

appearing at p. 583 of the 1940 Year Book, may have been too high by \$80,000,000 to \$90,000,000.

Prospects for the tourist trade appeared bright early in 1940. A 'personal' invitation had been issued to United States citizens by the Prime Minister urging them to visit Canada. This invitation received wide publicity in the United States and resulted in a host of inquiries. It was followed by increased appropriations for advertising by the Canadian Travel Bureau. Provincial and local tourist bureaus and many private organizations co-operated in this effort to stimulate tourist travel. Statistics of tourist entries compiled by the Canadian Immigration Branch indicate that for the first half of the year the movement of visitors to Canada compared favourably with 1939. However, in July there was a decided falling-off. In August there was some improvement, which continued for the remainder of the year, and, although the level was not as high in any month as that of 1939, the falling-off was a smaller percentage. For the year, as a whole, there were 13,592,429 tourist entries as compared with 16,578,119 in 1939. The decline over the year was 2,985,690 persons—in the first half of the year 118,216, and in the last half 2,867,474 of which July accounted for 1,252,173, and August 779,624.

Several reasons have been advanced to explain this decrease in 1940. Unquestionably, weather conditions in the early part of the summer were unfavourable and slowed up the holiday season; United States passport regulations were undoubtedly an important factor.

In normal times the favourable balance of trade with the United Kingdom would have permitted an accumulation of cash in the United States, which could have been used to offset Canada's unfavourable trade balance there, but, at the present time, only part of Canada's British credits can be used to meet her debits in the United States. Moreover, the Neutrality Act precludes borrowing in the United States. It is necessary, therefore, to conserve United States dollars for the purpose of purchasing war materials in that country. Expenditures on non-essentials in the United States are a hindrance to Canada's war effort, while urgent demand for United States dollars renders the promotion of tourist traffic from the United States to Canada of more vital importance than in peace time. The restriction of visits of Canadians to the United States and the endeavour to increase the number of United States tourists visiting Canada are complementary parts of the same problem. It has been pointed out that the United States citizen provides a two-fold benefit in visiting Canada. In return for his dollars he enjoys many tourist facilities; thereafter Canada uses the dollars he leaves here to purchase munitions in the United States.

Expenditures of Canadian Tourists Abroad.—Canadian tourists visiting other countries may be classified in the same way as tourists entering Canada, and the expenditures of Canadians making business trips out of Canada have the same effect upon exchange as those of Canadians making such trips for health or recreation. As in the case of tourists visiting Canada, by far the greater part of the expenditure abroad by Canadians is in the United States. The very great decline in Canadian travel abroad in 1940 was due to restrictions introduced in July to conserve the supply of United States dollars for war requirements.