

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 were 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 declined to a low level for several years. During this period of the War 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 of the national debt and the meeting of contractual obligations in the currency of the contract should have first call on such U.S. dollar resources. Later in the War, however, the United States dollar situation improved as a result of sales of munitions to the United States Government and other unusual receipts of U.S. dollars. Consequently, it became possible to lessen the restrictions on travel. Since May, 1944, when the restrictions were modified, Canadian travel to the United States has increased considerably.

In 1941 the first full year in which the travel restrictions were in force, total expenditures of Canadian travellers in the United States are estimated to have been \$18,250,000 as compared with nearly \$40,000,000 in 1940. Canadian expenditures in the United States are estimated at \$24,400,000 in 1942 and \$33,700,000 in 1943. Mainly as a result of the change in travel restrictions in the spring of the year Canadian expenditures in the United States increased to \$56,700,000 in 1944. These expenditures compare with the pre-war level of Canadian expenditures in the United States indicated by the revised estimates of \$65,000,000 in 1937, \$66,000,000 in 1938 and \$67,000,000 in 1939.

Travel between Canada and Overseas Countries.—It is estimated that travellers from overseas countries spent approximately \$2,900,000 in Canada in 1944, while Canadian expenditures overseas were \$2,800,000 in the same year. As pleasure travel between Canada and overseas countries has been largely eliminated by wartime conditions, it may be presumed that the great bulk of these amounts represented expenditures by persons travelling on Government or other business.