

Since Apr. 1, 1941, all customs permits and entry records have been sent for compilation to the Dominion Bureau of Statistics, where the traffic is counted and classified on a uniform basis. This new procedure with regard to motor travel has proved most successful and very much larger and better expenditure samples have been received. At the same time similar but less extensive improvements have been achieved through co-operation of the Immigration Branch of the Department of Mines and Resources in the field of non-motor travel—persons entering Canada by rail, bus, aeroplane and boat.

United States Travel Expenditures in Canada.—The important place which United States travel expenditures occupy in the Canadian economy in normal times has been more fully recognized since the outbreak of war, as a result of unprecedented demands for U.S. dollars to pay for much-needed war materials. Sterling balances built up through exports to the Sterling Area can no longer be converted into U.S. dollars to pay for purchases in the United States, and thus direct sources of United States exchange, such as the tourist trade, have been of importance in the furtherance of Canada's war effort.

As a large part of the traffic from the United States customarily travels to Canada by motor-car, the curtailment in the use of automobiles in recent years has had the effect of reducing the volume of international expenditures. The effects of the decline in motor traffic first became pronounced in 1942 when the expenditures of United States motorists in Canada were \$26,000,000 compared with \$54,000,000 in 1941. Total United States expenditures in Canada in 1942 are estimated at \$79,000,000 compared with \$107,000,000 in 1941. In 1943 there were further contractions in the expenditures of motorists but these were more than offset by much heavier expenditures by persons travelling by rail than in former years. United States expenditures in Canada in 1943 totalled \$87,100,000. These expenditures in the United States during the War compare with pre-war levels indicated by revised estimates of \$149,000,000 in 1937, \$134,000,000 in 1938 and \$137,000,000 in 1939.

It should be noted that the new estimates for the pre-war years point to much lower levels of expenditures than the estimates originally published. The revisions have been made by relating the increased information on expenditures obtained during the war years to the volume of traffic in the pre-war years. Although the estimates for the pre-war years have therefore a less substantial basis than the data for the more recent years, it is believed that they are fairly representative of expenditures before the War.

Canadian Travel Expenditures in the United States.—The most significant factors influencing Canadian travel in the United States since the outbreak of war have been the restrictive measures introduced by the Dominion Government in order to conserve U.S. dollar exchange. Together with the efforts to increase the number of United States visitors to Canada, these measures have been designed to increase the net favourable balance accruing to Canada as a result of the tourist trade and thus to release U.S. dollars for vital war needs.

In July, 1940, by action of the Government under the Foreign Exchange Control order, virtually all Canadian pleasure travel involving the expenditure of U.S. dollars was eliminated, and total travel has been at a low level since that time. The Government was faced with the problem of deciding on the relative importance of the uses to which Canada's limited supply of U.S. dollars might be put, and it was considered essential that the purchase of war material, the servicing