

Section 2.—The Tourist Trade of Canada*

The growth of tourist travel in Canada, to the point where it has become one of the nation's great 'service' industries, was a remarkable development in pre-war years. It represents in economic terms the disposition of national assets in which Canada is particularly rich—scenic beauty, invigorating climate, opportunities for summer and winter sports of all kinds, religious shrines and places of historical interest—and for the exploitation of which large capital expenditures have been made on hotel accommodation, improved highways, national parks and other attractions.

The place of the tourist trade as one of the 'invisible' items in Canada's balance of international payments is seen from the tables at pp. 567-569. The expenditures in Canada of travellers from other countries have the same effect, in so far as they influence the balance of payments, as the export of additional commodities and, similarly, the expenditures of Canadian travellers in other countries are comparable to the import of goods from abroad.

United States Travel Expenditures in Canada.—The important place that United States travel expenditures occupied in the Canadian economy in normal times was more fully appreciated during the War, as a result of unprecedented demands for United States dollars to pay for much-needed war materials. Sterling income from exports to the Sterling Area could no longer be converted into United States dollars to pay for purchases in the United States, and thus direct sources of United States exchange, such as the tourist trade, were of considerable 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 the war years 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 and, as a result, United States expenditures in Canada in 1943 totalled \$87,000,000. In 1944 there were gains shown in each class of traffic and total expenditures in Canada are estimated at \$116,600,000. Subsequent to the ending of hostilities, a sharp upsurge was experienced in tourist traffic and preliminary estimates for 1945 indicate United States expenditures of \$164,000,000, compared with pre-war levels of \$149,000,000 in 1937, \$134,000,000 in 1938 and \$137,000,000 in 1939. Thus, 1945 recorded the highest expenditures since 1930 and is indicative of post-war prospects. Tourist entries from the United States in the first quarter of 1946 confirm the upward trend.

Canadian Travel Expenditures in the United States.—The most significant factors influencing Canadian travel in the United States during the War were the restrictive measures introduced by the Dominion Government in order to con-

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