

## Section 2.—The Tourist Trade of Canada\*

The importance of the tourist trade as one of the invisible items in Canada's balance of international payments is shown in the tables at pp. 909-911. Being a source of foreign exchange, expenditures in Canada of travellers from other countries are comparable in their effect to exports of commodities in the balance of payments and, similarly, the expenditures of Canadian travellers in other countries are comparable to imports of goods. Currently, the tourist trade between Canada and the United States produces net credits to Canada of well over \$80,000,000 per annum and tends to offset the customary adverse balance on merchandise account with that country.

The desire to travel is deep-rooted in mankind and while its earliest incentive was the search for new lands and products for the advancement of trade, modern travel is based rather on motives of education, curiosity, pleasure and health. Technological progress coupled with better roads and new means of transport, shorter working hours and holidays with pay as well as better wages, and particularly the automobile, have all combined to change international travel from a luxury for the few to a commonplace for the many. This is especially true in the Western Hemisphere where the flow of travel between the United States and Canada is unmatched by any two countries in the world.

Canada is singularly endowed with a great wealth of attractions to offer tourists—a vast panorama of beauty from east to west and from north to south, easily accessible by road, rail, boat or aeroplane and peopled by a friendly, hospitable population.

Tourist travel in Canada has become a great and remunerative "service" industry during the past quarter-century and caters to millions of "customers" annually. Its effects and benefits are widely diffused into almost every community across the country.

It is worthy of note that, while total receipts from foreign travellers in Canada naturally exceed Canadian expenditures on travel account abroad, the Canadian is, on a per capita basis, the most persistent border-crossing national in the world and his per capita expenditures abroad are relatively higher than even the American. During 1946, Canadians are estimated to have expended over \$10 per capita on travel to the United States, while per capita expenditures of United States citizens on travel to Canada were only \$1.50.

**United States Travel Expenditures in Canada.**—During the Second World War, the character of Canada's tourist trade was subject to a decided modification. Travel from overseas, which normally supplied about 10 p.c. of the tourist income, was reduced to minor proportions and Canada became more dependent on tourist travel from the United States to support the visitor industry. Canada's receipts from United States tourists took on a new importance in the nation's international accounts due to the shortage of United States dollars which arose early in the War. There was an unprecedented demand for United States exchange needed to meet essential expenditures in the United States for war purposes at a time when the Canadian supply of United States dollars was limited by the inconvertibility of sterling.

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