

serve United States 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 United States 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 United States 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 United States 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 United States 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 United States dollars. Consequently, it became possible to lessen the restrictions on travel. After May, 1944, when the restrictions were modified, Canadian travel to the United States increased considerably and, with additional modifications which followed in May, 1945, further advances were recorded, funds being available from then on to cover any reasonable travel expenditures.

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. Mainly as a result of the change in travel restrictions in the spring of the year, Canadian expenditures in the United States increased to \$57,100,000 in 1944. These expenditures compare with the pre-war level of Canadian expenditures in the United States of \$65,000,000 in 1937, \$66,000,000 in 1938 and \$67,000,000 in 1939. Preliminary estimates for 1945 place Canadian tourist expenditures in the United States at \$83,000,000, which surpasses the record of \$81,000,000 in 1929, when, however, prices and travel costs were at somewhat lower levels in the United States. Further, the normal volume of overseas tourist travel by Canadians, expenditures on which averaged some \$20,000,000 annually in the inter-war period, has, of necessity, been confined to the Americas.

**Travel between Canada and Overseas Countries.**—It is estimated that travellers from overseas countries spent approximately \$3,000,000 in Canada in 1945, while Canadian expenditures overseas were \$2,000,000 in the same year. As pleasure travel between Canada and overseas countries had 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.