

## Section 2.—The Tourist Trade of Canada\*

**Tourist Expenditures in Canada.**—In recent years the tourist trade has become an important source of revenue in certain sections of the Dominion, materially affecting the balance of trade. It represents the economic disposition of national assets in which Canada is particularly rich, namely: picturesque scenery; invigorating climate; opportunities for hunting, fishing, and boating, as well as for winter sports. A considerable capital expenditure has been made on hotel accommodation, improved highways, and other attractions for the exploitation of these resources. Visitors entering from the United States in automobiles are, by far, the most important class of tourist. The business accruing to the Dominion in this manner represents some return for expenditures on highways; the amounts so spent have been very large in the period since the War of 1914-18. In order to attract this traffic, highways have been built through regions of picturesque scenery, such as the Rocky Mountains, northern Ontario, and the Laurentians and Gaspé in Quebec. A further asset for Canada arises from the fact that these scenic regions with their invigorating climate are at their best in the summer holiday season when motorists are most ready to travel. The expenditure of travellers coming to Canada from other countries has the same effect, in so far as its influence on the balance of trade is concerned, as the export of additional commodities would have. Indeed, in so far as commodities are sold to tourists travelling in the Dominion, the exportable surplus of such commodities is reduced.

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

Estimates of tourist expenditures in Canada during 1940 are based on a much greater volume of information than in previous years; this was made available through the co-operation of the Customs Division of the Department of National Revenue and the Immigration Branch of the Department of Mines and Resources. Some idea of the improvement in the data for estimation may be gathered from the fact that, whereas in 1939 the expenditure sample for motor tourists constituted a fraction of 1 p.c. of the numbers, the sample in 1940 was over 80 p.c. for Canadian motorists and over 50 p.c. for some groups of United States motor tourists. Additional information obtained this year indicates that previous estimates of the receipts and expenditures on account of tourist trade were too high.

While it is impossible to state what the estimates would have been in 1939 had the same amount of information been available as in 1940, some idea of the difference between the results yielded by the old and new methods can be had if the sample expenditures of 1940 are applied to the count of tourists for 1939. This is the method used for the figures of Table 2. The more comprehensive information obtained in 1940 indicates that the previous estimate for net receipts for 1939,

\* Abridged from "Canada's Tourist Trade, 1940", published by the Dominion Bureau of Statistics. This report contains explanations of the methods used in making the estimates.