed that visitors by any mode of travel would not camp or use cottages in the off-season, and that they would be distributed proportionately through the other classes of accommodation. The same pattern was considered to hold good in the main for New Brunswick and Newfoundland.

Table 15.

Comments on Table 15:

- (a) About 50% of the accommodation for the Atlantic Provinces or 1,177,000 party-nights, was provided by the homes of friends and relatives.
- (b) About 36% of the accommodation in the region was in commercial establishments including hotels, motels,

Table 15: Recreational Travel - Party-Nights by Type of
Accommodation by Area of Stay - Atlantic Region

<u>Type of Accommodation</u>	<u>N.S.</u>	<u>N.B.</u>	<u>P.E.I.</u>	<u>Nfld.</u>	<u>Total For Atlantic Region</u>
Commercial	340	378	92	48	858
Home of Friend/Relative	490	532	81	74	1,177
Tent/Trailer	105	80	45	2	232
Own Cottage	29	33	*	*	62
Other	5	6	3	1	15
Total	969	1,029	221	125	2,344

* For Prince Edward Island, visitors staying in a cottage were reported as staying in a "Vacation Cottage". Since very few visitors from outside the Atlantic Region would own a cottage in Prince Edward Island, all such accommodation usage has been treated as a rented cottage and shown under "Commercial Accommodation". No visitor usage of their own cottage is shown for Newfoundland -- such is considered very unlikely.

cabins, etc. Camping accounted for only 10%. Prince Edward Island, however, showed values of 41% and 20% respectively.

Visits to Friends and Relatives

Data on the purpose of travel, as reported in several North American studies of tourism and recreation, have indicated that visits to friends and relatives are the main reason for a very large part of all travel. This was found to be especially the case in the Atlantic Provinces.

A model, not presented in this study, was devised as part of the data analysis. It showed that for every 100,000 households in the region of origin with relatives in the province of destination, the generation of trips was about 1,000 times that of 100,000 unrelated households.

An analysis of the Nova Scotia Visitor Survey data indicated that visitors who stayed with friends and relatives remained in the province for an average of 9.03 days per party, compared with an average of 5.48 days per party for all visitors to Nova Scotia.

Bus Tours

Bus lines were able to give considerable information on special Maritime tours. Most of the reported tours spent about eight days in Nova Scotia, Prince Edward Island and New Brunswick combined, but none in Newfoundland. The average tour appeared to involve four or five days in Nova Scotia, one or two in Prince Edward Island, and two or three in New Brunswick.

In addition, there were special excursions from cities such as Toronto and Montreal, and tours that included visits to the Maritimes among other regions.

Bus tours accounted for 8,000 to 10,000 visitors in 1966. Total bus traffic for all purposes of travel appeared to have totalled 21,000 people, including 12,000

during the tourist season.

Validity of the Results

Non-resident travel by car to Nova Scotia and Prince Edward Island during the tourist season, and the yearly visitor travel to Newfoundland, were reasonably well established by surveys. The data for length of stay in Newfoundland and tourist season travel by car to New Brunswick were less reliable.

Non-car travel volumes from the United States could be determined in terms of numbers of persons, by month, for the whole year. The purpose of travel and length of stay, however, had to be estimated from assumptions that might not be entirely valid. The data for non-car travel by visitors from the rest of Canada showed the greatest weakness, due mainly to the difficulty of distinguishing between non-resident visitors and residents returning home.

CHAPTER III

COMBINED RESIDENT AND NON-RESIDENT OVERNIGHT AND EXTENDED TRIP PATTERNS

Introduction

The findings of the resident household survey and the non-resident travel studies have been combined to sum up recreational and tourist activity in the Atlantic Provinces.

Recreation Trips and Party-Nights for the Atlantic Provinces

Attention is focussed upon trip volumes and party-nights on an annual basis by origin and destination. Major interest centres upon combined overnight and extended trip activity.

Table 16

Comments on Table 16:

- a) Of a total of 1,291,000 party trips of an overnight and extended nature some 687,000 or approximately 53% were of the former type. Residents of the Atlantic Provinces accounted for 853,000 of these trips of both types or 66%. Non-residents accounted for the remaining 47% or 438,000. Canadian citizens were involved in 244,000 or 56% of the non-resident trips to the Atlantic Provinces and Americans 44%.

Table 16: Recreational Overnight and Extended Trips and Party-Nights for the Atlantic Region

	<u>Overnight Trips</u>				<u>Extended Trips</u>				<u>Combined</u>			
	<u>Trips</u>		<u>Nights</u>		<u>Trips</u>		<u>Nights</u>		<u>Trips</u>		<u>Nights</u>	
	000	%	000	%	000	%	000	%	000	%	000	%
<u>Resident Trips</u>												
Nova Scotia	212	40	448	34	68	41	803	41	340	40	1,251	38
New Brunswick	208	30	409	31	48	29	629	33	256	30	1,038	32
P.E.I.	41	6	156	12	9	5	39	2	50	6	195	6
Newfoundland	166	24	308	23	41	25	470	24	207	24	778	24
Total I	687	100	1,321	100	166	100	1,941	100	853	100	3,292	100
<u>Non-Resident Trips</u>												
Canada									244	56	1,231	53
U.S.A.									194	44	1,113	47
Total II									438	100	2,344	100
Totals I and II									1,291		5,636	

- b) Of a total of 5,636,000 party-nights spent in the Atlantic Provinces on both types of trips 4,285,000 or 76% were associated with extended trips.
- c) Residents of the Atlantic Provinces accounted for 3,292,000 party-nights in both types of trips or 58% while non-residents accounted for 42%. 1,231,000 or 53% of a total of 2,344,000 party-nights attributed to non-residents were accounted for by Canadian citizens of other provinces and the remaining 47% by Americans.

Recreation Party-Nights by Origin, Destination and Type of Accommodation Usage

In a second summation of the analysis of recreational and tourist activity in the Atlantic Provinces, the findings of the resident household survey and the non-resident travel studies have been combined with the results expressed in party-nights by accommodation type.

Table 17

Comments on Table 17:

- a) Almost 50% of the party-nights from recreational travel in Nova Scotia, New Brunswick and Newfoundland were accommodated by the homes of friends and relatives.
- b) The numbers of party-nights spent in commercial accommodation by recreational travellers amounted to only 23.2% of the total for all accommodation.
- c) Camping exceeded the use of commercial accommodation for residents travelling within the Atlantic Region.

Table 17: Recreational Activity (Party-nights) by Source, Type of Accommodation and Area, Atlantic Region

(000's)

<u>Source of Demand</u>	<u>Type of Accommodation</u>	<u>Area of Demand</u>			<u>Nfld.</u>
		<u>N.S.</u>	<u>N.B.</u>	<u>P.E.I.</u>	
Residents of Study Area In Own Province	Commercial	118	72		125
	Home of Fr./Rel.	442	249		382
	Tent/Trailer	156	109		133
	Own Cottage	232	239		77
	Other	<u>24</u>	<u>41</u>		<u>20</u>
		972	710	*	737
Residents of Study Area Out of Own Province	Commercial	34	37	55	9
	Home of Fr./Rel.	118	89	67	53
	Tent/Trailer	44	24	52	11
	Own Cottage	14	1	9	-
	Other	<u>12</u>	<u>6</u>	<u>6</u>	<u>7</u>
		222	157	189	80
Non-Resident Visitors	Commercial	339	370	93	48
	Home of Fr./Rel.	490	531	81	74
	Tent/Trailer	105	80	45	2
	Own Cottage	29	33	*	
	Other	<u>5</u>	<u>6</u>	<u>3</u>	<u>1</u>
		968	1,024	222	125
All Sources	Commercial	491	488		182
	Home of Fr./Rel.	1,050	869		509
	Tent/Trailer	305	213		146
	Own Cottage	275	273		77
	Other	<u>41</u>	<u>53</u>		<u>28</u>
		2,162	1,896	*	942

* The report of the Prince Edward Island Visitor Survey shows party-nights spent in a 'Vacation Cottage'. It is assumed that, in most cases, a vacation Cottage would mean a rented cottage for a non-resident and therefore all such nights are shown under Commercial accommodation.

- d) The survey revealed that cottaging was largely a resident activity, except in New Brunswick, where there was considerable non-resident activity judging from cottage ownership.

According to the numbers of licenses issued, hunting and fishing trips were also mainly a resident activity. Non-resident fishing in New Brunswick was probably the only sizable non-resident contribution to this sector.

Tourism in New Brunswick appeared to benefit considerably from in-transit travel by visitors to the other provinces, and by residents of the Atlantic Provinces visiting the United States or the rest of Canada. There was a very small amount of in-transit travel in Nova Scotia, and none in the other provinces.

PART 2

ECONOMIC ASPECTS OF TOURIST AND RECREATIONAL TRAVEL

A principle objective of the Atlantic Development Board studies was to determine the economic significance of recreational tripping activity in the regional economy. The economic impact derives from several sources of which resident and non-resident consumer trippers' expenditures are a distinct component. Dollar values determined from the demand surveys analyzed in Part I, thus provide one important measure of economic impact examined in Chapters IV to VII of this section. It is to be noted that the same limitations which applied to the previous examination of demand extend through the expenditure analysis.

The response of private enterprise to the demands of recreational trippers in the provision of a variety of facilities, particularly accommodation, is examined in Chapter V. The more detailed financial aspects of the commercial sector, however, are treated later, in Chapter VIII, of Part 3.

Chapter VI summarizes data compiled for 1966 on public inputs at the federal and provincial levels to the development and operation of facilities and services provided for the use and convenience of recreational trippers, as well as inputs to the promotion of tourism.

The final Chapter VII provides an evaluation of the impact of various economic activities associated with recreation tripping, on wages and employment within the Atlantic Region, but excluding the impact of government expenditures.

Chapters IV and V summarize the data and analyses reported by Kates, Peat, Marwick and Company. Chapter VI is drawn from reports prepared by W.M. Baker. Chapter VII is a slightly modified extract from the Kates, Peat, Marwick and Company report.

CHAPTER IV

TOURIST AND RECREATIONAL TRIP EXPENDITURE PATTERNS

Introduction

The consumer expenditures of resident and non-resident visitors on recreational trips are summarized in this Chapter. ^{1/2/} The reader should keep in mind that for the most part, and except as indicated, expenditures on non-recreational trips are not included, and, that recreational expenditures by residents which were not associated with trips as defined in the survey are also not included.

Total Resident & Non-Resident Recreational Trip Expenditures

Attention is directed initially to the identification of total expenditure by province and the division between residents and non-residents of the provinces and the region as a whole

^{1/} Source: Kates, Peat, Marwick and Company, Tourism and Recreation in Nova Scotia, New Brunswick & Newfoundland, Part 2 Demand and Economics, 1969

^{2/} As before, the basic data for residents was derived from a survey of households, while the data for non-residents came from the seven provincial or federal surveys and reports previously noted.

Table 18: Recreational Trip Expenditures in the Atlantic Provinces - Atlantic Region

<u>Expenditures by</u>	<u>Expenditures (\$million)</u>									
	<u>Atlantic Region</u>		<u>Nova Scotia</u>		<u>New Brunswick</u>		<u>P.E.I.</u>		<u>Newfoundland</u>	
		%		%		%		%		%
Visitors from U.S.A.	23.6	24	9.9	26	10.6	32	2.0	25	1.1	5
Visitors from Rest of Canada	17.5	17	6.9	18	7.2	22	2.3	29	1.1	5
Visitors from Other Atlantic Prov.	12.5	13	4.3	11	3.0	9	3.7	46	1.5	8
Total Visitors	53.6	54	21.1	55	20.8	63	8.0	100	3.7	18
Residents	46.1**	46	17.1	45	12.3	37	*	-	16.7	82
Visitors and Residents	99.7	100	38.2	100	33.1	100	8.0	100	20.4	100

* Unknown

** This is the total of expenditures by residents of each of the provinces of the study area within their respective provinces. It includes such expenditures by residents of P.E.I.

Table 18

Comments on Table 18:

- a) Expenditures totalled \$99.7 million. Nova Scotia received 38%, New Brunswick 33%, Prince Edward Island 8% and Newfoundland 21%.
- b) The expenditures of residents of Nova Scotia accounted for almost 45% of all tourist and recreational trip expenditures in that province. The corresponding ratios for New Brunswick and Newfoundland were 37% and 82% respectively.
- c) When recreational trip expenditures in each province by all residents of the Atlantic Region are considered, it was only in New Brunswick that visitors from outside the region spent more than the residents of the region.

Table 19

Table 20A, B, C

These tables are presented without comment to provide the interested reader with a further insight into total expenditures by province and expense category.

Weighted percentages of expenditures by category were derived from the Nova Scotia survey of all non-resident visitors. These percentages were then applied to the total of visitors expenditures to give the figures for the year shown in the second column of Table 20-A. When the total tourist-season expenditures of visitors were substituted for yearly totals, the results were those shown in the first column.

Table 19: Summary of Travel Expenditure Patterns

<u>Travel Group</u>	PERCENT EXPENDITURE ON					
	<u>Accommo- dation</u>	<u>Food & Beverages</u>	<u>Auto Trans.</u>	<u>Other Trans.</u>	<u>Merch- andise</u>	<u>Other</u>
Residents on Overnight Trips in Atlantic Provinces (1)	14.6	31.8	24.6	4.1	7.6	17.5
Residents on Overnight Trips Out of Atlantic Provinces (1)	24.5	19.4	17.7	7.9	15.6	14.9
Residents on Extended Trips in Atlantic Provinces (1)	15.8	32.0	16.4	10.6	8.4	16.8
Residents on Extended Trips out of Atlantic Provinces (1)	23.5	.8.4	11.3	20.1	10.9	15.8
U.S. Visitors To Nova Scotia (By Auto- mobile) (2)	29.7	36.5	15.9	-	15.9	2.0
Canadian Visitors To Nova Scotia (By Auto- mobile) (2) (3)	21.5	39.8	19.6	-	14.3	4.8
U.S. Visitors to Prince Edward Island (By Auto- mobile) (2)	29.1	35.6	16.0	-	8.5	10.8
Canadian Visitors to Prince Edward Island (By Automobile) (2) (3)	29.4	34.9	15.8	-	7.3	12.6

(1) Residents here means residents of the Study Area.

(2) Visitors during the summer season only.

(3) Canadian visitors refers to visitors from Quebec, Ontario and Western Canada.

Table 20A: Summary of Recreational Trips Expenditures

In

Nova Scotia

(Millions of Dollars)

S O U R C E

<u>Expense Category</u>	<u>From Outside</u> <u>Atlantic Region</u>		<u>From Other</u> <u>Atlantic Provinces</u>		<u>Residents</u>		<u>Total</u>	
	<u>Season</u>	<u>Year</u>	<u>Season</u>	<u>Year</u>	<u>Season</u>	<u>Year</u>	<u>Season</u>	<u>Year</u>
Accommodation	3.20	4.50	0.48	0.64	1.29	2.03	4.97	7.17
Food and Beverages	4.50	6.34	0.68	0.92	3.08	4.76	8.26	12.02
Auto Expenses	2.06-	2.89-	0.60	0.80	1.71	2.70	4.37-	6.39-
Other Transportation	*	*	0.23	0.31	0.58	0.83	0.81+	1.14+
Merchandise	1.83	2.57	0.27	0.36	0.75	1.17	2.85	4.10
Misc. and Other	<u>0.36</u>	<u>0.50</u>	<u>0.76</u>	<u>1.02</u>	<u>0.66</u>	<u>0.98</u>	<u>1.78</u>	<u>2.50</u>
Sub-totals	11.95	16.80	3.02	4.05	8.07	12.47	23.04	33.32
Day trips	<u>-</u>	<u>-</u>	<u>0.14</u>	<u>0.24</u>	<u>2.61</u>	<u>4.62</u>	<u>2.75</u>	<u>4.86</u>
Totals	11.95	16.80	3.16	4.29	10.68	17.09	25.79	38.18

* Not identified separately for Non-resident Travel. All travel expenses for non-residents are shown under Auto Expenses.

Table 20B: Summary of Recreational Trip Expenditures in New Brunswick

(Millions of Dollars)

S O U R C E

<u>Expense Category</u>	<u>From Outside Atlantic Region</u>		<u>From Other Atlantic Provinces</u>		<u>Residents</u>		<u>Total</u>	
	<u>Season</u>	<u>Year</u>	<u>Season</u>	<u>Year</u>	<u>Season</u>	<u>Year</u>	<u>Season</u>	<u>Year</u>
Accommodation	3.34	4.81	0.42	0.58	0.75	1.03	4.51	6.42
Food and Beverages	4.65	6.69	0.66	0.90	1.53	2.10	6.84	9.69
Auto Expenses	2.13-	3.06-	0.40	0.54	0.98	1.35	3.51-	4.95
Other Transportation	*	*	0.16	0.22	0.34	0.47	0.50+	0.69
Merchandise	1.90	2.74	0.21	0.29	0.41	0.57	2.52	3.60
Misc. and Other	<u>0.36</u>	<u>0.52</u>	<u>0.30</u>	<u>0.41</u>	<u>1.06</u>	<u>1.47</u>	<u>1.72</u>	<u>2.40</u>
Sub-Totals	12.38	17.82	2.15	2.94	5.07	6.99	19.60	27.75
Day Trips	<u>-</u>	<u>-</u>	<u>0.01</u>	<u>0.01</u>	<u>3.74</u>	<u>5.35</u>	<u>3.75</u>	<u>5.36</u>
Totals	12.38	17.82	2.16	2.95	8.81	12.34	23.35	33.11

* Not identified separately for Non-residents. All travel expenses for Non-residents are shown under Auto Expenses.

Table 20C: Summary of Recreational Trip Expenditures Estimated for Newfoundland

(Millions of Dollars)

<u>Expense Category</u>	S O U R C E							
	<u>From Outside Atlantic Region</u>		<u>From Other Atlantic Provinces</u>		<u>Residents</u>		<u>Total</u>	
	<u>Season</u>	<u>Year</u>	<u>Season</u>	<u>Year</u>	<u>Season</u>	<u>Year</u>	<u>Season</u>	<u>Year</u>
Accommodation	0.43	0.59	0.17	0.23	1.01	1.28	1.61	2.10
Food and Beverages	0.60	0.82	0.25	0.33	2.87	3.64	3.72	4.79
Auto Expenses	0.27-	0.37-	0.17	0.23	1.91	2.43	2.35-	3.03-
Other Transportation	*	*	0.08	0.11	0.59	0.75	0.67+	0.86+
Merchandise	0.24	0.34	0.10	0.13	0.46	0.58	0.80	1.05
Misc. and Other	<u>0.05</u>	<u>0.06</u>	<u>0.32</u>	<u>0.43</u>	<u>2.02</u>	<u>2.57</u>	<u>2.39</u>	<u>3.06</u>
Sub-Totals	1.59	2.18	1.09	1.46	8.86	11.25	11.54	14.89
Day Trips	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4.05</u>	<u>5.43</u>	<u>4.05</u>	<u>5.43</u>
Totals	1.59	2.18	1.09	1.46	12.91	16.68	15.59	20.32

* Not identified separately for Non-residents. All travel expenses for Non-residents are shown under Auto Expenses.

The patterns established for Nova Scotia were applied to total and tourist-season visitor expenditures in New Brunswick and Newfoundland, with the results shown in the first two columns of Tables 20-B and 20-C.

Resident Expenditure Patterns

Table 21

Comments on Table 21:

- a) Residents of the study area spent \$93.4 million in recreation trips of all types. \$58.6 million or 63% was spent within the Atlantic Provinces, \$34.8 million or 37% outside. Of \$34.1 million spent by Nova Scotians, 64% was spent in the Atlantic Region, while of \$34.6 million spent by New Brunswick residents, 53% was spent within the region. Of \$23.0 million spent by Newfoundlanders as high as 78% was spent in the region. Proportions of total expenditures made within the province of residence were as follows: Nova Scotia 50%, New Brunswick 36% and Newfoundland 77%.
- b) For day trips, expenditures were overwhelmingly in the residents' own provinces: Nova Scotia 98%, New Brunswick 84%, Newfoundland 100%.
- c) For residents' overnight trips, the proportions spent in their own provinces were 88% for Nova Scotia, 94% for Newfoundland, but only 47% for New Brunswick.

Table 21: Recreational Trip Expenditures
by Residents of Atlantic Region

Trip Type	Province of Residence	(\$000)				
		N. S.	Area of Expenditure			Other
			N. B.	P.E.I.	Nfld.	
Day	Nova Scotia	4,620	12	65	-	-
	New Brunswick	238	5,350	195	-	615
	Newfoundland	-	-	-	5,425	-
	Total Study Area	4,858	5,362	260	5,425	615
Over- night	Nova Scotia	7,176	769	124	36.5	73
	New Brunswick	1,138	3,914	907	232	2,120
	Newfoundland	394	-	-	5,821	-
	Total Study Area	8,708	4,683	1,031	6,090	2,193
Extend- ed	Nova Scotia	5,297	1,634	1,162	873	12,225
	New Brunswick	1,752	3,079	1,103	311	13,665
	Newfoundland	525	219	99	5,521	4,995
	Total Study Area	7,574	4,932	2,364	6,705	30,885
All	Nova Scotia	17,093	2,415	1,351	909.5	12,298
	New Brunswick	3,128	12,343	2,205	543	16,400
	Newfoundland	919	219	99	16,767	4,995
	Total Study Area	21,140	14,977	3,655	18,220	33,693
	Prince Edward Island	240	320	Unknown	9	1,100 (±)
	Total Atlantic Region	21,380	15,297	3,655 (±)	18,229	34,793 (±)

Table 22: Recreational Travel - Overnight Trip Expenditure Patterns
For Residents By Area of Expenditure - Study Area

<u>Area of Residence</u>	<u>Expense Category</u>	<u>N.S.</u>	<u>Area of Expenditure</u>			
			<u>N.B.</u>	<u>P.E.I.</u>	<u>Nfld.</u>	<u>Other</u>
Nova Scotia	Accommodation	18.0%	21.6%	-	100%	37.7%
	Food & Beverages	38.1%	30.4%	34.5%	-	26.4%
	Auto Expenses	24.4%	19.7%	50.4%	-	13.2%
	Other Transportation	3.7%	9.3%	8.8%	-	5.7%
	Merchandise	9.5%	9.5%	2.1%	-	11.3%
	Entertainment etc.	6.2%	9.5%	4.2%	-	5.7%
	Total (\$000)	7,176	769	124	36.5	73
New Brunswick	Accommodation	13.1%	13.5%	18.4%	24.9%	24.0%
	Food and Beverages	16.1%	24.8%	14.0%	16.5%	19.1%
	Auto Expenses 2	23.6%	22.9%	16.6%	14.5%	17.9%
	Other Transportation	5.5%	5.2%	4.6%	7.6%	8.0%
	Merchandise	12.7%	9.0%	8.5%	11.2%	15.8%
	Entertainment etc.	29.0%	24.6%	37.9%	25.3%	15.3%
	Total (\$000)	1,138	3,914	907	232	2,120
Newfoundland	Accommodation	20.0%	-	-	8.7%	-
	Food and Beverages	10.0%	-	-	36.1%	-
	Auto Expenses	25.0%	-	-	27.8%	-
	Other Transportation	-	-	-	2.6%	-
	Merchandise	-	-	-	3.3%	-
	Entertainment	45.0%	-	-	21.5%	-
	Total (\$000)	394	-	-	5,821	-
Study Area	Accommodation	17.5%	15.0%	15.9%	9.9%	24.5%
	Food and Beverages	34.4%	25.6%	16.8%	35.1%	19.4%
	Auto Expenses	24.4%	22.3%	21.1%	27.1%	17.7%
	Other Transportation	3.8%	6.0%	5.2%	2.8%	7.9%
	Merchandise	9.5%	9.1%	7.6%	3.6%	15.6%
	Entertainment	10.4%	21.8%	33.4%	21.5%	14.9%
	Total (\$000)	8,708	4,683	1,031	6,090	2,193

Table 23: Recreational Travel - Extended Trip Expenditure Patterns
For Residents By Area of Expenditure - Study Area

<u>Area of Residence</u>	<u>Expense Category</u>	<u>Area of Expenditure</u>				<u>Owner</u>
		<u>N.S.</u>	<u>N.B.</u>	<u>P.E.I.</u>	<u>Nfld.</u>	
Nova Scotia	Accommodation	14.0%	23.4%	24.9%	12.3%	27.9%
	Food and Beverages	38.2%	31.5%	28.9%	27.2%	19.8%
	Auto Expenses	18.0%	19.7%	16.4%	16.2%	10.0%
	Other Transportation	10.5%	8.2%	13.8%	26.8%	23.3%
	Merchandise	9.1%	10.2%	8.6%	7.3%	9.0%
	Entertainment etc.	10.2%	7.0%	7.4%	10.2%	10.1%
	Total (\$000)	5,297	1,634	1,162	873	12,225
New Brunswick	Accommodation	15.5%	13.8%	20.1%	7.7%	20.1%
	Food and Beverages	29.8%	36.8%	27.5%	14.4%	16.5%
	Auto Expenses	19.3%	14.9%	15.1%	16.6%	13.4%
	Other Transportation	5.5%	5.8%	6.8%	17.0%	15.5%
	Merchandise	8.8%	7.3%	9.7%	13.3%	14.0%
	Entertainment etc.	21.2%	21.4%	20.8%	31.0%	20.6%
	Total (\$000)	1,752	3,079	1,103	311	13,665
Newfoundland	Accommodation	19.5%	18.1%	25.5%	14.2%	21.8%
	Food and Beverages	22.6%	26.2%	20.5%	28.5%	20.2%
	Auto Expenses	9.5%	8.3%	17.6%	15.1%	8.7%
	Other Transportation	24.7%	22.2%	17.7%	11.0%	24.6%
	Merchandise	8.1%	6.4%	5.9%	7.2%	7.4%
	Entertainment etc.	15.6%	18.8%	12.8%	23.9%	17.3%
	Total (\$000)	525	219	99	5,521	4,995
Study Area	Accommodation	14.7%	17.2%	22.7%	13.7%	23.5%
	Food and Beverages	35.3%	34.6%	27.9%	27.7%	18.4%
	Auto Expenses	17.1%	16.2%	15.9%	15.3%	11.3%
	Other Transportation	10.3%	7.3%	10.7%	13.4%	20.1%
	Merchandise	9.0%	8.2%	9.0%	7.5%	10.9%
	Entertainment etc.	13.0%	16.4%	13.8%	22.4%	15.8%
	Total (\$000)	7,574	4,932	2,364	6,705	30,885

- d) For extended trips, the greatest emphasis on the home province was in Newfoundland, with 49%: New Brunswick was least with 15%, and Nova Scotia in between with 25%. For the region, 74% of extended trip expenditures were made outside the province of residence.

Table 22

Table 23

Comments on Table 22 and 23:

- a) No explanation is offered of the relatively low expenditures of New Brunswick parties on food and beverages, particularly on overnight trips, in comparison with Nova Scotia people. The pattern contrasts with the consistently high expenditures in the entertainment category.
- b) Residents spent proportionately less for accommodation in their own provinces than in other provinces, and much less in the Atlantic Region than outside it. On the other hand, resident expenditures for food and beverages were invariably higher proportionately in their own provinces than outside.

Table 24

Comments on Table 24:

- a) Overnight trips with home province destinations showed substantially higher expenditures per night than the extended trips did.

Table 24: Recreational Expenditures in Atlantic Region Per Party-Night
By Type of Trip By Province of Residence and By Area of Stay
Study Area

<u>Trip Type</u>	<u>Area of Residence</u>		<u>N.S.</u>	<u>N.B.</u>	<u>P.E.I.</u>	<u>Nfld.</u>	<u>Atlantic Region</u>
Overnight	Nova Scotia	\$000's	7,176	769	124	36	8,105
		Nights	395,670	36,366	11,880	3,652	447,568
		\$/Night	18.14	21.15	10.44	9.99	18.10
	New Brunswick	\$000's	1,138	3,914	907	232.	6,191
		Nights	53,922	315,115	37,334	2,736	409,107
		\$/Night	21.10	12.42	24.29	84.80	15.13
	Newfoundland	\$000's	394.	-	-	5,821	6,215
		Nights	3,868	-	-	304,500	308,368
		\$/Night	101.86	-	-	19.12	20.15
	Study Area	\$000's	8,708	4,683	1,031	6,090	20,512
		Nights	453,460	351,481	49,214	310,888	1,165,043
		\$/Night	19.20	13.32	20.95	19.59	17.60
Extended	Nova Scotia	\$000's	5,297	1,634	1,162	873	8,966
		Nights	574,655	112,784	61,341	53,882	802,662
		\$/Night	9.22	14.49	18.94	16.20	11.17
	New Brunswick	\$000's	1,752	3,079	1,103	311.	6,245
		Nights	139,987	394,893	74,149	19,774	628,803
		\$/Night	12.52	7.80	14.88	15.73	9.93
	Newfoundland	\$000's	525	219	99	5,521	6,364
		Nights	24,527	8,058	4,444	432,671	469,700
		\$/Night	21.40	27.18	22.28	12.76	13.54
	Study Area	\$000's	7,574	4,932	2,364	6,705	21,575
		Nights	739,169	515,735	139,934	506,327	1,901,165
		\$/Night	10.25	9.56	16.89	13.24	11.34

* Expansion factors used in calculating the party-nights spent in any province were of the order of 3,500 per reported overnight trip, and 2,000 per reported extended trip.

- b) Residents on extended trips spent less per party-night in their own provinces than in other provinces.
- c) There was close harmony between average party expenditures per night by residents of Nova Scotia and New Brunswick while in each others province. The latter, however, spent more nights and therefore more money in total in Nova Scotia than New Brunswick received from residents of that province.
- d) The very large nightly expenditures on overnight trips by Newfoundlanders outside that province and by visitors to Newfoundland undoubtedly resulted from the high cost of transportation.

Table 25

Comments on Table 25:

- a) Day Tripping: Average expenditures per day trip ranged from just over \$6.00 in Nova Scotia to more than \$12.00 in Newfoundland.^{1/}
Although the average dollar values were relatively low, the total number of day trips was high. Expenditures therefore were considerable -- totaling over \$20 million, of which about \$16.5 million appeared to be for recreational travel.

^{1/} Newfoundland expenditures may have been inflated by the inclusion of shopping trips.

Table 25: Resident Trip Expenditures by Province of Residence by Tr

Expenditures	<u>Nova Scotia</u>			<u>New Brunswick</u>		
	<u>Day</u>	<u>Trip Type</u>		<u>Day</u>	<u>Trip Type</u>	
		<u>Overnight</u>	<u>Extended</u>		<u>Overnight</u>	<u>Extended</u>
Total (\$Million)	5.68	10.53	22.63	8.38	9.20	20.76
- Accommodation (%)		18.6	23.3		17.0	18.5
- Food & Beverage (%)		37.0	26.1		20.7	21.4
- Auto Expenses (%)		24.2	13.4		20.8	14.3
- Other Transportation (%)		4.3	18.6		6.0	12.7
- Merchandise (%)		9.4	9.0		11.2	12.2
- Misc. and Other (%)		6.4	9.7		24.3	20.9
Per Trip (\$)	6.06	30.00	196.00	10.63	36.21	188.00
Non-Recreational (%)	17.4	22.3	6.4	23.4	9.7	4.1
Total Recreational (\$million)	4.7	8.2	21.2	6.4	8.3	19.9

- b) Overnight Tripping: With an average expenditure of nearly \$34 per overnight trip, total expenditures during the year were estimated at about \$27 million on recreational trips. Expenditures on transportation, and on food and beverages, each represented about 30% of the total.
- c) Extended Tripping: The average expenditure on an extended trip, which lasted an average of two weeks, was about \$200. The total came to some \$55 million, of which about \$52.5 million represented recreational trip expenditures.
- Transportation accounted for 29.6% of all expenditures, and food and beverages 24.0%. Actual expenditures for food and beverages during both overnight and extended trips would be more than the amounts reported, because the respondents sometimes included these costs in their expenditures on accommodation.

Table 26

Comments on Table 26:

- a) Both total daily expenditures and accommodation expenditures per trip were much greater for the party using commercial accommodation than for any other facility type.
- b) Expenditures for other than accommodation were very similar for parties using the homes of friends and relatives, and those camping. Those for cottagers were decidedly at the lower end of the scale but taxes and service costs are not included, and maintenance costs are probably under reported.

Table 26: Resident Extended Trip Expenditures per Party Night

by

Primary Type of Accommodation Used, Study Area

	<u>Commercial</u>	<u>Home of Friend/Relative</u>	<u>Own Cottage</u>	<u>Tent/Trailer</u>	<u>Other</u>
Expenditures (\$)					
Per Party-Day					
- Total	28.68	12.74	6.02	12.99	17.08
- On Accommodation	10.62	1.12	0.28	1.56	3.57
- On Other	18.06	11.62	5.74	11.43	13.51

Table 27

Comments on Table 27:

- a) When extended trips by residents were classified as to primary destination area, total trip and accommodation expenditures were shown to be the least, in an absolute and proportionate sense, for trips with destinations in the Atlantic Region. They were the highest in the case of international travel and especially trips involving destinations other than the United States.
- b) On trips outside the United States and Canada, the proportions of expenditures on accommodation were significantly higher. This may be due in part to the failure of the respondent reporting an overseas trip to separate food and beverage expenditures from accommodation accounts. On the other hand on trips involving low cost camping, accommodation costs would be at a minimum. Moreover, much of the overseas travel is focused upon major urban centres where accommodation costs are generally high.

The resident household survey obtained information on annual income and size of community of residence. Expenditures are shown in relation to three annual income classes: less than \$5,000, \$5,000 to \$10,000, and over \$10,000. Obviously some further breakdown of the class \$10,000 and over would have been desirable. Communities of residence are also arbitrarily typed according to size as indicated in Table 29.

Table 28: Expenditures by Residents on Total Travel, by Income Class, Study Area

	<u>Income Class*</u>	<u>Province of Residence</u>			<u>Study Area</u>
		<u>N.S.</u>	<u>N.B.</u>	<u>Nfld.</u>	
<u>Total Expenditures (\$) Per Person Day</u>					
- Overnight trips	1	7.04	5.93	6.53	6.50
	2	8.76	6.25	6.54	7.14
	3	10.07	8.17	7.75	8.87
- Extended Trips	1	3.38	3.66	4.38	3.64
	2	4.73	5.55	5.31	5.15
	3	9.71	9.00	12.51	9.77
<u>Total Expenditures (\$) Per Trip</u>					
- Day Trips	1	5.55	10.64	10.61	8.06
	2	6.73	9.52	14.57	9.87
	3	8.01	16.27	8.10	12.15
- Overnight Trips	1	22.82	32.13	31.25	28.15
	2	34.12	36.22	40.20	36.56
	3	34.81	47.40	48.94	41.76
- Extended Trips	1	134	118	179	137
	2	204	187	211	198
	3	410	468	616	458

TABLE 28

Comments on Table 28:

- a) As might be expected, expenditures per person-day and per trip increased with income level in each of day, overnight and extended trip categories, taken by residents of the Study Area as a whole.
- b) Some significant variations between provinces are immediately observable. Any attempt to rationalize the pattern must be highly conjectural in nature and the formulation of a generally applicable explorative framework of hypotheses is difficult if not impossible.
- c) Average expenditures on extended trips were \$137 for the lowest income class, \$198 for the next above and \$458 for the highest. Substantial differences are also observed on a daily per person basis, indicating that variations in trip length by income class is only part of the explanation of the pattern.
- d) A noticeable increase in expenditures for accommodation by income class is indicated in the table in terms of the percentage of total expenditure. Again there are unexplainable anomalies on a provincial basis.

TABLE 29

Comments on Table 29:

- a) Average expenditures did not show a clear trend, and the pattern defies explanation. In the case of day trips, the area's highest average, \$11.12, was for travellers from the smaller cities and towns. Newfoundland varied from the pattern with the highest average expenditures, \$14.21, made by rural non-farm resident trippers.

Table 29: Resident Expenditures by Urban Type, Study Area

	<u>Urban Type*</u>	<u>N.S.</u>	<u>N.B.</u>	<u>Nfld.</u>	<u>Study Area</u>
<u>Total Expenditures (\$) Per Trip</u>					
- Day Trips	1	7.32	10.60	8.93	9.01
	2	9.00	14.53	12.68	11.12
	3	3.65	9.76	14.21	8.22
- Overnight Trips	1	25.52	42.04	40.24	34.59
	2	35.90	32.62	43.24	38.29
	3	36.80	24.49	29.31	30.11
- Extended Trips	1	180	219	273	210
	2	311	207	216	248
	3	156	134	160	147

* Type 1: Larger Metropolitan Areas

Type 2: Smaller Cities and Towns

Type 3: Non-farm Rural Communities

Accommodation Expenses: as a
Per Cent of Total Expenditures

- Overnight Trips	1	8.6%	19.0%	8.3%	12.6%
	2	18.7%	15.0%	10.0%	14.7%
	3	35.6%	18.5%	7.2%	23.3%
- Extended Trips	1	17.2%	13.5%	16.5%	15.9%
	2	23.7%	18.1%	16.6%	19.9%
	3	30.2%	24.3%	24.5%	28.5%

* Class 1: Household Income less than \$5,000 per annum.

Class 2: Household Income between \$5,000 and \$10,000 per annum.

Class 3: Household Income over \$10,000 per annum.

- b) On overnight trips, the area's highest rate was \$38.29 for residents of small cities and towns. New Brunswick deviated from the pattern with its highest average recorded by residents of large cities -- \$42.04.
- c) The area's highest rate on extended trips was \$248 for residents of small cities and towns. New Brunswick and Newfoundland, however, provided noticeable exceptions to the regional pattern.

Non-Resident Expenditures

The recreational trip expenditures of non-residents were classified in terms of origin from the rest of Canada or the United States, travelling with or without cars, and visiting during the tourist season (June to September) and in the off-season in each of the Atlantic Provinces. It was possible to distribute expenditures of non-resident automobile visitors among various categories only in Nova Scotia and Prince Edward Island.

TABLE 30

Comments on Table 30:

- a) The total estimated non-resident recreational travel expenditure in the Atlantic Region in 1966 was \$41.1 million. Approximately \$29.8 million, or 72.5%, was related to summer season travel, and \$11.3 million, or 27.5%, to off-seasonal travel.
- b) About \$23.6 million of the yearly total, or 57% was spent by Americans, and \$17.5 million, or 43% by Canadians. About \$17.4 million of the seasonal expenditures, or 58%, was made by Americans, and \$12.4 million, or 42%, by Canadians.

Table 30: Non-Resident Recreational Expenditures in Atlantic Provinces

(000's of dollars)

<u>Origin</u>	<u>Travel Mode</u>	* (S) or (OS)	<u>Province of Stay</u>				<u>Total in Atlantic Region</u>
			<u>N.S.</u>	<u>N.B.</u>	<u>P.E.I.</u>	<u>Nfld.</u>	
U.S.A.	Car	S	6,760	6,905	1,720	575	15,960
		OS	2,205	3,025	175	145	5,550
	Non-Car	S	660	485	95	230	1,470
		OS	260	220	20	100	600
Rest of Canada	Car	S	3,465	4,030	2,000	545	10,040
		OS	1,305	1,205	160	115	2,785
	Non-Car	S	1,065	965	75	240	2,345
		OS	1,080	980	75	230	2,365
All Sources	Car	S	10,225	10,935	2,720	1,120	26,000
		OS	3,510	4,230	335	260	8,335
	Non-Car	S	1,725	1,450	170	470	3,815
		OS	1,230	1,200	95	330	2,965
	All-Modes	S	11,950	12,385	3,890	1,590	29,815
		OS	4,850	5,430	430	590	11,300
<u>U.S.A. Total for Year</u>			9,885	10,635	2,010	1,050	23,580
<u>Rest of Canada Total for Year</u>			6,915	7,180	2,310	1,130	17,535
<u>Grand Total</u>			16,800	17,815	4,320	2,180	41,115

* (S) - Season (OS) - Off-Season

- c) On an annual basis, car travellers spent \$34.3 million, or 87% of the total. In the summer season, this group accounted for \$26.0 million, which was also 87% of the seasonal total.

TABLE 31

Comments on Table 31:

- a) In the Prince Edward Island data, the merchandise category covered only souvenirs and crafts; the rest of the expenditures on merchandise were reported as "other". This appears to be the main reason for the differences in percentage values for nova Scotia and Prince Edward Island in these two categories.
- b) Differences between the expenditures for accommodation by visitors from the rest of Canada and from the United States may reflect the fact that many of the Canadians had close family ties with Nova Scotians.
- c) Expenditures for food and beverages was the leading category for visitors to these provinces from U.S.A. and the rest of Canada. Accommodation and transportation ranked second and third, respectively, and there was a meaningful percentage spread in each case.

Table 31: Percentage Distribution of Non-Resident
Automobile Traveller Expenditure by Category
For Prince Edward Island and Nova Scotia

<u>Area of Expenditure</u>	<u>Expense Category</u>					<u>Total (\$,000)</u>
	<u>Accommo- dation</u>	<u>Food & Beverages</u>	<u>Trans- portation</u>	<u>Mer- chandise</u>	<u>Other</u>	
<u>Originating from U.S.A.</u>						
Nova Scotia	29.7%	36.5%	15.9%	15.9%	2.0%	6,700
Prince Edward Island	29.1%	35.6%	16.0%	8.5%	10.8%	1,790
<u>Originating from the Rest of Canada</u>						
Nova Scotia	21.5%	39.8%	19.6%	14.3%	4.8%	3,465
Prince Edward Island	29.4%	34.9%	15.8%	7.3%	12.6%	2,130

CHAPTER V

COMMERCIAL ACCOMMODATION

Introduction

In this chapter the broad economic aspects of the commercial accommodation sector within the study area are examined.

A sample of commercial facilities was selected and the management of a large majority of them was interviewed as a part of the 1966 study by Kates, Peat, Marwick and Company. All data in this section were taken from their report. Aspects such as profitability, investment and employment in the accommodation sector, as well as in restaurants and retail outlets which were also covered in the study are explored later in Chapter VIII.

Some bias in the analysis may have arisen from the fact that most of the commercial facilities interviewed were on major highways or in rural areas. The interviewers had difficulty in obtaining completed questionnaires from urban based firms, particularly in St. John's, Newfoundland, and Halifax-Dartmouth, Nova Scotia. Also, the larger hotel operations were poorly represented. Table 32 indicates the nature and scale of the sample.

It is important to note that complete information was obtained for only 148 enterprises in the sample, including 130 hotel, motel, cabin and composite operations, 9 hunting and fishing camps, and 9 private camp grounds. Partial information was given for 23 enterprises; including 17 hotels, motels and cabins, 1 hunting and fishing camp, and 5 private camp grounds. No information, or very little, resulted from interviews with operators of 11 hotels, motels and cabins, and 1 private camp ground.

Table 32: Numbers and Types of Accommodation Facilities Samples
in Relation to the Universe, Study Area

Type of Facility	<u>Nova Scotia</u>		<u>New Brunswick</u>		<u>Newfoundland</u>		<u>Study Region</u>	
	Sample	Universe	Sample	Universe	Sample	Universe	Sample	Universe
Motel (Accommodation Only)	10	41	7	43	4	4	21	88
Cabins (Accommodations Only)	2	64	3	53	1	22	6	139
Composites (Accommodation Only)	4	28	6	37	0	2	10	67
Motel	23	67	22	77	4	20	49	164
Hotel	7	50	10	41	9	45	26	136
Cabins	2	29	3	17	1	13	6	59
Composites	7	57	4	37	3	16	14	110
Tourist Homes	1	131	2	67	23	135	26	333
Hunting and Fishing Lodges	0	74	10	109	*	95	10	278
Camping and Tenting	9	104	6	34	0	0	15	138
Totals	65	645	73	515	45	257	183	1,417
Sample as a Percentage of the Universe	10%		14.2%		17.5%		12.9%	

1. Composite Establishments Include Those Firms Having More Than One Type of Accommodation Facility,
i.e. - Motel-Cabin Complex.

2. Tourist homes also include inns with 10 rooms or less, whose primary source of revenue is exclusive of
accommodation facilities

* Omitted from survey because information regarding Hunting and Fishing Establishments in Newfoundland was
provided by the Province.

A total of 121 of the useable interviews covered establishments which operated all year. Operating only seasonally were the 25 campgrounds and hunting and fishing lodges, the 12 cabin operations, 9 of the 15 composites and a small proportion in each of the other categories. Only two of the 24 tourist homes were seasonal operations.

Table 32

The Nature and Scale of the Accommodation Plant,
Study Area -- 1958-1966

The focus is entirely upon the scale of plant available in the Atlantic Provinces in 1966 and growth trends over the previous nine years. Quantities are expressed in terms of establishments and assets without reference to capacity or quality.

Table 33

Comments on Table 33:

- a) In 1958 there were 13,350 accommodation units in the Atlantic Provinces. This increased by 38% to 18,400 units by 1966. In 1958 the percentage distribution by type was as follows: hotels 58%, motels 13%, cabins 22%, and tourist homes 7%. In 1966 similar ratios are as follows: hotels 41%, motels 30%, cabins 21%, and tourist homes 8%. The growth in motel accommodation by nearly 32% between 1958 and 1966 and the sharp increase in its significance relative to all forms of accommodation was the most notable change. Also, there was a decline of 29% in the number of hotel rooms and a noticeable drop in their relative strength from 58% to 41%.
- b) Trends in the supply of lodging facilities in Nova Scotia from 1958 to 1966 showed that new motel units

Table 33: Nature and Scale of the Accommodation Plant, Study Area

	<u>Nova Scotia</u>			<u>New Brunswick</u>			<u>Newfoundland</u>			<u>T o t a l</u>		
	<u>1966</u>	<u>1958</u>		<u>1966</u>	<u>1958</u>		<u>1966</u>	<u>1958</u>		<u>1966</u>	<u>1958</u>	
	<u>No. of</u>			<u>No. of</u>			<u>No. of</u>			<u>No. of</u>		
	<u>Enter-</u>			<u>Enter-</u>			<u>Enter-</u>			<u>Enter-</u>		
	<u>prises</u>	<u>Units</u>	<u>Units</u>	<u>prises</u>	<u>Units</u>	<u>Units</u>	<u>prises</u>	<u>Units</u>	<u>Units</u>	<u>prises</u>	<u>Units</u>	<u>Units</u>
Hotels	134	3,100	3,750	52	2,400	3,000	54	2,000	975	240	7,500	7,725
Motels	151	2,500	775	133	2,500	825	38	600	175	322	5,600	1,775
Cabins	208	2,100	2,875	119	900	-	26	800	50	363	3,800	2,925
Tourist Homes	171	600	925	81	400	-	227	500	-	479	1,500	925

accounted for all of its room increase. At the same time the supply of other types of rooms declined in the Province.

- c) New Brunswick followed a similar trend, though cabins and tourist homes increased slightly towards the end of the period.
- d) Motels and hotels in Newfoundland showed strong upward trends, Cabins and Tourist Homes also made some small gains.
- e) New Brunswick listed only 52 hotels in 1966, compared with 134 in Nova Scotia, but the average number of units in the former province was 46, and only 23 in the latter. Motels also tended to be moderately larger in New Brunswick. Tourist homes were most prominent in Newfoundland.

Source of Revenue and Seasonal Patterns

The analysis of revenue patterns and their seasonal characteristics was based on the response of proprietors to the request for a monthly accounting of their revenues during interview procedures. Wherever possible, revenues included lodging, meals, beverages and retail concessions.

Monthly data were obtained from 32 establishments in Nova Scotia, 22 in New Brunswick and 23 in Newfoundland. The establishments were grouped by type (motel, hotel, cabins, etc.) and size classes. The reported monthly revenues were then expanded to represent the universe of accommodation facilities. The result is referred to as total accommodation revenue in this report.

Table 34

Comments on Table 34:

- a) Of the total revenue of \$46,513,000 for all accommoda-

Table 34: Revenue Structure of Accommodation Facilities, Study Area

(A) Total Revenue for All Accommodation Facilities (\$)

Province	Total Revenue	Revenue from Lodging	Revenue from Recreation	Revenue from Recreation
Nova Scotia	18,663,000	10,706,000	7,566,000	4,799,000
New Brunswick	15,490,000	8,623,000	7,168,000	3,831,000
Newfoundland	12,360,000	4,109,000	3,209,000	1,330,000
Study Region	46,513,000	23,438,000	17,943,000	9,960,000

Province	Lodging Revenue from Resident Recreation		Lodging Revenue from Non-Resident Recreation	
Nova Scotia	1,433,000	(29.9%)	3,336,000	(70.1%)
New Brunswick	838,000	(21.9%)	2,993,000	(78.1%)
Newfoundland	824,000	(62.0%)	506,000	(38.0%)
Study Region	3,095,000	(31.1%)	6,865,000	(68.9%)

(B) Lodging Revenue by Type of Facility (\$)

HOTELS

<u>Province</u>	<u>Total</u>	<u>Recreation</u>	<u>Resident</u>	<u>Non-Resident</u>
Nova Scotia	4,670,000	1,130,000	289,000	841,000
New Brunswick	2,627,000	580,000	161,000	419,000
Newfoundland	2,685,000	373,000	190,000	183,000

MOTELS

<u>Province</u>	<u>Total</u>	<u>Recreation</u>	<u>Resident</u>	<u>Non-Resident</u>
Nova Scotia	3,116,000	1,375,000	370,000	1,005,000
New Brunswick	4,162,000	2,005,000	450,000	1,555,000
Newfoundland	492,000	359,000	305,000	54,000

COMPOSITES

<u>Province</u>	<u>Total</u>	<u>Recreation</u>	<u>Resident</u>	<u>Non-Resident</u>
Nova Scotia	1,348,000	889,000	423,000	466,000
New Brunswick	1,072,000	570,000	114,000	456,000
Newfoundland	182,000	141,000	56,000	85,000

CABINS

<u>Province</u>	<u>Total</u>	<u>Recreation</u>	<u>Resident</u>	<u>Non-Resident</u>
Nova Scotia	941,000	931,000	168,000	763,000
New Brunswick	283,000	255,000	45,000	210,000
Newfoundland	236,000	236,000	213,000	23,000

TOURIST HOMES

<u>Province</u>	<u>Total</u>	<u>Recreation</u>	<u>Resident</u>	<u>Non-Resident</u>
Nova Scotia	189,000	33,000	11,000	22,000
New Brunswick	65,000	6,000	1,000	5,000
Newfoundland	395,000	101,000	47,000	54,000

HUNTING AND FISHING LODGES

<u>Province</u>	<u>Total</u>	<u>Recreation</u>	<u>Resident</u>	<u>Non-Resident</u>
Nova Scotia	161,000	161,000	74,000	87,000
New Brunswick	361,000	361,000	64,000	297,000
Newfoundland	119,000	119,000	15,000	104,000

PRIVATE TENTING AND
TRAILER PARKS

<u>Province</u>	<u>Total</u>	<u>Recreation</u>	<u>Resident</u>	<u>Non-Resident</u>
Nova Scotia	280,000	280,000	97,000	183,000
New Brunswick	54,000	54,000	4,000	50,000
Newfoundland	---	---	---	---

ALL ACCOMMODATION FACILITIES

<u>Province</u>	<u>Total</u>	<u>Recreation</u>	<u>Resident</u>	<u>Non-Resident</u>
Nova Scotia	10,706,000	4,799,000	1,433,000	3,366,000
New Brunswick	8,623,000	3,830,000	837,000	2,993,000
Newfoundland	4,109,000	1,330,000	824,000	506,000

TABLE 35

PERCENTAGE DISTRIBUTION OF REVENUE
SOURCES OR CATEGORIES FOR MOTELS
AND HOTELS OF STUDY AREA

MOTELS

Lodging	Meals	Beverages	Other	Total
59.8%	29.2%	6.7%	4.3%	100%

HOTELS

Lodging	Meals	Beverages	Other	Total
46.1%	30.2%	19.1%	4.6%	100%

ALL ACCOMMODATION FACILITIES

Lodging	Meals	Beverages	Other	Total
50.3%	28.0%	15.1%	6.6%	100%

tion facilities derived from all sources in the study area, 40% went to Nova Scotia, 33% to New Brunswick and 27% to Newfoundland.

- b) Lodging receipts accounted for \$23,438,000 or 50% of total revenue. Meals ranked second, 28%.
- c) Receipts arising from tourist and recreational trip activity totalled \$17,943,000 or 39% of that from all sources noted above.

Table 35

Comments on Table 35:

- a) Hotels derived 19.1% of their revenue from beverages, compared with only 6.7% for motels from that source.
- b) Some establishments, particularly motels, did not serve meals. In large part, their customers probably had their meals in establishments that were not within the accommodation sector, that is, in restaurants.
- c) The category "Other" that includes tobacco, candy, soft drinks, magazines, etc., accounted for a small percentage of total receipts.

Table 36

Comments on Table 36:

- a) The two top months from a revenue standpoint were clearly July and August. June and September acted as shoulders to this peak period, but September was noticeably the stronger of the two.
- b) Although seasonality was an obvious factor in Newfoundland, business fell off less there during the rest of the year than in the other provinces.
- c) Revenues from resident tourists appeared to be relatively more significant in Nova Scotia than in New

TABLE 36

PERCENTAGES BY MONTH OF ALL SOURCES OF LODGING REVENUE ATTRIBUTABLE TO
RESIDENT AND NON-RESIDENT TOURISM, STUDY AREA

January February March April May June July August September October November December

NOVA SCOTIA

Resident Tourism	8.4	8.6	7.0	8.9	10.7	13.9	14.2	14.0	20.7	15.5	10.2	10.4
Non-Resident Tourism	4.7	5.5	5.4	5.3	13.4	25.2	64.8	63.1	34.5	12.5	5.5	4.9

NEW BRUNSWICK

Resident Tourism	5.2	5.1	5.1	8.4	9.9	7.9	11.1	11.1	12.7	7.0	6.2	8.5
Non-Resident Tourism	6.0	6.0	5.9	7.8	11.7	25.6	56.2	57.1	44.8	16.0	7.4	6.5

NEWFOUNDLAND

Resident Tourism	16.2	17.4	17.2	18.6	20.2	25.7	27.5	28.0	29.5	25.8	19.6	15.6
Non-Resident Tourism	1.4	1.2	1.1	1.3	2.8	11.6	19.8	18.2	17.8	10.9	1.5	0.9

Brunswick as a proportion of total revenue from June through October, and particularly in June and the autumn months. Non-resident tourism became relatively more important in New Brunswick in June (very slightly) and in September in comparison with Nova Scotia.

- d) Resident activity was heavier during the summer than at other times. Non-resident activity was extremely seasonal, with the great majority of visits recorded from June to September in the three provinces.
- e) About 40% of total accommodation revenue accrued in the three months from June 15 to September 15, compared with 64.9% within the tourist and recreation sector alone during the same period.
- f) Fifty percent of the accommodation revenue arising from recreational tripping was obtained during the period from June 15 to September 15, compared with 72.8% of non-resident revenue obtained during the same period.
- g) Seasonality in the use of commercial facilities may be expressed as a function of tourist demand. Business fluctuates, for instance, in relation to periods such as Christmas and Easter, and also in relation to such external factors as climate, mode of travel and adequacy of highways, which affect the length of stay in a province. However, the higher rates charged by establishments at certain periods would account for some of the apparent fluctuations in business.

Conventions accounted for a very small percentage of the people using commercial facilities; this function was the least of the six classifications. Commercial travellers' activity declined during the summer in all provinces. Newfoundland led in local activity, mainly because the facilities had a minimum number of rooms for lodging, and

their revenue came almost exclusively from beer and liquor sales to local inhabitants.

Monthly Indices of Lodging, and Total Lodging and Tourist Revenue

Figure 1

Figure 2

Figure 1 shows the seasonal characteristics measured in terms of a monthly index of total accommodation and tourist accommodation.^{1/} Figure 2 shows accommodation revenue from recreational trips subdivided into its resident and non-resident components.^{2/}

^{1/}The index, based on a monthly average of 100, was derived from expanded monthly revenue.

^{2/}People travelling from any of the three provinces to another of them were counted as non-resident tourists.

FIGURE 1
MONTHLY INDEX OF TOTAL LODGING AND
TOURIST LODGING REVENUE

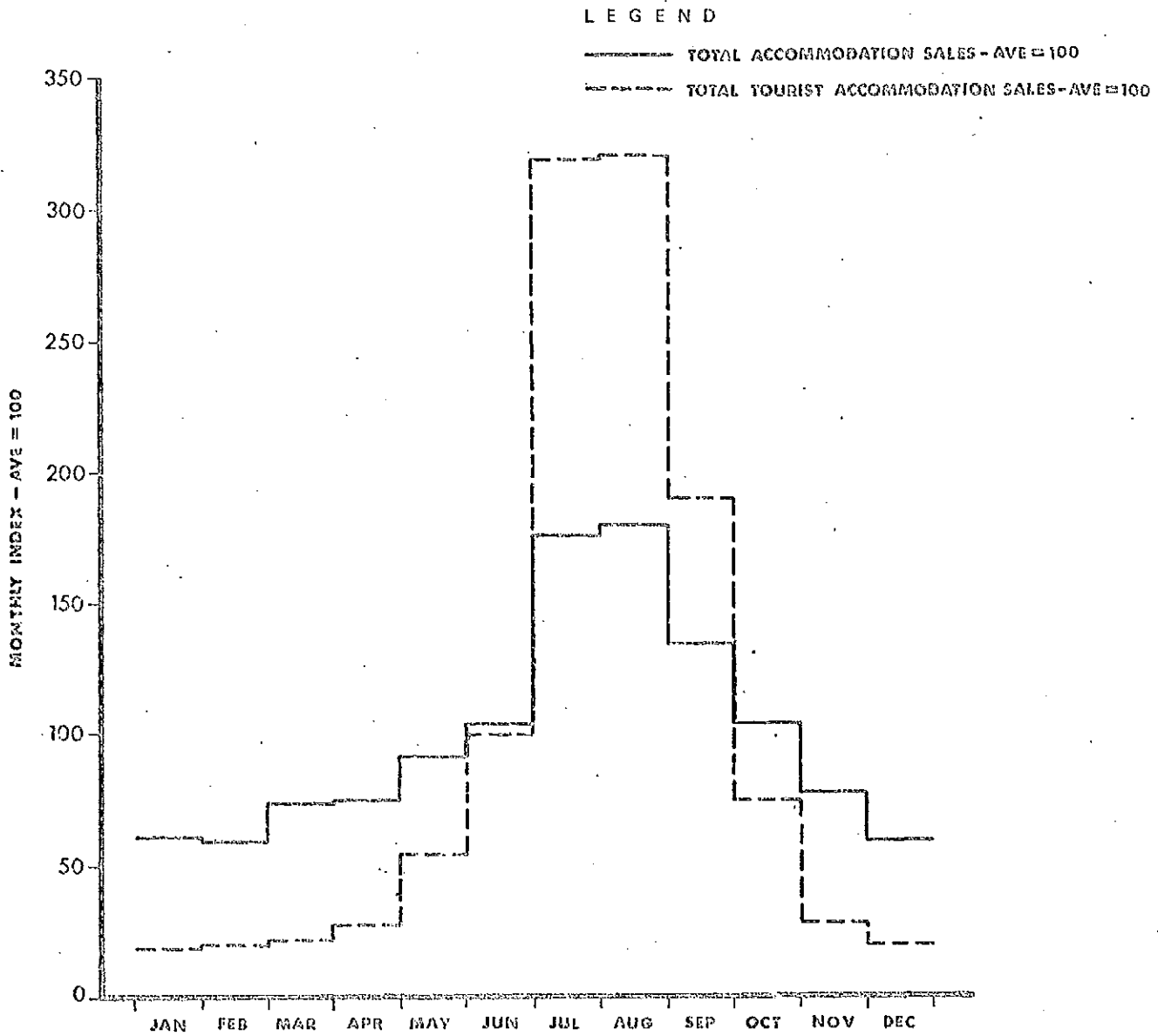
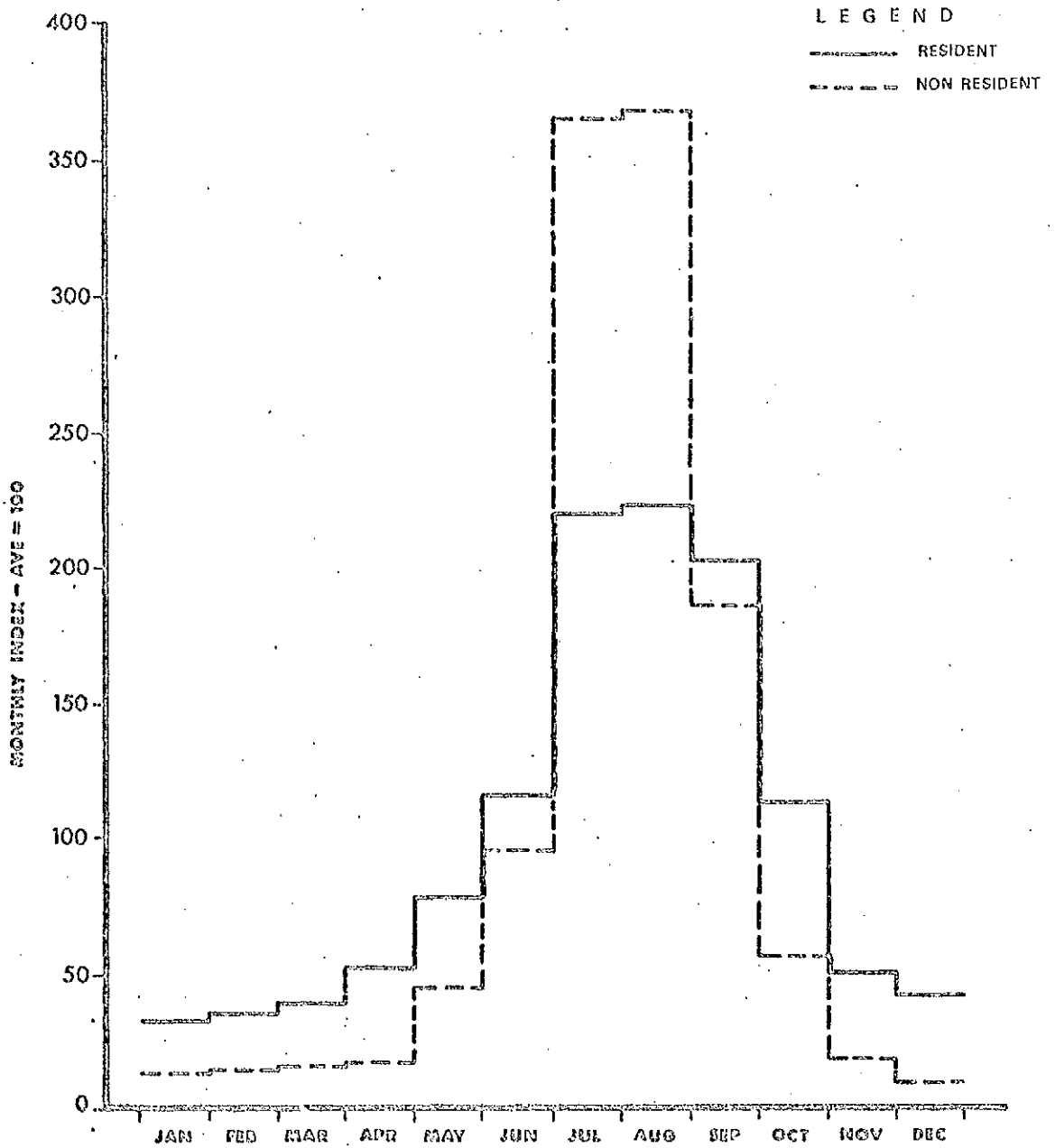


FIGURE 2
MONTHLY INDEX OF TOURIST LODGING REVENUE BY ORIGIN
-STUDY AREA-



CHAPTER VI

THE PUBLIC SECTOR

The federal and provincial expenditures for tourist and recreational programs in the Atlantic Region have been taken from two unpublished reports prepared for federal agencies by W.M. Baker of Toronto.^{1/} Both reports contain data and forecasts for expenditures over a number of years but only the outlays for the fiscal year of 1966-67 are presented in this summary.

It is important to note that federal expenditures in total in the Atlantic Provinces increased sharply after 1966. In effect the data provides no guide to outlays between 1967 and 1970.

Table 37

Comments on Table 37:

- a) Federal Expenditures related to Tourism and Recreation in the Atlantic Provinces totalled \$9.3 million under the major program categories indicated.

^{1/} Two elements of federal expenditures not included are the grants of The Department of Health and Welfare for Fitness and Amateur Sports, which are not specifically related to tourism, and the costs of the Department of Fisheries programs for Conservation and Protection and for Resource Development, in instances, contribute directly to recreation and tourism the resource foundations for the latter.

Table 37: Total Federal Expenditures in Tourism and Recreation in the Atlantic Provinces, 1966-67 Fiscal Year

	<u>Under Current Account</u>		<u>Under Capital Account</u>		<u>Total</u>	
	\$000	%	\$000	%	\$000	%
Tourism ^{1/}	645.8	14	-	-	645.8	7
Historic Sites and Parks	931.4	20	2,204.9	48	3,136.3	34
National Parks and Recreation	2,018.7	42	2,321.4	51	4,340.1	46
Wildlife	1,165.7	24	27.1	1	1,192.8	13
Total	4,761.6	100	4,553.4	100	9,315.0	100
Percent	51%		49%		100%	

^{1/} No attempt was made to apportion any part of tourism expenditures by the Canadian Government Travel Bureau to the Atlantic Provinces although much of their effort was in the interest of the Atlantic Provinces.

- b) About \$4.8 million, or 51% of the expenditure was made under the Current Account, while \$4.6 million or 49%, represented expenditure for capital development.
- c) About 96% of the expenditure, or \$8.9 million, was incurred by agencies with direct and continuing major programs for facility development or advertisement and promotion in, or for, the interests of the Atlantic Region, such as the National and Historic Parks Branch, the Canadian Wildlife Service and the Canadian Government Travel Bureau. Another \$413,800 was incurred by agencies with special programs. Included were the Department of Public Works, that provided grants for capital marina development and the CLI (Canada Land Inventory), ARDA (Agriculture and Rural Development Act) and FRED (Fund for Rural Economic Development Act) programs that made expenditures for capital development, research and land inventory.
- d) Of the Expenditures under Current and Capital Account combined, \$4.3 million, or 46%, was incurred for park and recreation development and represented outlays essentially by the National and Historic Parks Branch. Another 34%, or \$3.1 million, was spent by the same agency on historic resources that included capital development costs for Fort Louisburg. Wildlife development and related CLI work represented an expenditure of \$1.2 million, or 13%, of the total.
- e) Under Current Account National Parks and Recreation areas absorbed 42% of the costs or a total of \$2.0 million. Another \$1.2 million, or 20%, was incurred in connection with Wildlife Development. This

was followed closely by expenditures for Historical Site and Park development, totalling \$0.9 million, or 20%. The expenditures for tourism reached \$0.6 million, or 14%. In this case \$350,000 represented expenditures by the Canadian Government Travel Bureau under a special Atlantic Provinces advertising campaign and another \$295,800 expenditure made by the ADB (Atlantic Development Board) for research in tourism and recreation in the Atlantic Provinces.

- f) Approximately 51% of the expenditure, or \$2.3 million, made under Capital Account was related to National Park or Recreation development. Another \$2.2 million, or 48%, involved Historic Site or Park development. Only 1% of the total expenditure under Capital Account was related to Wildlife development.

Table 38

Comments on Table 38:

- a) A total of about \$9.1 million was expended in all four purpose categories noted in the table. Approximately \$5.7 million, or 62%, occurred under Current Account; while \$3.4 million, or 38%, was made under Capital Account.

It is important to note that about \$413,800 of this expenditure by the provincial agencies was offset by federal government payments under programs previously noted. Reimbursements, therefore, covered close to 5% of the total expenditures noted in Table 38. It might also be noted that part of the expenditure incurred by the provinces in

Table 38: Provincial Government Expenditures in the Atlantic Provinces for Tourism and Recreation in the 1966-67 Fiscal Year

	<u>Under Current Account</u>		<u>Under Capital Account</u>		<u>Total</u>	
	\$000	%	\$000	%	\$000	%
Tourism	3,730.1	66	1,825.0	53	5,555.1	61
Historic Sites and Museums	685.7	12	373.2	11	1,058.9	12
Parks and Recreation	896.8	16	1,083.9	31	1,980.7	22
Wildlife	339.5	6	161.4	5	500.9	5
Total	5,652.1	100	3,443.5	100	9,095.6	100
Percent	62%		38%		100%	

the fiscal year 1966/67 may have represented outlays for which they were in total or in part reimbursed in the following fiscal year.

- b) About \$2.8 million, or 31%, of the expenditures shown in Table 38 represented outlays under combined Current and Capital Account relating to such provincially owned accommodation facilities as Digby Pines and Keltic Lodge in Nova Scotia and the Beaverbrook Hotel in New Brunswick. If this class of expenditure is removed from consideration, the total outlay by the provinces under Capital and Operating Account would be \$6.3 million.
- c) If the expenditures for the hotel and motel operations are removed from Table 38, together with the previously mentioned reimbursements from the federal government, the total province expenditure becomes \$5,885,400. It could, therefore, be stated that provincial costs for comparable items represented about 63% of the federal total of \$9.3 million.
- d) The bulk of the provincial outlay occurred in connection with tourism programs. About \$2.8 million, or 30% of the total of \$9.1 million was expended in relation to the operations of Tourist Bureaus. Another \$2.8 million, or 31%, was related to hotel and motel operations. Together, these two items accounted for close to \$5.6 million in expenditures, or 61%, of the total listed in Table 38. Park and recreational development accounted for almost \$2 million under Capital and Operating Account, or 22% of the total. Much of this outlay under capital development was reimbursed by the federal government under ARDA and FRED programs. Just under \$1.1 million, or 12%, of the outlay was associated with Historic Sites and Museum operation and development.

Again, grants under the ARDA and FRED programs, particularly in relation to Mactaquac Historic Village were partially reimbursed by the federal government. Wildlife again received a modest proportion of the total - the ratio being only 5% and the absolute value something like \$0.5 million.

- e) There is no marked difference in the ratios for expenditures by program category between Current or Capital Account. The ratio for tourist expenditures under Current Account was 66% of the total, and that under Capital Account 53%.
- f) The marked advance in campground and park development in the provinces in 1966/67 is represented by the fact that \$1.9 million was spent on this item, representing 31% of all capital development. Some of this expenditure was reimbursed by the federal government through the ARDA and FRED programs.
- g) It is of interest to examine the distribution of expenditures by the provinces after the outlay associated with hotels and motels is removed from consideration, leaving a balance of about \$6.3 million under Capital and Operating Account combined. In this case about 44% of the expenditure, or close to \$2.8 million, was related to tourist promotion. Another 31%, or close to \$2.0 million, was associated with park and recreation area operation and development. About \$1.1 million, or 17%, was associated with historic resources, while Wildlife programs received an outlay of about \$0.5 million or 8%.

CHAPTER VII

ECONOMIC IMPACT

The Development of Tourist and Recreation Vectors for Use With Input-Output Tables

One step in the evaluation of the economic impact of recreational travel expenditures undertaken in this study was the preparation of tourist and recreation demand vectors for use with the 1961 based input-output tables for each Atlantic Province. The vectors represent the spending patterns in 1966 of the following seven groupings of travellers, and two kinds of expenditures for private facilities and services^{1/}:

- a) Summer auto visitors to Nova Scotia from the rest of Canada and United States in these subgrouping:
- low income, reporting under \$5,000
 - high income, reporting over \$10,000
 - visitors who stayed with friends and relatives
 - visitors who camped
 - visitors who stayed at their own cottage;

^{1/} It is important to note that expenditures by federal-provincial agencies for environmental maintenance and development related to tourism and recreation or for capital development and operation and maintenance of such campgrounds etc. are not included in these vectors except insofar as they are partially reflected in user fees. The preponderance of the expenditure is the private sector.

Footnotes to Table 39: (continued)

9/ Includes \$201,300 in capital development costs associated with Tourist Bureaus program and \$1,623,700 in capital development costs for hotels and motels in Nova Scotia and New Brunswick.

Comments on Table 39:

- a) The expenditures made by the provincial governments that were reimbursed by the federal government under various programs previously mentioned are shown under the provincial total. The situation is clearly indicated in the footnotes. In brief the table indicates the unduplicated expenditures in the Atlantic Provinces by level of government and program category.

Table 39

Footnotes to Table 39

- 1/ Based on an analyses of Federal and Provincial departmental accounts.
- 2/ Includes expenditures by departments with major programs of tourist and recreation facility development and promotion in and for the Atlantic Provinces. Does not include expenditures by the Departments of Fisheries and Forestry associated with sport fishing.
- 3/ Include \$295,800 spent for tourist and recreation by the Atlantic Development Board and \$350,000 spent by The Canadian Government Travel Bureau under the special Regional Advertising Program.
- 4/ Includes expenditures by the Historic Site Branch for all operations including regional office and Fort Louisbourg.
- 5/ Includes expenditures by National Parks Branch only. In addition \$98,500 was spent under the Canada Land Inventory program for research. Perhaps 90% of this represented reimbursements to the provinces for expenditures incurred by them under the program that are incorporated in provincial total, and are not shown under the federal total.
- 6/ Includes expenditures by the National Parks Branch plus \$28,600 in grants from the Department of Public Works the Marina Grant Program. A total to the Provinces and as included in Provincial expenditure totals, not under Federal expenditures.
- 7/ A total of \$124,600 not shown in the federal total was spent under the CLI program. About 85% of this amount represents payments to the provinces for work done under the program and is included in provincial expenditures.
- 8/ Includes \$2,557,400 spent by Tourist Bureaus for advertising promotion and general office operation, and \$1,172,700 spent for the operation and maintenance of government hotels in Nova Scotia and New Brunswick

TABLE 39

UNDUPLICATED FEDERAL AND PROVINCIAL GOVERNMENT EXPENDITURES
FOR TOURISM AND RECREATION PROGRAMS - FACILITIES IN THE ATLANTIC PROVINCES^{1/}, 1966-67

	(\$000)									
	<u>Tourism</u>		<u>Historical Sites And Museums</u>		<u>Parks and Recreation</u>		<u>Wildlife</u>		<u>Total</u>	
	<u>O&M</u>	<u>Capital</u>	<u>O&M</u>	<u>Capital</u>	<u>O&M</u>	<u>Capital</u>	<u>O&M</u>	<u>Capital</u>	<u>O&M</u>	<u>Capital</u>
Federal Government Expenditures ^{2/}	645.8 ^{3/}		931.4 ^{4/}	2,204.9 ^{4/}	1,920.2 ^{5/}	2,130.7 ^{6/}	1,041.1 ^{7/}	27.1	4,538.5	4,362.7
Provincial Government Expenditures	3,730.1 ^{8/}		1,825.0 ^{9/}	373.2	896.8	1,083.9	339.5	161.4	5,652.1	3,443.5
TOTAL	4,375.9		1,825.0	1,617.1	2,817.0	3,214.6	1,380.6	188.5	10,190.6	7,806.2

* Operation and Maintenance

b) Travellers by all modes throughout the year, including:

- all visitors from outside the province
- all residents within their own province;

c) Expenditures by any recreational travellers on:

- lodging service
- restaurant meals.

By using the input-output tables incorporating the above vectors, estimates of the various tax, import and income flows required to satisfy the final demand vector were derived. This was done by Professor Levitt for the Dominion Bureau of Statistics. One sample of the primary inputs required for private facilities & services by one dollar of tourist expenditure in Nova Scotia is contained in Table 40.

Table 40

DIRECT AND INDIRECT PRIMARY INPUTS* IN THE PRIVATE SECTOR TO MEET ONE DOLLAR OF VISITOR DEMAND IN NOVA SCOTIA IN 1966 (OR NET FACTOR COST FOR \$1 OF FINAL OUTPUT)

<u>Income to Local Governments</u>	\$	\$
Municipal	.0246	
Provincial	.0848	.1094
<u>Income to Persons & Business**</u>		
Wages and Salaries	.3268	
Unincorporated business (net)	.0195	
Profit	.1526	
Rent and Interest	.0344	.5333
Depreciation		<u>.0775</u>
		.7202***

Source: Developed from input-output tables prepared by Professor K. Levitt, McGill University, under the sponsorship of the Atlantic Development Board and the Dominion Bureau of Statistics, using vectors prepared by Kates, Peat, Marwick & Co.

* When a dollar is spent in a hotel, some of it goes immediately or directly into primary inputs; that is wages and salaries, taxes, interest and depreciation. However, much of that dollar is spent for supplies and services required by the hotel. In turn, the money paid to these suppliers goes partly into wages and salaries, rent, interest, etc. These are the indirect primary inputs. These

suppliers in turn buy services and goods from other suppliers and producers. When all the transactions are finally traced, payments to goods and services are eventually translated into income payments.

** Before income taxes - Governments therefore receive amounts shown plus income tax paid.

*** There are, in addition, indirect federal taxes of \$.0159, federal subsidies of \$.0067, non-competitive imports of \$.1568, and competitive imports of \$.1138.

These primary inputs are both direct and indirect. The direct input of wages, for example, when the spending is for gasoline is that proportion spent on wages by a service station. The indirect wages are those paid by the suppliers of gasoline and other goods and services that the station operator purchases.

Table 40 simply shows how a dollar spent for all types of goods and services from the private sector by the average visitor to Nova Scotia in 1966 was ultimately disbursed or accounted for in terms of the primary inputs common to all production of goods and services in the provinces. About 33 cents of the dollar becomes wages and salary income. About two cents becomes the net income of unincorporated private businesses, 15 cents was profit of incorporated businesses and about $3\frac{1}{2}$ cents rent and interest. If we include the proportion of provincial and municipal government revenues that becomes income to residents, wages, salaries, transfer payments, etc., and the share of profits, rent, interest, and the income resulting from the reinvestment of depreciation

funds^{1/}, total resident income from the original dollar is about 46 cents.

Since most of personal income is re-spent for consumption goods and services, successive rounds of spending and income generation result from the initial "tourist" dollar. On the basis of the input-output analysis, about 22 additional cents of resident income may be generated for a total of 68 cents. The ratio between the 46 cents generated by the tourist spending and the 68 cents which includes the additional income resulting from resident consumption expenditures is 1.4791. It is this ratio that is often referred to as the consumption multiplier.

The size of the multiplier depends a great deal on how much is spent on imported goods and services to supply the tourist and also on tax rates, profit, rent, and interest disbursements. The factor that varies most from region to region is the amount of imports. The higher the proportion of visitor and resident demand that is met by imported goods and services, the lower is the proportion of the tourist dollar that becomes resident income or the lower the multiplier effect of the re-spending of residents' income.

^{1/} No clear understanding was obtained in this study of the manner in which depreciation costs are handled in the tourist and recreation sector or of how profits are distributed.

An element of impact omitted in this analysis is that of new investment in the recreational travel industry. Due mainly to the lack of historical data the fact that the lodging industry has been rapidly modernizing, it was not possible to determine a historical rate for new investment. On the basis of judgement only, new investment probably adds another three to five percent to the amount of resident income generated by recreation travel expenditures.

There are two main purposes for measuring the impact of an economic activity in this way. First, the input-output approach provides a basis for making fairly rigorous use of the multiplier concept so that the relative differences in impact of various kinds of demand can be evaluated. Second, where major changes in an economic sector are occurring or may be brought about, this technique makes it possible to estimate the ramifications of such changes on other economic sectors.

Total Personal Income by Province for Tourist and Recreation
Expenditures for Goods and Services Provided by the
Private Sector by Traveller Type - 1966

The work as outlined on the previous sector formed the basis for this portion of the analysis. Several important adjustments were introduced as noted subsequently in the text.

Table 41

ESTIMATED TOTAL RESIDENT INCOME GENERATED
 BY ONE DOLLAR OF EXPENDITURES ON RECREATIONAL TRAVEL
 - BY TYPE OF TRAVELLER OR EXPENDITURE AND BY PROVINCE - 1966

<u>Type of Traveller</u>	<u>RESIDENT INCOME GENERATED IN:</u>			
	<u>N.B.</u>	<u>N.S.</u>	<u>P.E.I.</u>	<u>Nfld.</u>
Summer Auto Visitors	\$	\$	\$	\$
Low Income	.67	.65	.60	.61
High Income	.70	.70	.63	.64
Stayed with Friends and relatives	.65	.63	.58	.59
Campers	.60	.57	.54	.54
Cottagers	.76	.73	.60	.70
Total Visitors	N/A	.68	.62	.63
Residents	.67	.65	.60	.59
 <u>Type of Expenditure</u>				
Lodging service	.76	.78	.66	.69
Restaurant meals	.81	.92	.81	.82
Consumption Multiplier	1.49	1.48	1.42	1.42

The figures in Table 40 included income to all factors of production without any adjustment. Table 41 includes only incomes to persons resident in the respective provinces. The figures used in this table were calculated by the Atlantic Development Board.

The example of direct and indirect primary inputs called for by one dollar of visitor expenditures in the private sector in Nova Scotia as shown in Table 40

included \$.28 paid to factors of production outside the province, that is, for imports and federal taxes, leaving \$.72 in the province of which \$.46 is income to residents as follows:

Wages and salaries	\$.3268,	100% of same
Net unincorporated income	\$.0195,	100% of same
Profit, rent, and interest	\$.0468,	25% of same
Municipal and provincial taxes	\$.0366,	33% of same
Depreciation	\$.0331,	43% of same
	\$.4628	

Table 41 shows estimates of total personal income generated by one dollar of expenditure in each province by different types of travellers and expenditures. This table provides a basis for comparing the relative impact of tourism in general, and of different types of tourists, with the impact of activity in other sectors. The consumption multiplier for each province is also shown. This multiplier applied to the resident personal income resulting from \$1.00 of recreational travel expenditure gives the total resident personal income generated.

Table 41

Comments on Table 41:

- a) Among the types of travellers, cottage owner expenditures appear to have the largest relative impact except in Prince Edward Island. The cottage vector was based on estimated expenditures including repairs, taxes, services and building costs not reported in general surveys of travellers. The main reason that the impact of the cottage owner is relatively high is that a greater portion of

expenditure is for local services and locally produced goods. It is important to note that cottaging is highly a resident activity.

- b) The camper dollar has the lowest relative impact. This is mainly because the camper buys few restaurant meals and stays in commercial lodging infrequently. The gasoline and food which constitute his main purchases have a high import content. It is important to note however, that the development and operation of provincial and federal campsites creates considerable economic impact that is not reflected in these statistics because of the consumer surplus present.
- c) There is a difference also between the low income and the high income traveller, arising mostly from the fact that the low income traveller spends a much greater proportion of his time with friends and relatives and buys less lodging and restaurant service which has a higher labour content.
- d) The relative impact of the different expenditure patterns ranks in the same order in all provinces except in Prince Edward Island where the cottage owner dollar is replaced by the average high income tourist dollar for first place. In all cases the camper dollar has the least impact. There is a 30% spread between the high and low impact levels in Newfoundland, about 17% spread in Prince Edward Island and about 26% in New Brunswick and Nova Scotia.
- e) The resident recreation traveller dollar has slightly less impact than the visitor dollar but the difference is not large enough to be significant. While the visitor expenditure can be considered an export and thereby a contribution to the economic base of a province or the region, resident spending outside

the region is an import, and represents a leakage. Dollar for dollar it is about as important to the economy of the region to attract resident spending that would otherwise be made elsewhere, as it is to attract visitor spending to the region.

- f) Expenditures for lodging and restaurant meals have more impact than other traveller expenditures because these service industries are labour intensive.

The local economic impact of these expenditures will vary between areas within a province. According to a U.S. study, spending in a rural area or park may generate only 60% of the amount of local income and employment that spending in an urban area does.^{1/} The impact on the province as a whole will be affected very little by where the spending occurs within the province because the lower local impact of a dollar spent in a rural area is offset by the impact of imports of goods and services from elsewhere in the province. In the same way, the impact of expenditures in the region as a whole will be generally greater than in any one province. In the case of Prince Edward Island, for instance, the lower impact of spending on the island will be compensated for, in part at least, by the fact that some imports will come from the other provinces of the region.

^{1/}

Appalachian Regional Commission, Recreation as an Industry in Appalachia, by Robert R. Nathan Associates, Inc. and Resources Planning Associates, December, 1966

Earned Income and Employment Generated by Recreational
Travel Expenditures in the Private Sector in the Atlantic
Provinces

Table 42 shows estimates of employment attributable to recreation travel in the Atlantic Provinces. These estimates were derived by first transposing total recreational travel expenditures into direct, indirect and induced earned income for the region as a whole, using the income generation analysis. The income was converted to weeks of employment by dividing it by average earnings per week in the tourist service industry (direct employment) and by the average weekly rates for all employment in the region as a whole (indirect and induced employment).

The number of employed persons was estimated by using information mainly from the survey of the lodging and restaurant trades as indicated in the footnotes to the table. The estimated number of workers is probably understated for two reasons. First, there is likely part-time and seasonal employment at all levels: direct, indirect, and resident consumption generated employment. Secondly, the estimates are based on the Nova Scotia impact analysis rather than on an analysis of the region as a whole; the latter, as explained in the notes to the table, should provide a somewhat higher income rate per dollar expenditure.

The survey of accommodation facilities alone in the three provinces of the study area showed that about 1,352 employees worked full-time and in the peak season there were up to 3,821 more on part-time and seasonal employment, serving recreational travel demand. The estimates in Table 42 show about 6,815 workers on a part-time and seasonal basis in all four Atlantic Provinces.

At best, these are rough estimates which indicate in general that a little over half of the seasonality of employment related to the travel industry occurs in the accommodation and restaurant services.

Table 42

Footnotes to Table 42:

1/ Expenditure estimates include \$1.6 million for Prince Edward Island residents in their own province. "Visitors" are those from outside the region. Resident spending includes spending in own and neighbouring provinces of the region.

2/ The resident earned income rates are those for Nova Scotia. Taking the region as a whole, the rates would likely be higher than for any single province because some of the leakage at a provincial level represents purchases in other provinces in the region. Since the analysis for the region as a whole was not available, and the detail for visitor impact for New Brunswick was also not available at the time of writing, the Nova Scotia rates were used. These were higher than those for Prince Edward Island and Newfoundland and slightly lower than those for New Brunswick. The difference between these rates and the income rates shown in Table 41 is resident income from rent, interest, and corporate profits.

The direct income represents the wages, salaries, tips, income in kind, and salaries to management paid by establishments serving the traveller directly. The indirect income is the income paid to workers in those other establishments that do not deal at first hand with the traveller, but supply the tourist industry. Indirect income comprises all stages back to the levels of raw materials and imports. Indirect income includes the net income of unincorporated businesses. The consumption induced income results from the consumption multiplier effect. While the direct income is earned mostly in the accommodation, restaurant, retail merchandise, and auto service industries, the indirect and induced income is earned in nearly all private sectors of the economy.

Table 42: Estimate of Employment Resulting From Visitor
And Recreational Travel in the Atlantic Region

	<u>Visitor Demand</u>	<u>Resident Demand</u>	<u>Total Demand</u>
A. <u>Expenditure (\$Million)</u>	41.1	60.1	101.2
B. <u>Earned income per dollar expenditure in N.S.</u>			
Direct \$.1241	.0633	-
Indirect \$.2919	.3330	-
Induced \$.1990	.1898	-
Total	.6150	.5861	-
C. <u>Total earned income (AxB)</u>			
Direct (\$million)	5.1	3.8	8.9
Indirect (\$million)	12.0	20.0	32.0
Induced (\$million)	8.2	11.4	19.6
Total	25.3	35.2	60.5
D. <u>Earned income per week</u>			
Direct \$	60	60	60
Indirect \$	71	71	71
Induced	71	71	71
E. <u>Man-Weeks Employment (C/D)</u>			
Direct weeks (000)	85	63	148
Indirect weeks (000)	169	282	451
Induced weeks (000)	115	161	276
Total weeks (000)	369	506	875
F. <u>Employed Persons</u>			
Seasonal and part-time at 12 weeks per annum			
Direct (40% of weeks)	2,835	2,100	4,935
Indirect (5% of weeks)	710	1,170	1,880
Total	3,545	3,270	6,815
Regular at 50 weeks p.a.			
Direct	1,020	755	1,775
Indirect	3,210	5,360	8,570
Induced	2,300	3,220	5,520
Total	6,530	9,335	15,865
Approximate peak season	10,075	12,605	22,680

The difference between total earned income from visitor spending of \$.6150 on the dollar and total income \$.6845 (see Table 41) is \$.0695, the estimated income from dividends, rent and interest.

- 3/ Total earned income is simply the rates of income produced, B, multiplied by the expenditures, A.
- 4/ Direct earned income per week is based on the survey of lodging and restaurant facilities conducted for this study. Indirect and generated earned income rates are based on 1966 average provincial wages as contained in Employment and Average Weekly Wages and Salaries, D.B.S. 72002.
- 5/ Weeks employment is calculated by dividing the weekly rates of earnings D, into total earned income, C. The induced employment is derived from earned income that results from the consumption multiplier effect.
- 6/ Employed persons is calculated by first roughly estimating the proportion of earnings received by seasonal and part-time workers as follows: The survey of accommodation facilities indicated that about 40% of man weeks of employment in this industry might be attributed to recreational travel demand, and about 50% of the employment generated by recreational travel was for seasonal and part-time workers, who worked on average for about 12 weeks per annum. Assuming that the same proportion of seasonal employment occurs in all jobs directly attributable to recreational travel as in the accommodation industry, it was estimated that 40% of man weeks of direct employment is seasonal and part time. It was assumed in addition that about 5% of the indirect income was earned by seasonal workers; in other words, that seasonality has an effect at stages removed from those establishments that serve the traveller directly. The remaining man-weeks are converted to employed persons on the basis of 50 weeks worked per annum.

Comments on Table 42:

- a) . The seasonal and part-time work attributable to the private sector of the tourist and recreation industry represents about 1,640 man-years of employment, which added to the 15,865 man-years of steady jobs amounts to 17,505 man-years of employment.

	<u>Visitor Demand</u>	<u>Resident Demand</u>	<u>Total Demand</u>
Man-years of employment	7,385	10,120	17,505

- b) One way of expressing the employment impact of recreational travel demand is to show the dollars of expenditures per man-year of work provided. About \$5,600 of visitor spending creates employment for one worker earning approximately \$3,420 in a year. About \$5,900 of resident spending creates employment for one worker earning approximately \$3,470 in a year. Thus, visitor spending appears to have a little higher employment impact than resident spending.

Table 43

Comments on Table 43:

- a) Table 43 shows the approximate employment related to recreational travel demand by province. It is interesting to note that for Prince Edward Island an estimate of man-weeks of employment attributable to recreation and tourism in 1965

Table 43

ESTIMATED MAN-YEARS OF EMPLOYMENT
ATTRIBUTABLE TO RECREATIONAL TRAVEL EXPENDITURES
BY VISITORS, BY RESIDENTS, AND BY PROVINCE, 1966

	<u>N.B.</u>	<u>N.S.</u>	<u>P.E.I.</u>	<u>Nfld.</u>	<u>TOTAL</u>
By expenditure within the region of:					
Visitors	3,295	3,000	725	365	7,385
Residents	2,720	3,705	830	2,865	10,120
Total	6,015	6,705	1,550	3,230	17,505

Source: Total employment in the region is distributed by visitor, resident and province in the same ratio of total income (including rent, interest and profit) resulting from visitor and resident spending by province, using the income producing rates appropriate to each province. This may understate employment in N.B. and N.S. to the extent that travel expenditures in P.E.I. and Nfld. generate imports from the other two provinces and thereby create employment in them.

amounted to about 1,275 man-years.^{1/} This estimate was based on survey analysis rather than an input-output technique and presumably does not include consumption induced employment (but probably does include some employment not actually attributable to recreation travel.) If the employment in Prince Edward Island shown in Table 43 is divided by the consumption multiplier of 1.42 for Prince Edward Island about 1,100 man-years of employment is obtained which is in rough agreement with the 1965 estimate of 1,275 based on direct surveys.

- b) In Prince Edward Island almost all of the employment is attributable to visitors from outside the region and to residents of other Atlantic Provinces, whereas in Newfoundland most of the employment is attributable to the spending of Newfoundland residents in their own province.
- c) In 1966, the average number of employed persons in the Atlantic region was 586,000; about 7,385 were in jobs created by visitors from outside the region travelling and spending within the region for recreational purposes, and about 10,120 had jobs as a result of resident recreational travel within the region. In relative terms about 1.26% and 1.73% of employment in the Atlantic Region are attributable to visitors and resident recreational travel respectively, for a total of just about 3%

^{1/} See Development Planning for Prince Edward Island, Recreation - Tourism, Acres Research and Planning Ltd., for the Economic Improvement Corporation, Prince Edward Island.

- d) Sudden changes in the volume of this traffic will affect direct employment immediately and indirect and induced employment ultimately. In particular, nearly 5,000 seasonal and part-time workers throughout the region appear to depend on the summer tourist season for employment and perhaps another 2,000 are more or less dependent on this traffic, for a total of about 7,000 worker (6,815 in Table 42) who depend on resident and visitor tourism.
- e) The cash wages in lodging and restaurant service of non-management jobs average about \$40 a week and range as low as \$20 for a bus boy.^{1/} When allowance is made for gratuities and payment in kind, the average income is \$60 a week. This brings the average wage more or less in line with the general level in service and retail employment. However, it appears that some of the employment in accommodation is about the lowest paid of all paid work today and the hours are often long and irregular. Many of the jobs tend to be filled by women, and this could cause an imbalance in total employment communities where the relative impact of recreation travel demand is very large.

The seasonal and part-time employment is filled mostly by students and housewives who are otherwise occupied the rest of the time and this affords a valuable source of supplementary income. It is probably for this reason that the seasonal accommodation industry even in regions with high average wage levels still manages to find

^{1/} See Development Planning for Prince Edward Island, Recreation - Tourism Acres Research and Planning Ltd.

enough employees at relatively low wages. On the basis of a current surplus of student seasonal labour its needs will be met for some time to come. In view of the seasonality of the demand and its coincidence with student holidays, it seems logical that some of the new accommodation for the tourist trade proper should be designed for seasonal operation only.

On the basis of the low pay rates and the high seasonality of employment afforded by the recreational travel market, it might be concluded that tourism is not of great advantage to a regional economy. However, the fact is that suitable manpower is generally available seasonally and otherwise has difficulty finding employment in all areas of the continent. Thus tourism is almost invariably a good outlet for resources not otherwise employable. Moreover, the level of demand in the Atlantic Region would have to increase several fold before problems of imbalances in labour requirements would develop, assuming a reasonably mobile supply of labour within the region.

PART 3

COMMERCIAL OPERATIONS AND COTTAGE DEVELOPMENT

The economic aspects of both the demand as revealed in user expenditures and the supply in terms of private and public investment have been examined in the previous sections of this summary. However, there remain several related studies which add usefully to the understanding of tourism and recreation in the Atlantic Region, particularly on the supply side. Two of these are summarized in Part 3.

The detailed business aspects of commercial operations are examined in Chapter VIII. The distribution of and investment in vacation cottages and homes in 1966 are outlined in Chapter IX.

Chapter VIII summarizes data and analyses prepared by Kates, Peat, Marwick and Company. Chapter IX is extracted from a separate study by W.M. Baker.

CHAPTER VIII

COMMERCIAL OPERATIONS

Introduction

Those commercial operations catering particularly to the tourist industry are examined in this chapter in terms of such characteristics as operating expenditure, profit, and investment in relation to revenues. Employment generated by private sector activity is discussed. The basis of the analysis, and its limitations, are cited below.^{1/}

Operating Expenditures as a Percentage of Gross Revenue

As a basis for the financial analysis of enterprises and a preparation for the determination of economic impact through the use of input-output tables, gross revenues were distributed on a percentage basis between various operating expenditure categories. The results are shown in the accompanying table.

Table 44

Comments on Table 44:

- a) A percentage breakdown of revenues for the average

^{1/}The data for this chapter were obtained in the survey of accommodation and other facilities described in part in Chapter V and made by Kates, Peat, Marwick and Company in 1966. The survey included 12 restaurants, of which 2 were seasonal operations and 16 tourist oriented retail establishments of which 5 were seasonal, in addition to the accommodation establishments noted in Chapter V. The study is not a comprehensive statistical analysis of commercial enterprises in the study area, and the results must be regarded as indicative rather than truly representative, particularly for restaurants and retail stores.

TABLE 44

PROFIT, DEPRECIATION AND OPERATING EXPENDITURES
AS A PERCENTAGE OF GROSS REVENUE

NOVA SCOTIA

Type of Facility	Accommo- dation	Separate Restaurant**	Separate Retail Store	In House Bar***	In House Restaurant	In House Retail Concess
Average Revenue* (\$)	32,841	83,850	59,981	9,002	28,000	15,879
<u>Profit \$ Depreciation:</u>						
Profit	11.0	13.5	14.2	-	-	-
Depre.	15.9	0.6	1.6	-	-	-
Total	26.9	14.1	15.8	-	-	-
Interest	9.0	1.9	3.8	-	-	-
Taxes	4.9	0.4	1.0	-	-	-
Insurances	2.5	0.5	0.9	-	-	-
Accounting	0.7	0.3	0.2	-	-	-
Rent	-	-	1.9	-	-	-
Advertising	2.1	0.9	0.8	-	-	-
Utilities	10.3	3.2	1.0	-	-	-
Laundry	3.0	-	-	-	-	-
Salaries & Wages	21.8	20.5	9.8	15.3	33.2	7.5
Supplies	5.8	1.5	1.2	-	-	-
Purchases for Resale	-	50.9	59.2	60.1	57.3	76.3
Repairs & Maintenance	4.1	0.9	0.2	-	-	-
Other and Not Stated	8.9	4.9	4.2	24.6	9.5	16.2

NEW BRUNSWICK

Type of Facility	Accommodation	Restaurant**	Separate Retail Store	In House Bar***	In House Restaurant	In House Retail Concess
Average Revenue* (\$)	50,715	77,138	77,459	30,811	37,917	13,969
<u>Profit & Depreciation:</u>						
Profit	13.4	17.3	21.0	-	-	-
Depre.	14.2	4.0	1.3	-	-	-
Total	27.6	21.3	22.3	-	-	-
Interest	12.6	2.3	0.7	-	-	-
Taxes	5.0	0.7	1.3	-	-	-
Insurance	2.4	1.2	0.9	-	-	-
Accounting	0.8	0.3	0.5	-	-	-
Rent	-	-	2.0	-	-	-
Advertising	1.7	1.2	1.0	-	-	-
Utilities	11.0	4.1	1.3	-	-	-
Laundry	1.8	-	-	-	-	-
Salaries & Wages	20.8	22.7	10.3	25.3	36.3	9.0
Supplies	6.8	1.4	1.0	-	-	-
Purchases For Resale	-	41.3	56.1	49.4	51.4	57.4
Repairs & Maintenance	2.9	-	0.4	-	-	-
Other and Not Stated	6.6	3.5	2.2	25.3	12.3	33.6

NEWFOUNDLAND

Type of Facility	Accommodation	Separate Restaurant**	Separate Retail Store	In House Bar***	In House Restaurant	In House Retail Concess.
Average Revenue* (\$)	68,242	88,724	97,062	46,192	69,544	19,596
<u>Profit & Depreciation:</u>						
Profit	11.7	1.9	13.7	-	-	-
Depre.	12.0	11.6	2.6	-	-	-
Total	23.7	13.5	16.3	-	-	-
Interest	5.3	4.4	-	-	-	-
Taxes	2.9	0.7	1.9	-	-	-
Insurance	3.8	0.9	0.3	-	-	-
Accounting	0.8	0.4	0.1	-	-	-
Rent	-	-	3.3	-	-	-
Advertising	0.8	1.3	2.4	-	-	-
Utilities	11.2	3.5	1.5	-	-	-
Laundry	-	-	-	-	-	-

NEWFOUNDLAND (Continued)

Type of Facility	Accommodation	Separate Restaurant**	Separate Retail Store	In House Bar***	In House Restaurant	In House Retail Concess.
Salaries & Wages	18.0	24.8	15.4	16.9	36.4	2.9
Supplies	14.5	-	-	-	-	-
Purchases for Resale	8.1	47.2	53.7	66.0	60.3	59.0
Repairs & Maintenance	1.6	1.3	0.6	-	-	-
Other & Not Stated	9.3	2.0	4.5	11.3	3.3	38.1

STUDY REGION

Type of Facility	Accommodation	Separate Restaurant	Separate Retail Store
Average Revenue* (\$)	47,180	83,797	78,123
<u>Profit and Depreciation:</u>			
Profit	12.1	10.6	16.6
Deprec.	14.4	5.1	1.8
Total	26.5	15.7	18.4
Interest	10.0	2.8	1.4
Taxes	4.6	0.6	1.4
Insurance	2.7	0.8	0.7
Accounting	0.8	0.3	0.3
Rent	-	-	2.4
Advertising	1.7	1.1	1.4
Utilities	10.7	3.5	1.3
Laundry	2.0	-	-
Salaries & Wages	20.8	22.5	11.7
Supplies	7.8	1.0	0.8
Purchases for Resale	1.4	47.3	56.3
Repairs & Maintenance	3.1	0.8	0.4
Other & Not Stated	7.9	3.6	3.5

- * Average establishment revenue for the service indicated.
- ** Denotes establishment which does not provide accommodation.
- *** Denotes service provided by an accommodation establishment.

establishment interviewed in each category in each province and for the study area into profit, depreciation and 12 types of operating expenditures is presented. Accommodation ratios are derived as a percentage of room sales, while restaurant and retail store ratios represent percentages of gross revenue.

- b) Accommodation industry profits as a percentage of sales for the region as a whole was 12.1. New Brunswick with 13.4% showed the highest profit ratio. Nova Scotia and Newfoundland with ratios of 11.1% and 11.7% respectively were somewhat lower.
- c) Depreciation for all accommodation establishments surveyed in the Atlantic Provinces was 14.4% of room sales. Nova Scotia displayed the highest value, namely 15.9%, which probably accounts in part for a low profit ratio compared with other provinces. Corresponding values for New Brunswick and Newfoundland were 14.2% and 12.0% respectively.
- d) Wages and salaries for all accommodation enterprises studied represented 20.8% of room sales. The ratio was highest in Nova Scotia at 21.8%, and lowest in Newfoundland at 18.0%. The value of 20.8% for New Brunswick corresponded with the regional average.

Profitability Analysis by Facility Type

Initially the average absolute dollar profit per room was determined separately for yearly and seasonal operations by facility type on the basis of averages for the study area. Here the focus is on the scale of gross profit per room derived after revenue from all sources is deducted from costs exclusive of depreciation. A similar analysis was completed on the basis of the size of facility for yearly and seasonal operations combined. The results are shown in Table 45.

Subsequently two profitability ratios, namely profit/asset, and profit/equity, were determined for yearly and seasonal operations by facility type throughout the region together with a debt/equity ratio. A similar analysis was completed on the basis of facility size for yearly and seasonal operations combined.

The two aforementioned profitability ratios, that are mixed ratios in that they are based on data contained in the balance sheet and the profit and loss statement, are a useful measure of profitability and of the skill of management in exploiting funds invested in the enterprise.

Customarily the profit/asset ratio or the return to total assets is determined as follows:

$$\frac{\text{Net Profit (Before Taxes)} + (\text{Interest on Fixed Liabilities})}{\text{Shareholders Funds} + \text{Fixed Liabilities}}$$

Due to the problem of handling depreciation which displayed wide variety in its treatment in the accounting practices of firms sampled and the equally varied methods of financing, some departure from the customary method of determining profit/asset ratios was necessary. Mortgage interest, that is interest on fixed liabilities, was not included and neither was depreciation in the determination of net profit. Because income taxes were not considered, the approach to net profit determination was traditional in this respect.

Customarily the profit/equity ratio or return to equity is defined as:

$$\frac{\text{Net Profit to Shareholders (After Taxes)}}{\text{Shareholders Funds}}$$

Net profit is usually taken after depreciation. In this study net profit does not include a deduction for taxes, depreciation or mortgage interest. In effect it is not a traditional measure of net profit.

The debt/equity ratio, one of several net worth ratios, is an indicator of the owners' commitment to the business, the security of creditor claims, and the levels of borrowing in the industry. It is derived from balance sheet information as follows:

$$\frac{\text{Current Liabilities} + \text{Fixed Liabilities}}{\text{Tangible Net Worth}}$$

Including Mortgage and Funded Debt

In this study the ratios have been derived in the traditional manner defined above.

Table 45

Comments on Table 45:

- a) Among the year-round accommodation establishments, dollar profits per room were highest for Hotels (\$810) and lowest for composites that offered lodging only (\$459). Motels with services showed the second highest profit per room \$797.
- b) Among the seasonally operated facilities composites with services showed the highest absolute dollar profits per room (\$444). Motels with services were a close second with a profit per room of \$442 but those without services stood at the bottom with a value of \$111.
- c) The patterns for year-round firms seemed to apply equally to the seasonal ones, but absolute dollar profits per room were much lower for the seasonal firms as would be expected.
- d) There was a progressive increase in gross profit per room with increasing size of establishment from a low of \$407 for those with less than 10 rooms to a high of \$1,298 for those with 100 or more rooms.

TABLE 45

REVENUE/COST/GROSS PROFIT PER ROOM - STUDY REGION(A) BY TYPE OF FACILITY
(YEARLY OPERATED ESTABLISHMENTS)

<u>Type of Facility</u>	<u>Revenue</u> \$	<u>Cost</u> \$	<u>Profit</u> \$
Hotels	1,550	740	810
Motels (with services)	1,789	992	797
Motels (lodging only)	1,494	833	661
Composites (with services)	1,410	755	655
Composites (lodging only)	1,159	690	459

(B) BY TYPE OF FACILITY
(SEASONALLY OPERATED FACILITIES)

<u>Type of Facility</u>	<u>Revenue</u> \$	<u>Cost</u> \$	<u>Profit</u> \$
Motels (with services)	868	426	442
Motels (lodging only)	436	325	111
Composites (with services)	1,045	601	444
Composites (lodging only)	919	647	272
Cabins (with services)	767	444	323
Cabins (lodging only)	725	477	248

(C) BY SIZE OF FACILITY
(YEARLY & SEASONALLY OPERATED ESTABLISHMENTS)

<u>Size of Facility</u>	<u>Revenue</u> \$	<u>Cost</u> \$	<u>Profit</u> \$
Under 10 rooms	752	345	407
10 to 19 rooms	1,163	691	472
20 to 29 rooms	1,320	713	607
30 to 39 rooms	1,416	743	673
40 to 49 rooms	1,173	634	539
50 to 99 rooms	1,912	1,108	804
100 and over	2,783	1,485	1,298

The only exception to this generalization occurred in those operations with 40 to 49 rooms where profits were \$539 as compared with \$673 for those with 30 to 39 rooms. The annual income from seasonal facilities with fewer than 10 rooms was insufficient to support the operators, who generally regarded the operation as secondary sources of income. While not indicated in the table it was observed, however, that depreciation costs and interest on capital increased with the number of units per establishment. This indicated the greater borrowing of capital for the expansion of larger firms.

Table 46

Comments on Table 46:

- a) The highest profit/asset ratio for yearly operations namely, 20.5%, was recorded for motels with lodging only. Similar ratios for all other facility types ranged from a low of 13.7% in the case of motels with services to a high of 17% for composites with lodging. The fact that, while motels and composites made higher absolute dollar profits when they offered additional services the rate of return on assets was better for those that offered lodging only, indicates that additional services, while they attracted customers to establishments, generally were less or not profitable in themselves. Profit/asset ratios indicate that seasonal firms were uneconomic units, unless they were composites, and especially composites offering additional services.
- b) The highest profit/equity ratios for yearly operations, namely, 34.7%, were associated with motels with services, while those with lodging only ranked second with 32.0%. The lowest values were

TABLE 46

INVESTMENT RATIOS - STUDY REGION

Type of Facility	<u>Profit</u> <u>Asset</u> %	<u>Profit</u> <u>Equity</u> %	<u>Debt</u> <u>Equity</u> %
Hotels	15.7	23.2	92
Motels (with services)	13.7	34.7	300
Motels (lodging only)	20.5	32.0	152
Composites (with services)	16.5	23.8	104
Composites (lodging only)	17.1	29.9	126

(B) BY TYPE OF FACILITY
SEASONALLY OPERATED FACILITIES

Type of Facility	<u>Profit</u> <u>Asset</u> %	<u>Profit</u> <u>Equity</u> %	<u>Debt</u> <u>Equity</u> %
Motels (with services)	8.8	11.5	84
Motels (lodging only)	8.7	8.7	0
Composites (with services)	16.7	27.7	143
Composites (lodging only)	10.8	11.0	113
Cabins (with services)	7.1	6.6	65
Cabins (lodging only)	5.3	6.0	86

(C) BY SIZE OF FACILITY
YEARLY & SEASONALLY OPERATED ESTABLISHMENTS

Size of Facility	<u>Profit</u> Asset %	<u>Profit</u> Equity %	<u>Debt</u> Equity %
Under 10 Rooms	12.1	15.9	41
10 to 19 Rooms	15.0	24.6	122
20 to 29 Rooms	14.1	19.3	108
30 to 39 Rooms	15.2	24.5	178
40 to 49 Rooms	20.4	29.4	185
50 to 99 Rooms	10.7	37.1	281
Over 100	12.1	42.9	346

- Notes: 1. Excludes depreciation and interest on capital as a cost item, except Profit/Equity, which includes interest on capital as a cost item.
2. Excludes Hunting and Fishing Lodges, Private Tenting and Trailer Parks.

recorded by hotels (23.2%) and composites with services (23.8%). With the exception of composites with services with a profit/equity ratio of 27.7%, values for other enterprises were low and sometimes below interest rates for Government of Canada Bonds and other similar securities.

- c) For many businesses a debt/equity ratio of 75% is considered high but business ratios for Canada by Dun & Bradstreet show a value of 222.2% for hotels and lodging house. The high value may in part be due to internal financing practices for tax manipulation purposes. In any event values for seasonal and yearly enterprises in the Atlantic Provinces are all well below the aforementioned ratio except in the case of motels with services operated on a yearly basis where the ratio is 300%. High values for operations with 50 to 99 rooms (281%) and those with over 100 rooms (346%) clearly indicate heavy recourse to borrowing and an undesirable debt equity situation, particularly if borrowed funds are not backed by guarantees external to the business.

Table 47

Comments on Table 47:

- a) Enterprises with urban and suburban locations accounted for 79.5% of those with profit/asset ratios of 15% or over, indicating that these are the high profit areas. Success is by no means solely attributable to location since these areas contained 51.4% of those with the lowest ratios of - - 9% and 57.1% of those in the middle range 10.0 - 14.9%.
- b) Enterprises in the rural areas were decidedly the least profitable. Here were located 43.6% of the least profitable plants, 42.9% of those in the mid-range and only 20.5% of those in the upper profit/asset ratio

TABLE 47

RELATIONSHIP BETWEEN LOCATION AND
RETURN ON INVESTMENT - STUDY REGION

Location	0 to 9.9%	<u>Profit/Asset Ratio</u>	
		10 to 14.9%	15% and over
Urban	27.1%	21.4%	40.9%
Suburban	24.3	35.7	38.6
Rural	48.6	42.9	20.5
TOTAL	100.0%	100.0%	100.0%

class of 15% and over. The data clearly highlight the serious limitation of low profits facing programs designed to stimulate economic growth in rural depressed areas or to provide facilities for tourists in outlying areas. Return to capital investment of an equal and often much higher order can be gained elsewhere at less risk.

Employment and Income

Initially, attention is directed to volume of employment together with wages and salaries received. Employment is of these types: yearly, seasonal and part-time.

Selected characteristics of the labour force were examined. Included were age composition, other off season employment, quality based on managerial assessment, and experience.

Table 48

Comments on Table 48:

- a) Although the gross revenue of commercial facilities reached its peak in the summer, employment was less obviously seasonal. An estimated 9,000 employees were at work within the accommodation complex during July and August in the three provinces. About 48% of them worked on a seasonal or part-time basis.
- b) On the assumption that the yearly employee worked a 50-week year, and the seasonal or part-time employee worked an average of 12 weeks per year, the yearly employees contributed 236,000 man-weeks of work, against the seasonal employees' 51,792 man-weeks. The latter made up only 18% of the total.
- c) Excluding payments in kind, gratuities and managers'

TABLE 48

(A) NUMBER OF PAID EMPLOYEES AND AVERAGE WEEKLY WAGE IN ACCOMMODATION FACILITIES

	YEARLY	TYPE OF LABOUR EMPLOYED		TOTAL
		SEASONAL	PART-TIME	
<u>LODGING</u>				
Number	1,237	785	114	2,136
Average* Weekly Wage (\$)	35.00			
<u>RESTAURANT</u>				
Number	2,058	1,304	382	3,744
Average* Weekly Wage (\$)	40.00			
<u>LOUNGE</u>				
Number	168	28	115	311
Average* Weekly Wage (\$)	52.00			
<u>GENERAL</u>				
Number	1,269	1,503	85	2,857
Average* Weekly Wage (\$)	41.00			
<u>TOTAL</u>				
Number	4,732	3,620	696	9,048
Average* Weekly Wage (\$)	39.00			

(B) WAGES AND SALARIES PAID IN
ACCOMMODATION FACILITIES (\$000)

	YEARLY	TYPE OF LABOUR EMPLOYED		TOTAL
		SEASONAL	PART-TIME	
Lodging	2,131	356	43	2,530
Restaurant	4,115	598	148	4,681
Lounge	440	13	39	492
General	2,605	1,091	66	3,762
Payment in Kind	174	52	-	226
Gratuities	1,837	127	-	1,964
Management Salaries	3,188	448	-	3,676
Total	14,486	2,721	294	17,501

* Excludes Payment in Kind and Gratuities.

salaries, the seasonal and part-time employees received only 20% of the total wages. They received only 17% when management salaries were included in the calculations.

- d) Restaurant and cafeteria employees were the largest component of staff in accommodation facilities. They accounted for 43% of the man-weeks, as calculated above, and 42% of total wages, excluding payments in kind and gratuities.
- e) For an average work year of 50 weeks, the average weekly wage of employees was an estimated \$39, but weekly scales varied for different job categories.
- f) Hotels showed the highest labour costs as a percentage of gross revenue for year-round firms. The labour costs appeared to be quite similar among seasonal firms, with the exception of those providing cabins.
- g) The tourist and recreational trade accounted for some 40% of employment, and 18% of wages and salaries in accommodation facilities.

Table 49

Comments on Table 49: Selected Labour Force Characteristics

- a) The vast majority of seasonal and part-time employees had other occupations during the rest of the year, such as housewife or student. The accommodation industry, therefore, acted as a positive factor in the economy. This would not have been the case if short-time employment and low wages had gone mostly to heads of households with no other occupations.
- b) Employment was fairly evenly distributed among the age groups, with a somewhat higher proportion of employees in the 20 - 39 range in Newfoundland. A sharp drop was observed in all provinces in the

TABLE 49

LABOUR FORCE CHARACTERISTICS

(a) Age Distribution of Employees
in Accommodation Establishments

Province	Age Group	Under 20 %	20-29 %	30-39 %	40-49 %	50 and over %	Total %
Nova Scotia		25	27	15	7	100	
New Brunswick		31	25	17	6	100	
Newfoundland		18	35	29	7	100	

(b) Other Occupation of Seasonal Labour

Province	Occupation	Housewife %	Student %	Other %	Total %
Nova Scotia		42	57	1	100
New Brunswick		29	55	16	100
Newfoundland		74	22	4	100

(c) Quality of Labour - Manager's Assessment

Province	Quality	Good %	Fair %	Poor %	Total %
Nova Scotia		50	10	40	100
New Brunswick		50	20	30	100
Newfoundland		30	0	70	100

(d) Experience of Labour Force

Province	Type	Prior Experience %	No Experience %	Total %
Nova Scotia		27	73	100
New Brunswick		16	84	100
Newfoundland		26	74	100

over 50 age category, possibly reflecting the physically active nature of the work.

- c) Management rated about 50% of the labour force in Nova Scotia and New Brunswick as good but only 30% in Newfoundland. A high percentage was rated as poor in New Brunswick and Nova Scotia with ratios being 30% and 40% respectively. The ratio of 70% for poor quality labour in Newfoundland is startlingly high.
- d) Experienced labour was in the minority in every province. Ratios of 26% and 27% in Newfoundland and Nova Scotia were low but the value of 16% for New Brunswick is exceptionally so.
- e) Given the percentage values for labour quality and experience the need for training programs is suggested. One might equally conclude that the industry is not attractive to a large percentage of the labour force.

CHAPTER IX

COTTAGES AND SUMMER HOMES^{1/}

The Broad Provincial and Regional Pattern

The best information available on the number of vacation cottages^{2/} in the Atlantic Provinces in 1966 is summated in Table 50, along with estimates of new cottage construction and the value of material used in that year. Additional details are added on a provincial basis.

Table 50

The Provincial and Regional Cottage
And Summer Home Pattern

	<u>Total Cottages</u>	<u>Cottages Built in 1966</u>	<u>Material Value (\$'000)</u>
Newfoundland	2,000	200	400
P.E.I.	900	67	171
Nova Scotia	13,300	436	1,140
New Brunswick	<u>11,800</u>	<u>456</u>	<u>1,140</u>
Atlantic Region	28,000	1,179	2,851

^{1/} The data used in this chapter are drawn from a 1966 study by W.M. Baker entitled "Material Investment in Summer Cottages in the Atlantic Region, 1966-71". The information was gathered primarily from Crown lands records, central assessment data, and seasonal hydro power hook-ups to summer properties.

^{2/} Some difficulty was encountered in the definition of the term "vacation cottage", due to the wide range of private recreation facilities in use, which includes fishing cabins, former farmsteads, country estates, and the traditional summer cottage.

Comments on Table 50:

- a) Of an estimated 28,000 properties in the Atlantic Provinces 48% were in Nova Scotia and 42% in New Brunswick. The estimate of 900 properties in P.E.I. and the ratio of 3% may be somewhat low. Newfoundland supported 2,000 properties or 7%.
- b) The annual rate of construction and total material investment in properties is highest in New Brunswick and Nova Scotia and least in Prince Edward Island.
- c) The material investment per cottage ranged widely, although the average tends to be fairly low. Rising shoreland values, however, are steadily increasing the market value of most cottage properties.
- d) The study indicates, as well, that non-resident ownership was generally not of great significance, possibly reaching 8% in New Brunswick and less in Nova Scotia. Much valuable shoreline property, however, shifted to non-resident ownership prior to, and especially since 1966.

Newfoundland Patterns

Summer properties in Newfoundland, as in the region as a whole, include a wide range of facilities.^{1/}

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- ^{1/} a) The shack or cabine, commonly a small structure used solely for hunting and fishing, but also found in resort areas:--the capital investment was minimal, ranging from \$50 to \$500;
 - b) The summer cottage, which represented a capital investment of \$1,200 to \$8,000, but in some cases up to \$20,000 or \$25,000; and
 - c) The summer home, which was often a converted older home in an ocean-front community, but some new structures had been built in these locations and with widely varying capital investments.

No attempt was made to determine investment by non-residents. Undoubtedly some had occurred, but it was known to be small and there was no basis for estimation.

Prince Edward Island

The two principal types of properties were the summer cottage and the summer home. Hunting cabins and shacks were not numerically significant.

The Maritime Electric Company's seasonal hook-ups to summer residential properties amounted to 518 in 1964, 557 in 1965 (an increase of 39), and 602 in 1966 (an increase of 45).

With an estimated universe of 900 cottages in 1966,^{1/} but only 602 temporary hook-ups, or 67%, it could be assumed that the remainder had year-round connections or were not serviced. If a similar situation applied to new construction, the growth in temporary hook-ups would be 67% of total number of new cottages. Absolute growth figures were adjusted accordingly to 58 cottages in 1965 and 67 in 1966.

In the absence of data for material investment in cottage properties, an arbitrary average of \$2,500 was assigned to all those built in 1966. An indication was obtained that in 1966 about \$82,000 was invested by non-residents of the Atlantic Provinces in summer homes of this type. Only 4 cottages were built by people living in the other Maritime Provinces.

^{1/} It was felt by some Prince Edward Island authorities that the estimate of 900 properties taken from a study conducted by H.G. Acres was low and by a fairly considerable but undetermined margin.

TABLE 51

SCALE, ASSESSMENT AND MARKET VALUE OF SUMMER
COTTAGE PROPERTIES IN NOVA SCOTIA, DECEMBER 31, 1966.

Region and Local Government Units	Number Cottages	Total Assessment \$ (000)	Estimated Market Value \$ (000)
<u>Cape Breton Island</u>			
Inverness Co.	469	723	812
Victoria Co.	513	1,198	1,361
Cape Breton Co.	1,389	2,059	2,367
Richmond Co.	325	272	345
Subtotal	2,696	4,252	4,885
<u>Antigonish-Guysborough</u>			
Antigonish Co.	355	476	561
Guysborough Co.	203	153	176
St. Mary's District	341	283	367
Subtotal	899	912	1,104
<u>North Shore</u>			
Cumberland Co	1,475	1,198	1,597
Colchester Co.	556	791	989
Pictou Co.	827	339	1,474
Subtotal	2,858	2,328	4,060
<u>East Shore Central</u>			
Halifax C.	2,651	4,378	5,837
Chester District	455	1,313	2,118
Lunenburg Co.	539	417	1,042
Subtotal	3,645	6,108	8,997
<u>East Shore South</u>			
Queens Co.	296	324	514
Shelburne Co.	191	115	150
Barrington District	142	201	286
Argyle District	217	378	510
Yarmouth Co.	373	274	381
Clare District	226	352	483
Subtotal	1,445	1,644	2,324

Annapolis Valley

Digby Co.	339	617	743
Annapolis Co.	364	531	618
Kings. Co.	539	487	675
Hants West Co.	263	304	507
Hants East Co.	285	494	510

Subtotal	1,780	2,433	3,053
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Nova Scotia^{1/} Patterns

Some vacation cottage development had occurred on Crown lands in Nova Scotia, either through 10-year leases on sites, usually of one acre, at a fee of \$200 or through sub-dividing and selling lots at prices for lakefront lots from \$200 to \$350 in the early 1960's. It was clear, however, that cottages are developed primarily on privately owned lands.

The files of the Province's Re-evaluation Commission indicated the number, distribution, assessed value, and estimated market value of summer cottage properties at the end of 1965, as shown in Table 51.

^{1/} There were four distinct types of summer properties identified in Nova Scotia:

- a) the hunting and angling shack or cabin, which had a pattern of investment and construction similar to that in Newfoundland;
- b) the summer cottage, owned usually by Nova Scotians, and commonly with an acre or less of land;
- c) the summer estate, a substantial structure set in large landscaped grounds;
- d) the converted farm or fishing home, often a farm of 50 or more acres, obtained by purchase on inheritance, and used for summer vacations.

Table 51

Comments on Table 51:

- a) From assessment records and current prices of pre-fabricated cottages, the average cost of new cottages appeared to be about \$2,500.
- b) In addition to the cottages, and not included in the table, a small number of summer estates, often with very elaborate buildings, were being developed each year by both provincial residents and people from outside the Maritimes. An investment in materials of \$500,000 was assumed in 1966 for developments in this category.
- c) The evidence obtained indicated about 5% of all cottages in the province were owned by non-residents.

Table 52

Cottages Built and Material Investment
in Nova Scotia in 1966

<u>Resident or Non-Resident</u>	<u>No. of Cottages</u>	<u>Investment (\$'000)</u>
Resident	432	1,330
Non-resident		
- living in Atlantic Region	2	5
- outside Atlantic Region	22	305
Total	456	1,640

Comments on Table 52:

- a) About \$1.6 million was invested in cottage construction exclusive of land purchase. About 95% of the properties and 81% of the material investment was related to resident activity.

TABLE 53

DISTRIBUTION AND ASSESSMENT FOR COTTAGES AND CABINS IN
NEW BRUNSWICK IN 1966*

<u>Region</u>	N o. <u>Cottages</u>	A s s e s s e d	
		<u>Land Value\$</u>	<u>Building Value\$</u>
A. Madawaska	510*	321,986	835,589
B. Victoria	228	116,954	211,183
C. Carleton	268	55,286	143,560
D. York-Sunbury	1,527	510,681	1,763,662
E. Kings-Queens	2,382	785,865	3,077,937
F. Charlotte	1,187	274,644	1,106,459
G. St. John	796	394,257	1,032,381
H. Westmorland-Albert	2,164	605,775	13,218,934
I. Kent	1,089	196,810	895,266
J. Northumberland	465	101,060	652,548
K. Gloucester	550	194,977	608,563
L. Restigouche	400	897,155	951,507
	<u>11,566</u>	<u>4,455,450</u>	<u>24,497,589</u>

* Does not include commercial rental cabins.

- b) Among non-residents those living outside the Atlantic region were most consequential. Some were probably former residents of the province living in other Canadian provinces or the United States.

New Brunswick Patterns

The three types of summer properties in New Brunswick were hunting and fishing cabins, cottages, and summer homes or estates. Provincial taxation records provided the basis for the analysis.

Table 53

Comments on Table 53:

- a) There were 11,566 summer cottages and cabins with land assessment of \$4,455,450 and buildings valued at \$24,497,589. The building value was said to equal the market value. Very few large summer estates were indicated, although they were known to exist and were probably classed as permanent homes.
- b) There were 2,174 summer properties on Crown land leases. A permit costing \$25 and an annual rent of \$20 was required. The average value of cottages on Crown lands may have been only about \$1,400 to \$1,500.
- c) The New Brunswick Electric Power Commission served most of the area indicated in the cottage assessment data. Their seasonal hook-ups rose from 8,140 in 1965 to 9,021 in 1966, an increase of 881. As noted assessment data showed 11,566 cottages in the province in 1966. An estimate based on the increase in power hook-ups, and adjusted to the assessment data, gives a growth rate of 1,130 for 1965-66. The long-term average was 458 a year, according to a projection based on power hook-up data.

In the absence of further information, it was assumed that the growth and investment pattern in New Brunswick was roughly similar to that in Nova Scotia.

