

During recent years expenditures of travellers from the United States and expenditures of travellers from overseas countries have followed divergent trends. In each case expenditures have risen year by year from 1946 to 1949 but, while the gain in overseas expenditures has been at a fairly constant rate, the gain in United States expenditures has become progressively smaller. In 1949, in spite of currency restrictions imposed by many overseas countries, expenditures of overseas travellers were 39 p.c. higher than in the year before. At \$18,000,000 they were the highest ever recorded and exceeded those of 1948 by \$5,000,000. On the other hand, expenditures by travellers from the United States increased by only \$1,000,000. These figures reflect changing conditions in transportation facilities. Highway traffic between Canada and the United States made a comparatively rapid recovery in the post-war years with the return of unrestricted sales of gasoline and tires and the production of new cars. The rehabilitation of ocean shipping, however, was a lengthy operation and, had it not been for the rapid growth of transatlantic air service, overseas traffic would not have recovered as quickly as it has. Compared with the pre-war year of 1937, travel receipts from the United States have increased by 80 p.c. whereas those from overseas countries have grown by only 6 p.c.

The increase of \$6,000,000 in the expenditures of non-resident travellers in Canada in 1949 was offset by the gain of \$57,000,000 in expenditures of Canadian travellers in other countries. The drop in net receipts from all countries was 35 p.c. and in those from the United States alone 32 p.c. However, the credit balance with the United States still remained substantial. During the past 20 years net receipts from United States travellers have never been less than \$50,000,000 a year and have exceeded \$100,000,000 on three occasions. During the 20-year period they have totalled more than \$1,500,000,000.

United States Travel Expenditures in Canada.—The increase in importance of short-term traffic from the United States which characterized the year 1948 was not continued in 1949. In 1948 expenditures arising out of visits of less than 48 hours constituted 24 p.c. of all United States travel expenditures in Canada, contrasting with a narrow range between 18 and 19 p.c. in the three preceding years. In 1949 this percentage dropped again to 19 p.c. Expenditures of these travellers rose from \$28,200,000 in 1947 to \$45,900,000 in 1948, a gain of 63 p.c., only to drop again to \$32,200,000 in 1949. The explanation is that many Americans living in border communities took advantage of lower prices and better supplies in Canadian meat and grocery shops in 1948. Price levels, however, commenced to decline in the United States in the autumn of 1948 and continued to drop during the first half of 1949, whereas Canadian prices remained relatively stable. If shopping visits are disregarded, the gain of \$26,000,000 in total United States expenditures in 1948 receives a substantial cut and the gain of \$1,000,000 in 1949 is raised by the same amount.

The increase of \$1,000,000 in United States travel expenditures in 1949 was accompanied by a decrease of almost 1,000,000 in the number of non-residents entering Canada from the United States for short visits, hence average expenditure per person increased slightly in 1949. The small gain in total expenditures of motorists was principally due to an increase of 9 p.c. during the year in the number of vehicles admitted on customs permits for longer visits. Travellers entered Canada from the United States by train, bus, boat and plane in smaller numbers in 1949 than in 1948, but heavier spending by bus and aircraft passengers resulted in higher total expenditures for this group. Travellers, other than those mentioned above, decreased in number and in average expenditure per person.