

## 6.—Current Transactions Between Canada and the United States, 1940-47

(Millions of Canadian Dollars)

Item	1940	1941	1942	1943	1944	1945	1946	1947 <sup>1</sup>
<b>A. CURRENT RECEIPTS FROM UNITED STATES—</b>								
Merchandise exports (adjusted)	424	566	911	1,224	1,444	1,134	948	1,059
Net exports of non-monetary gold.....	203	204	184	142	110	96	96	99
Tourist and travel expenditures.	98	107	79	87	117	163	216	235
Interest and dividends.....	29	39	43	34	42	44	41	36
Freight and shipping.....	49	64	92	137	146	134	101	102
All other current credits.....	31	65	152	274	176	169	159	165
<b>TOTAL CURRENT RECEIPTS.....</b>	<b>834</b>	<b>1,045</b>	<b>1,461</b>	<b>1,898</b>	<b>2,035</b>	<b>1,740</b>	<b>1,561</b>	<b>1,696</b>
<b>B. CURRENT PAYMENTS TO UNITED STATES—</b>								
Merchandise imports (adjusted)	702	910	1,116	1,311	1,113	1,119	1,378	1,951
Tourist and travel expenditures	40	18	24	34	56	81	130	152
Interest and dividends.....	233	214	215	205	203	192	250	274
Freight and shipping.....	78	131	179	247	219	188	169	217
All other current debits.....	73	90	107	120	413 <sup>2</sup>	128	247	240
<b>TOTAL CURRENT PAYMENTS....</b>	<b>1,126</b>	<b>1,363</b>	<b>1,641</b>	<b>1,917</b>	<b>2,004</b>	<b>1,708</b>	<b>2,174</b>	<b>2,834</b>
<b>C. NET BALANCE ON CURRENT ACCOUNT WITH UNITED STATES</b>	<b>-292</b>	<b>-318</b>	<b>-180</b>	<b>-19</b>	<b>+31</b>	<b>+32</b>	<b>-613</b>	<b>-1,138</b>

<sup>1</sup> Subject to revision.<sup>2</sup> Includes \$280,000,000 special payments to United States Treasury.

## Section 2.—The Tourist Trade\*

The tourist trade ranks among the important invisible items in Canada's balance of international payments. This is shown by the tables at pp. 943-944. Expenditures in Canada of travellers from other countries are comparable in their effect as a source of foreign exchange, 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. Hence there is special significance in the balance of revenue remaining after total disbursements by Canadian travellers abroad have been deducted from total receipts left in Canada by departing non-residents.

Normally, disbursements or debits on account of tourists range between 45 and 55 p.c. of receipts or credits. Wartime restrictions on export of travel funds resulted in exceptionally low debits in the years 1941 to 1943, but modification of the restrictions since then brought back the debit position in 1945 and 1946. In fact Canadian travel abroad accompanied by retarded development of United States travel in Canada raised debits, in 1947, to the unprecedented level of 68 p.c. of credits. Actually, receipts from foreign travellers in that year were higher than in any other year since 1941, but due to abnormally high disbursements abroad, net credits were lower than in 1946.

The flow of travel across the International Boundary is unmatched at any other frontier, and the Canadian participation in this flow when considered in relation to the population of Canada is much greater than the United States participation

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