

# Canada 🇨🇦 AND Australia Teacher Notes - Government, Economics, History

## CANADA - GOVERNMENT

### Citizen Participation:

Canada is an example of a parliamentary democracy. Canadians elect members of parliament (MPs) to represent them both at the provincial/territorial and national levels. Canada's citizens entrust the selection of the country's prime minister to the national parliament's leading political party. Canadians aged 18 and older are permitted to vote, and there are numerous political parties to choose from.



In Canada, the prime minister is considered the head of government in the executive branch, which is to say he/she is the true executive leader of the nation; however, Canada recognizes the monarch of the United Kingdom as its symbolic/ceremonial head of state. This political arrangement traces back to Canada's former status as a British colony.

The interests of the British monarch are represented in Canada by a governor-general, who is chosen based on the recommendation of the Canadian prime minister

## AUSTRALIA - GOVERNMENT

### Vocabulary Preview:

- parliament – common name given to the legislature in a parliamentary democracy
- parliamentary democracy - form of representative government in which citizens elect legislators and entrust these legislators to select the nation's chief executive
- prime minister – title often given to the head of government in a parliamentary democracy
- province/territory – political divisions similar to states

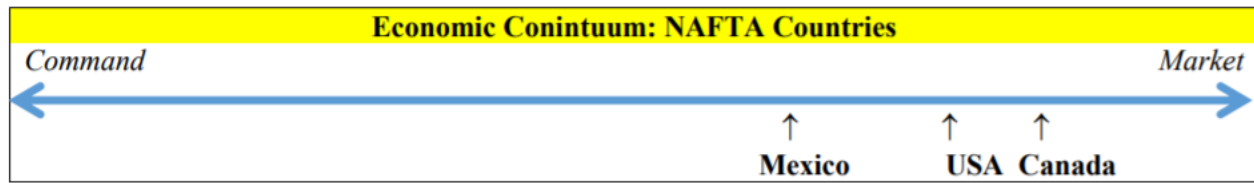
Australia is an example of a **parliamentary democracy**. Australians elect members of parliament (MPs) to represent them both at the **provincial/territorial** and national levels. Australia's citizens entrust the selection of the country's **prime minister** to the national **parliament**'s leading political party. Australians aged 18 and older are required to vote, and there are numerous political parties to choose from.



In Australia, the prime minister is considered the *head of government* in the executive branch, which is to say he/she is the true executive leader of the nation; however, Australia recognizes the monarch of the United Kingdom as its symbolic/ceremonial **head of state**. This political arrangement traces back to Australia's former status as a British colony.

The interests of the British monarch are represented in Australia by a governor-general, who is chosen based on the recommendation of the Australian prime minister.

# CANADA - ECONOMICS



## Vocabulary Preview:

- NAFTA – North American Free Trade Agreement among Canada, the United States, and Mexico

The economy of Canada may be described as mostly market-leaning. Canada's government strongly protects business and property rights. Starting a new business in Canada is also relatively simple. The nation's business sector is thriving due in large part to economic cooperation among Canada and its **NAFTA** trading partners – the United States and Mexico. It should be noted, however, that only 11% of Canada's total land area is privately owned. The government also controls the healthcare industry via a nationalized single-payer program.

## Trade:

### Vocabulary Preview:

- boycott – refusal to purchase a good/service from a specific company or country
- domestic – term which refers to the products of services originating in one's own country; it is the antonym of foreign
- embargo – a trade barrier which blocks all trade with another nation
- quota – a trade barrier which places a limit on imported goods
- sanction – the act of economically punishing another nation
- tariff – a trade barrier which places a tax on imported goods
- trade barrier – any activity which slows or outright blocks the free exchange of goods and services between nations
- specialization – focusing on a narrow range of products/services that can be produced most efficiently and cost-effectively
- voluntary trade – trade in which both partners freely agree to and benefit from the exchange of goods/services

Trade between nations is only viable when it is **voluntary** (i.e., not coerced through military threats or economic sanctions) and mutually beneficial. When nations look for trading partners, strategic/military alliances are taken into account. Acquiring trading partners who can meet the product/service demands which one's own country cannot meet is a far greater consideration however.

Although some nations are rich in natural resources and highly developed in terms of technologies, infrastructure, et al, it is not always in a country's best interest financially to produce everything it is capable of. Often times nations choose to market only those products/services which they are capable of providing fastest, cheapest, and in great abundance. This phenomenon is known as economic **specialization**, and it is what sustains voluntary trade partnerships worldwide.

Canada specializes primarily in oil extraction and refining. This industry accounts for 19% of Canada's total exports. Another major area of specialization for Canada is the motor vehicle industry, particularly automobile and automotive parts manufacturing; this accounts for 10% of Canada's export market.

Though Canada enjoys free trade with the US and Mexico under the terms of NAFTA, some tariffs and quotas still exist on items such as dairy and poultry.

Voluntary trade between nations may be inhibited by **trade barriers**. Such barriers exist to protect domestic markets from foreign competition; others are intended to block the importation of dangerous products. Trade barriers may also be employed to **sanction** an enemy nation.

There are three major barriers to trade which students should be aware of in the context of Canada:

- **Tariffs** place a tax on imported good. This is done to artificially inflate the price of a cheaper foreign product so as to make the price of domestic products more competitive.

- **Quotas** place a limit on imported goods. This is done so that cheaper imports do not flood domestic markets and put domestic producers out of business.

- **Embargoes** block all trade with another nation. An embargo may be employed for safety reasons, but is more frequently used to punish rogue states.

- A **boycott** of a specific product or of a specific country's or company's product(s) may be exercised by citizens within a country even when there is no official embargo in place at the national level.

### Currency Exchange:

#### Vocabulary Preview:

- currency – a nation's money
- currency exchange – converting one nation's money into an equivalent value/quantity of another's
- exchange rate – the approximate value of one nation's currency in terms of another's



Canadian Currency

In order for Canada to trade with other nations – its NAFTA trade partners for example – a system of **currency exchange** must exist. This is due to the fact that most nations their own unique **currency**. (e.g., Mexico uses the peso. The United States uses the American dollar. Canada uses the Canadian dollar.) Without a method to convert monetary values between disparate currencies, international trade would be impossible. **Exchange rates** are used to determine how much one nation's currency is worth in terms of another's. (e.g. 1.00 U.S. dollar  $\approx$  1.31 Canadian dollars)

### NAFTA:

#### Vocabulary Preview:

- standard of living – the level of wealth and material comfort available to a people

The North American Free Trade Agreement (NAFTA), signed in 1994 by the government of Canada, the United States, and Mexico, established one of the world's largest free-trade zone. The goal of this was to increase multinational trade and economic cooperation across North America, as well as raise the collective standard of living.

Among the many positive outcomes associated with NAFTA are:

- the elimination of import tariffs, which increased the level of trade among the three nations;
- a reduction in the overall price of consumer goods;
- an increase in foreign investment among and within the three nations.

Canada has experienced numerous benefits from NAFTA. Among these are:

- U.S. investment in Canadian automotive production
- Increases in oil exports from Canada to the U.S.
- Increases in shipments of beef, agricultural, wood and paper products to U.S. markets
- Export of mineral and mining products to U.S. markets.

### Standard of Living:

#### Vocabulary Preview:

- human capital – the knowledge, skills, and relative health of a nation's labor force
- literate – able to read and write in one's native language
- literacy rate – the percent of a nation's population over the age of 15 who are able to read and write

In order for a region to sustain high-quality, well-paying, in-demand jobs, its labor force must be **literate**. The literacy rate in Canada, 99%, is one of the highest in the world. This high **literacy rate** indicates an investment on the part of the Canadian government in **human capital**. According to a World Economic Forum report, of the 130 nations analyzed for 2016, Canada ranked 9th in the world for human capital investment.

## Gross Domestic Product (GDP):

### Vocabulary Preview:

- capital goods – the factories, machinery, technology, etc. that are necessary to sustain a service or industry
- GDP per capita – the average annual income of a nation’s citizens; per capita is Latin for “by each head”
- gross domestic product (GDP) – the estimated total value of all the final goods and services produced in a nation in a year’s time.
- human capital – the knowledge, skills, and relative health of a nation’s labor force

The economic strength of a nation is determined by measuring its **gross domestic product**, or GDP. GDP is the estimated total value of the all the final goods and services produced in a nation in a year’s time. In other words, GDP represents what a nation is worth.

Canada	
GDP <sup>28</sup>	GDP Per Capita <sup>29</sup>
\$1.551 trillion	\$45,600

Nations who wish to compete economically must maintain a competitive GDP relative to other nations’ in their region and among their trading partners. One way to ensure a healthy and growing GDP is to invest in **human capital**, which is to say the relative health, education, and training of a nation’s labor force. Unhealthy, poorly educated, and/or untrained workers cannot be expected to support a strong national economy, let alone obtain high-quality, well-paying, in-demand jobs. Thus a nation’s GDP directly correlates to its level of human capital investment.

Countries who do invest in human capital tend to see a rise in **GDP per capita incomes**. GDP per capita measures the average annual income of citizens in a given nation. (This measure can be misleading, however, this is one factor in the gap separating the impoverished, middle class, and wealthy. Income inequality in Canada has increased over the last 20 years.)

Another factor which can greatly impact a nation’s GDP is its level of investment in **capital goods** (also called *physical capital*.) Capital goods are the factories, machinery, technology, etc. that are necessary to sustain a service or industry. Older, less efficient factories, antiquated machinery, and obsolete or out-of-date technology slow production and hamper the growth of national GDP. Canada’s investment in capital goods has mostly been aimed at improving the nation’s agricultural output and automotive industries.

## Natural Resources:

### Vocabulary Preview:

- natural resource – a material on or in the earth that has economic value

A third factor which can affect a nation’s GDP is the prevalence, diversity, and management of natural resources. Canada, with a total land area of nearly 4 million square miles, has an abundance of natural resources. These include minerals and rare earth elements – coal, iron ore, silver, copper, nickel, and gold – as well as wildlife and hydropower.

## Entrepreneurship:

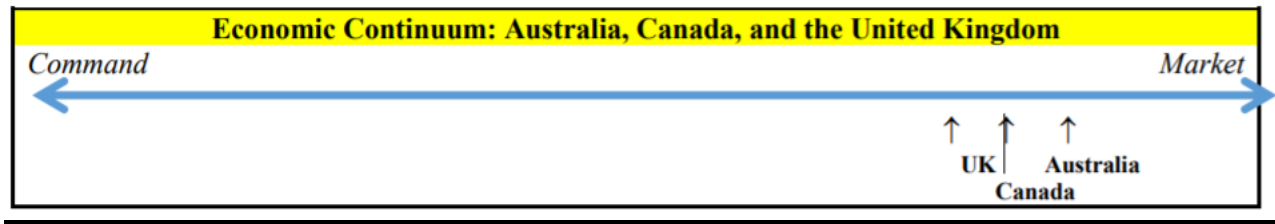
### Vocabulary Preview:

- entrepreneur – those who risk their own money and resources to create a new business or service
- private sector – the part of the economy owned and operated by private citizens
- profit – as a verb, to gain financially; as a noun, the economic gains of a business
- public sector – the part of the economy owned and operated by the national government

In any given country, **public sector** (i.e., government-owned) industries will maintain a nation’s GDP, but they will not typically grow it. It is in the **private sector** (i.e., businesses owned and operated by private citizens) that the most GDP growth occurs. A solid investment in human capital will foster the entrepreneurship necessary to generate private sector growth.

**Entrepreneurs** are private citizens who invest their own capital resources toward the creation of a new business or industry, frequently at some financial risk. Those whose business ideas succeed will **profit**; those whose do not will fail. This is the very essence of the free market / capitalist system. In Canada, some 13% of all citizens are entrepreneurs, tying it with Australia. Canada’s level of entrepreneurship is second only to the United States.

# AUSTRALIA - ECONOMICS



## Vocabulary Preview:

- deregulation – reduction of government oversight and/or influence in a given sector of the economy
- recession - a period of economic decline due to lagging trade and/or reduced industrial activity
- trade barrier – any activity which slows or outright blocks the free exchange of goods and services between nations

The economy of Australia may be described as mostly market-leaning. Unlike most industrialized nations, Australia has not experienced an economic **recession** in over two decades. Government **deregulation** of financial and labor markets, coupled with reductions in **trade barriers**, has made Australia one of the most economically vibrant nations in the Asia-Pacific region. Australia's service industries and technologies are some of the most highly sought after in the region, as are its mining and agricultural exports. Australia's government strongly protects business and property rights.

## Trade:

### Vocabulary Preview:

- specialization – focusing on a narrow range of products/services that can be produced most efficiently and cost-effectively
- voluntary trade– trade in which both partners freely agree to and benefit from the exchange of goods/services

Trade between nations is only viable when it is **voluntary** (i.e., not coerced through military threats or economic sanctions) and mutually beneficial. When nations look for trading partners, strategic/military alliances are taken into account. Acquiring trading partners who can meet the product/service demands which one's own country cannot meet is a far greater consideration however.

Although some nations are rich in natural resources and highly developed in terms of technologies, infrastructure, et al, it is not always in a country's best interest financially to produce everything it is capable of. Often times nations choose to market only those products/services which they are capable of providing fastest, cheapest, and in great abundance. This phenomenon is known as economic **specialization**, and it is what sustains voluntary trade partnerships worldwide. Australia specializes in mineral extraction and processing.

## Currency Exchange:

### Vocabulary Preview:

- currency – a nation's money
- currency exchange – converting one nation's money into an equivalent value/quantity of another's
- exchange rate – the approximate value of one nation's currency in terms of another's

In order for Australia to trade with other nations, a system of **currency exchange** must exist. This is due to the fact that most nations in the Oceanic and Asia-Pacific region have their own unique **currencies**. (E.g., Australia uses the Australian dollar. Indonesia uses the rupiah. New Zealand uses the New Zealand dollar.) Without a method to convert monetary values between disparate currencies, international trade would be impossible.

**Exchange rates** are used to determine how much one nation's currency is worth in terms of another's. (e.g. 1.00 U.S. dollar  $\approx$  1.37 Australian dollars)



## Standard of Living:

### Vocabulary Preview:

- literate – able to read and write in one’s native language
- literacy rate – the percent of a nation’s population over the age of 15 who are able to read and write
- standard of living – the level of wealth and material comfort available to a people

In order for a region to sustain high-quality, well-paying, in-demand jobs, its labor force must be **literate**. Low **literacy rates** typically correlate to lower **standards of living**; however, high literacy rates do not always translate to higher standards of living. In the case of Australia, with its 99% overall literacy rate, the standard of living for the vast majority of Australians is very high.

Literacy Rates in the Asia-Pacific Region <sup>8</sup>	Male	Female	Total
• Australia	99%	99%	99%
• Indonesia	96.3%	91.5%	93.9%
• New Zealand	99%	99%	99%

## Gross Domestic Product:

### Vocabulary Preview:

- capital goods – the factories, machinery, technology, etc. that are necessary to sustain a service or industry
- GDP per capita – the average annual income of a nation’s citizens; per capita is Latin for “by each head”
- gross domestic product (GDP) – the estimated total value of all the final goods and services produced in a nation in a year’s time.
- human capital – the knowledge, skills, and relative health of a nation’s labor force

The economic strength of a nation is determined by measuring its **gross domestic product**, or GDP. GDP is the estimated total value of the all the final goods and services produced in a nation in a year’s time. In other words, GDP represents what a nation is worth.

Nations who wish to compete economically must maintain a competitive GDP relative to other nations’ in their region and among their trading partners. One way to ensure a healthy and growing GDP is to invest in **human capital**, which is to say the relative health, education, and training of a nation’s labor force. Unhealthy, poorly educated, and/or untrained workers cannot be expected to support a strong national economy, let alone obtain high-quality, well-paying, in-demand jobs. Thus a nation’s GDP directly correlates to its level of human capital investment. According to a World Economic Forum report, of the 130 nations analyzed for 2016, Australia ranked 18th in the world for human capital investment.

GDP in the Asia-Pacific Region <sup>9</sup>	Total
• Australia	\$1.224 trillion
• Indonesia	\$859 billion
• New Zealand	\$172.2 billion

GDP Per Capita in the Asia-Pacific Region <sup>10</sup>	Total
• Australia	\$47,600
• Indonesia	\$11,100
• New Zealand	\$36,100

Countries who do invest in human capital tend to see a rise in **GDP per capita** incomes. GDP per capita measures the average annual income of citizens in a given nation. (This measure can be misleading, however, when one factors in the gap separating the impoverished, middle class, and wealthy.)

Another factor which can greatly impact a nation’s GDP is its level of investment in **capital goods** (also called *physical capital*.) Capital goods are the factories, machinery, technology, etc. that are necessary to sustain a service or industry. Older, less efficient factories, antiquated machinery, and obsolete or out-of-date technology slow production and hamper the growth of national GDP. Although Australia has one of the most competitive GDP’s in the Asia-Pacific region, its level of capital goods investment is relatively low.

## Natural Resources:

### Vocabulary Preview:

- arable – suitable for farming
- natural resource – a material on or in the earth that has economic value

A third factor which can affect a nation's GDP is the prevalence, diversity, and management of **natural resources**. In the case of Australia, substantial mineral wealth (e.g., coal, iron ore, natural gas, oil, gold, silver, copper, uranium, et al) exists, as well as **arable land**. Although much of Australia is arid, the *Great Artesian Basin* provides underground freshwater to nearly a third of the continent. This 660,000 square mile basin is a critical natural resource.



## Entrepreneurship:

### Vocabulary Preview:

- entrepreneur – those who risk their own money and resources to create a new business or service
- private sector – the part of the economy owned and operated by private citizens
- profit – as a verb, to gain financially; as a noun, the economic gains of a business
- public sector – the part of the economy owned and operated by the national government

“Australia, a vibrant free-market democracy, has recorded impressive economic progress unmarred by recession for more than 25 years. In addition to abundant natural resources, the economy has benefited from an effective system of government, a well-functioning legal system, and an independent bureaucracy, all of which have facilitated robust entrepreneurial development.”

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**Entrepreneurs** are private citizens who invest their own capital resources toward the creation of a new business or industry, frequently at some financial risk. Those whose business ideas succeed will **profit**; those whose do not will fail. This is the very essence of the free market / capitalist system.

# CANADA - HISTORY

## Vocabulary Preview:

- autonomy – political independence
- Brexit – term for the United Kingdom’s 2016 vote to separate from the European Union
- De Gaulle, Charles – leader of the French Resistance during World War II and later president of France
- francophone – French-speaking
- province – a political division, similar to a state
- Quebec – a predominantly French-speaking province of eastern Canada
- Quebec Act – 1774 Act of Parliament permitting the citizens of Quebec to retain their French language and Catholic faith
- referendum – a special vote on a specific issue
- Seven Years’ War / French and Indian War – 18th century war between the major powers of Europe and the Ottoman Empire
- sovereignty – the right to self-rule



Quebec Province (1763-1791)

As a byproduct of its colonial past, Canada is a nation with two distinct cultural identities.

Following the **Seven Years’ War** (1754-1763), the American extent of which was known as the **French and Indian War**, Britain wrested control of eastern Canada from the French Empire. In so doing, under what became known as the **Quebec Act** (1774), Britain did not require its newly acquired **francophone** citizens to assimilate culturally. Resultantly, eastern Canada today – especially Quebec – is composed primarily of French-speaking Roman Catholics, whereas the rest of Canada is largely English-speaking Protestants.

The political movement for **Quebec** to separate from Canada as an independent, French-speaking nation can be traced back to a controversial 1967 speech delivered by French president **Charles de Gaulle**, in which he remarked «Vive le Québec libre!»<sup>14</sup> (“Long live a free Quebec!”) From there, Quebec’s quest for **autonomy** began in earnest.

**Referendums** on Quebec’s **sovereignty** took place in 1980 and in 1995; both were unsuccessful. The **province’s** separatist movement has been fairly dormant since then; however, in the wake of the 2016 **Brexit** vote, the potential for a third referendum looms. The success of a third such vote is uncertain.



# AUSTRALIA - HISTORY

## Vocabulary Preview:

- Aborigines – term for the indigenous peoples of the Australian continent; Torres Strait Islanders are another aboriginal distinction
- Cook, James – English captain who claimed Australia for the British Empire in 1770
- nomadic – traveling from place to place in search of food, water, etc.
- small pox – virulent disease, transmitted via European migration, which decimated the Aboriginal populations of Australia and the Americas



**An Aboriginal man demonstrates boomerang hunting techniques**

Australia's original human inhabitants, known collectively as the **Aborigines**, migrated to the continent by way of Southeast Asia around 40,000 years ago. Recent genotyping studies suggest a genetic link between the Aborigines and certain indigenous groups found in the Philippines and Papua New Guinea, as well as India.<sup>1</sup> The Aborigines adapted to Australia's harsh environment, developing a **nomadic** hunter-gatherer way of life. They are credited with the invention of the earliest boomerangs, ground axes, and grindstones, as well as a primitive form of rock art.

The first European contact with Australia began in 1606, but it was not until 1770 that Captain **James Cook** of England claimed the continent for the British Crown. The first British colony in Australia was established at Botany Bay, near present-day Sydney. Superior weaponry and the unintentional transmission of **small pox** to the continent rendered Aboriginal resistance to European settlement all but moot.

After the loss of its American colonies in the American Revolution, Britain began shipping its prisoners to Australia, especially to New South Wales in the southeast of the continent.

Australia remained a prison colony until 1868, but later came to serve a more vital role as a British naval outpost and trading center.

The Aboriginal way of life in modern Australia is markedly different from what it was prior to European contact. Once the dominant people of Australia, the Aborigines today account for less than 3% of the total population. Linguistically, English has become the dominant language of the continent; only around 48,000 people speak an indigenous language in Australia today.

Politically, although they are protected under Australia's constitution, Aboriginal peoples were not granted extensive voting rights until 1965, and were not even counted as part of the national census until 1967.

In terms of education, Aboriginal school attendance and overall literacy rates, especially in Australia's more remote areas, remains very poor.

Health concerns persist among Australia's aboriginal peoples as well. Aboriginal life expectancy is, on average, ten years lower than for non-Aborigines. Infant mortality rates among Aboriginal women are twice that of non-Aborigines. Cardiovascular diseases, such as heart attacks and strokes, are currently the number one cause of death among the Aborigines.

