

PART IV.—TRAVEL BETWEEN CANADA AND OTHER COUNTRIES*

The Canadian border is crossed and recrossed each year by tens of millions of travellers. Much of this travel has little international financial significance but is testimony both of the important social and cultural relationships existing between Canada and the United States and of political geography. A part of it, however, contributes to a large and growing international travel industry which is of considerable significance to the balance of payments of Canada. For a long period, the travel industry was an important net earner of foreign exchange for Canada but from 1951 to 1962 Canadian travellers abroad spent more than foreign visitors to Canada. In 1963, however, travel earned a surplus for Canada; the shift of \$67,000,000 to a surplus, from a deficit in 1962, represented about one fifth of the net improvement in Canada's current account balance in the period.

During 1963, visits to and from Canada numbered more than 61,500,000. Canadians returning from trips to the United States rose by 1,445,200 or about 5 p.c. and the number of United States residents entering Canada increased by 208,400 or around 0.7 p.c. Canadians returning direct from overseas countries numbered 282,057, an increase of 28,657, and there were 76,370 non-immigrant arrivals from overseas countries during the last nine months of 1963.

Estimated expenditures involved in travel between Canada and other countries reached a new high of \$1,194,000,000 in 1963, between 9 and 10 p.c. above the 1962 figure. Estimated receipts from non-resident travel in Canada came to \$609,000,000, an advance of between 8 and 9 p.c. over the previous year, but Canadian residents travelling to other countries spent an estimated \$585,000,000, some \$20,000,000 less than in 1962. The net effect of these over-all receipts and expenditures was a \$24,000,000 balance of payments surplus on travel account with all countries in 1963 compared with a deficit of \$43,000,000 in 1962. This credit balance was the first surplus balance since 1950. Between 1951 and 1962, Canada had experienced deficits on travel account with all countries ranging from \$6,000,000 in 1951 to \$207,000,000 in 1959 and 1960. The 1963 surplus was composed of a \$161,000,000 credit balance on travel account with the United States and a deficit in the overseas travel account amounting to \$137,000,000.

Travel Between Canada and the United States.—During 1963, some 31,864,800 residents of the United States entered Canada, 208,400 more than in the previous year. These travellers spent an estimated \$549,000,000 in Canada, a gain about 7 p.c. over the corresponding 1962 figure. Between 67 and 68 p.c. of the United States residents entering Canada came for short-term visits but the expenditure of this group, which on the average is normally low, represented only about 11 p.c. of the total expenditures. On the other hand, United States residents remaining in Canada for one or more nights constituted only between 32 and 33 p.c. of the total visits but accounted for 89 p.c. of the receipts. Nearly 79 p.c. of all United States residents who entered Canada in 1963 travelled by automobile and these travellers accounted for about 66 p.c. of the total receipts.

Canadians returning from border crossings to the United States in 1963 numbered 29,389,800, an increase of 1,445,200 over the 1962 volume. Canadian travel expenditures in the United States, however, dropped between 7 and 8 p.c. to \$388,000,000 in 1963. The devaluation of the Canadian dollar in May 1962 and the reduction in the value of merchandise exempt from customs duty from \$100 to \$25 every four months, effective in June 1962, were still major contributors to this decline. Of the Canadian travellers to the United States in 1963, about 83 p.c. were classified as short-term, and these accounted for only 14 p.c. of the total payments. Those who remained one or more nights in that country represented about 17 p.c. of the volume but their expenditures made up nearly 86 p.c. of the

* Prepared by the Travel Statistics Unit, National Accounts and Balance of Payments Division, Dominion Bureau of Statistics.