

VOTERS AND VENDORS

A POLITICAL SCIENCE
AND ECONOMICS
MANUAL

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Historical Society*

Stories and exercises written
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Introduction

Political science and economics are two difficult topics, but their inclusion in the adult education curriculum is vital. We created *Voters and Vendors* with hopes that it will give learners a better understanding of the direct link between political science, economics, and their lives.

The government and the economy affect all Canadians. Municipal, provincial, and federal governments play an important part in our communities, provinces, and country. The fluctuation in prices due to supply and demand affects our spending. Knowledge of how to write a cheque, use credit and debit cards, devise a personal budget plan, and recognize marketing schemes make everyday living easier. Knowing the history of money, the events of the Great Depression and Industrial Revolution further complete a well-rounded basic education of economics.

The stories in *Voters and Vendors* are written using language and structure appropriate to Level 1 and 2 of the Nova Scotia Academic Upgrading Curriculum. At times, this proved to be difficult due to terminology. Because of the complexity of the topics covered, we felt that two versions of the stories were necessary. The first versions contain more detailed information while the second versions, appearing under different titles, are much simpler and meant for lower level learners.

The stories are accompanied by questions and exercises to strengthen grammar, comprehension, and math skills. The editors urge tutors and learners to adapt or enhance exercises to meet their needs. An answer key is provided in a separate section toward the back of the manual. If copies of the material are required, tutors and learners are encouraged to photocopy as necessary.

We hope you find *Voters and Vendors* useful in meeting your educational goals.

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Economics

The information for the following story is from James D. Thexton's *Made in Canada: economics for Canadians*.

Words to Preview

resources
psychological

available
physical

unlimited
government

What is Economics?

Economics looks at and studies how people spend their money on their wants and needs. What people want can be unlimited, but what resources and money are available is limited.

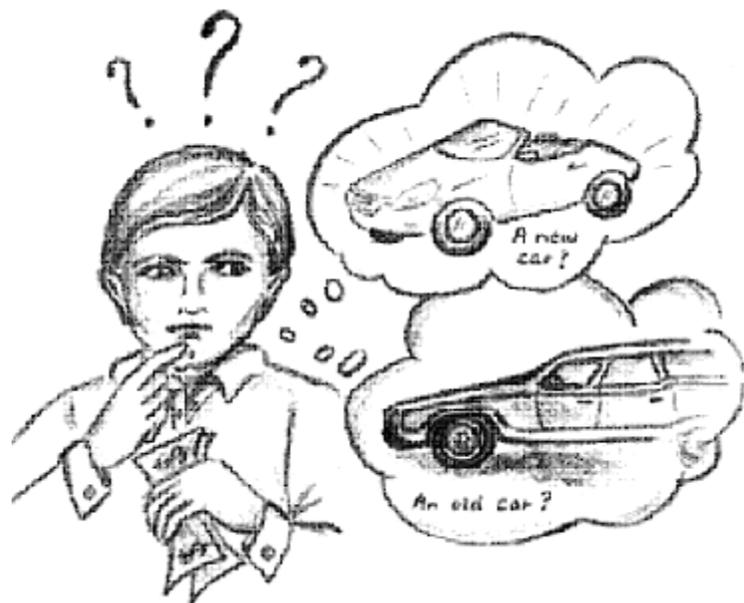
If we had an unlimited amount of money, we could buy all we wanted, as long as it was available. Most of us don't have all the money we want and sometimes we don't have all the money we need. This affects how we decide to spend our money.

There are two different types of wants. The first of our wants is what most people would consider to be needs. These are our physical wants. Our physical wants are food, clothing, and a place to live.

Our psychological wants are the things we want but don't need. For example, many people buy brand name items instead of paying less money for other brands. A TV is something that most of us have but don't need. Most of us can think of things we want but don't need.

Goods and services are things we buy. Goods are physical things we need or want. Some goods are food, cars, or clothes. Services are things we pay for that we can't touch. Some services are movies, massages, or getting your car cleaned.

How people spend their money on goods and services affects all of Canada and the world. The more goods and services we buy, the greater the demand. More jobs are created to produce goods and offer services when there is a demand for them. The more money people



make, the more taxes the government collects. The government uses the money to run the country and this affects us all. All this makes economics an important part of our lives.

"What is Economics?" Comprehension Questions

1. What is economics?
2. What are the two different types of wants?
3. Name one physical want.
4. What are psychological wants?
5. What are goods and services? Give an example of each.

Reading Between the Lines

1. Pretend you have a toothache. Pretend you also need a haircut. You only have the money to go to the dentist or the hairdresser. Which would you pick and why?
2. Pretend you want a new jacket and a new pair of shoes. You don't need either one, but you do want them. You only have the money for one of the new items. Which would you pick and why? Was the decision in question 2 easier or harder to make than the decision in question 1? Why or why not?
- 3.

"What is Economics?" Multiple Choice

1. Most people would consider physical wants to be things that we:
 - a. want
 - b. feel
 - c. need
 - d. like
2. One example of a physical want is:
 - a. clothing
 - b. a taxi ride
 - c. getting a haircut
 - d. going to the car wash
3. One example of a psychological want is:
 - a. a place to live
 - b. food
 - c. a new car
 - d. clothing
4. One example of goods is:
 - a. getting a haircut
 - b. new TV
 - c. a taxi ride
 - d. paying to see a movie

5. Services are things we pay for that we can't:
 - a. eat
 - b. drink
 - c. touch
 - d. drive
6. One example of a service is:
 - a. a hat
 - b. new shoes
 - c. a new car
 - d. paying to get your car cleaned
7. A demand for goods and services can create:
 - a. more jobs
 - b. less jobs
 - c. less taxes
 - d. a government

Economics*

We all want things.

We all need things.

We don't always have the money to buy everything we need and want.

Sometimes what we want costs too much.

That makes it hard.

We have to buy what we can afford.

How do you decide where to spend your money and on what?

Economics looks at and studies how people spend their money on their needs and wants.



1. We don't always have the money to buy everything we

_____.

2. Economics looks and

_____.

_____.

* For sources for this article, see [What is Economics?](#)

The information for the following story is from James D. Thexton's *Made in Canada: economics for Canadians, "Foreign Exchange,"* Microsoft (R) Encarta (R) 96 Encyclopedia, and the following Internet site accessed 01/02/02:
<http://www.bankofcanada.ca>

Material has been reproduced for this story with permission from the Bank of Canada.

Words to Preview		
government advise	financial corporation	institutions circulation

Bank of Canada and Exchange Rates

The Bank of Canada is Canada's central bank.

Since 1933, the Bank of Canada has belonged to the federal government.

The Bank does not provide services to the public.

It provides services to the government, other banks, and financial institutions.

It also issues bank notes and advises the government.

The Bank of Canada is a Crown corporation.

A Crown corporation works like a private corporation but is owned by the government.

The Bank is managed by a Board of Directors.

The Deputy Minister of Finance is part of this Board but has no vote.

Some people wonder why the Bank of Canada doesn't print more money to pay off the national debt.

The national debt is the money the government owes.

The debt was created when the government spent more money than it received.

If the Bank printed more money, there would be more money in circulation.

This would make people want to spend more.

So far this sounds fine, but this would only be a short-term increase.

After a while, the demand for goods and services would be higher than the supply.

When demand is higher than supply, prices increase. (*)

In the end, printing more money would not help our economy.

Exchange Rates

The exchange rate means how much the Canadian dollar is worth in other countries.

For example, on January 2, 2002, one Canadian dollar was worth 63¢ in US dollars or one US dollar was equal to \$1.60 in Canadian money.

When the value of our dollar is low, it costs more for our imports.

The amount of goods we import drops.

However, the demand for our exports increases. (*)

The exchange rates change all the time.

There is no set rate.

Rates can be found in the newspaper.

The rate is affected by the demand for the Canadian dollar.

When people invest in our country, the demand for Canadian dollars increases.

This means the value of our dollar increases.

When countries buy our exports, they need to exchange their money to pay for the goods.

This also creates a demand for Canadian dollars.

Canada and the United States trade goods often, so the exchange rate between Canada and the US is important.

* To read more on supply and demand, see the story [Business of a Lobster Fisherman](#).

** To read more on international trade, See [International Trade](#).



This cartoon suggests that:

- The Canadian dollar is worth more than the US dollar.
- The US dollar is worth more than the Canadian dollar.
- The US dollar and Canadian dollar are equal in value.
- The hotdog didn't taste good.

"Bank of Canada and Exchange Rates" Comprehension Questions

- Can you open an account with the Bank of Canada?
- What does the Bank of Canada do?
- Would printing more money help our economy? Why or why not?
- What is the exchange rate? Where can you find the rates?

5. When does the value of the Canadian dollar increase?
6.
 - a. On January 2, 2002, one US dollar was equal to how much in Canadian dollars?
 - b. Using the rate on January 2, 2002, how much would it cost in Canadian dollars to buy a meal that cost \$6.00 in US dollars?
 - c. A tourist pays for an \$8.00 meal in Canada with \$10 US. How much change will he receive in Canadian money?

Exercise:

Take a look in your daily newspaper and find the exchange rates in the business section. In what countries is our money worth more? In what countries is our money worth less?

The information for the following story is from these Internet sites accessed 12/10/01:
<http://www.bankruptcycanada.com/question1.htm>
<http://www.bankruptcycanada.com/alternatives1.htm>
<http://www.proфина.org>

Words to Preview

bankruptcy
 burdened
 debt
 insolvent

harassed
 creditor
 transaction
 priorities

privileges
 trustee
 liquidate
 superintendent

What is Filing for Bankruptcy?

Bankruptcy is a word nobody wants to hear, but sometimes people owe a lot of money and see no way out. They may file for bankruptcy.

Bankruptcy is a legal proceeding provided to a person to cope with his debt so he may be "set free" and start "fresh."

The debtor has to be insolvent in order to go into bankruptcy. Insolvent means that the person is unable to pay his debts because he does not have enough money.

A person going into bankruptcy not only has financial burdens, but is being harassed by his creditors. A creditor is a person or institution to whom money is owed.

It is good to know that there are a few alternatives to bankruptcy.

First, meet with your creditors and explain why you cannot meet your payments. They may be willing to set a new arrangement.

Another alternative may be to consolidate your debts into one loan. Consolidate means to combine. A bank or financial institution may help you. Your debts are combined into one loan and you have only one monthly payment to meet. You must be careful that this monthly payment is not too large for you to handle. Consolidating your debt into one low payment may reduce your debt payments, save your credit rating, and allow you to avoid bankruptcy.

All debts are not equal. Some are priorities, which mean that they are more important than others. It would be very serious to let these debts go unpaid. Rent and mortgage payments are top priorities.

Everybody must try to pay all debts, but it is not as serious if you fail to pay non-essential debts on time. You must keep in mind that by not making payments on time, you risk losing your credit privileges. Do not pay non-essential debt before a top priority debt.



Sometimes bankruptcy cannot be avoided.

The most common way a person can become bankrupt is to voluntarily go into bankruptcy. This accounts for more than 90% of all cases.

The debtor files a petition with the proper federal court. A bankruptcy trustee collects and liquidates his non-exempt property to pay unsecured creditors. Liquidates means to sell property to get money. It does not affect the secured creditors because they have taken collateral to insure the payment of the loans. In other words, if you cannot pay your home mortgage or another loan, they can take your home if you gave it as collateral. Collateral is security for the creditor.

The court discharges the debtor once money has been paid to the unsecured creditors. This releases him from his debts.

The person who goes into bankruptcy often has many questions. What does bankruptcy affect? What do I keep? What about my wages?

The property a bankrupt can keep is set by the provinces. This is exempt property. In Nova Scotia, the following will not be taken:

- Necessary clothing and household furnishings
- Necessary food and fuel
- Necessary seeds, grain, cattle, and other livestock

- Necessary medical and health aids
- Farm and fishing equipment and tools needed by the debtor for his occupation. (not more than \$1,000)
- Motor vehicles not valued over \$3,000

A bankrupt does not keep assets in excess of the allowed personal exemptions. These assets include such things as real estate, cars and boats, lottery winnings, and inheritances received during the time of the bankruptcy.

Debts, such as fines and money owed for stolen objects, are not erased by the debtor's discharge. Bankruptcy does not affect alimony payments because these payments must be paid on time.

The wages of the bankrupt person are not affected after the beginning of the bankruptcy. However, the trustee is instructed by the Superintendent of Bankruptcy to collect money to be paid to the creditors from any extra earning above what is necessary for the family to live on reasonably.

If a person is a first-time bankrupt and has received counselling, he will receive an automatic discharge after nine months, if it is not opposed by the trustee, creditors, and Superintendent of Bankruptcy. It is this discharge that cancels the bankrupt's debts. An automatic discharge is not given to a person who has filed bankruptcy before. The case must then go before a judge and registrar.

Counselling is necessary in order to be eligible for the automatic discharge. Counselling can take place on a one-on-one basis with your trustee or with a group of other bankrupts. There is a fee for each counselling session. The government regulates this fee as well as the trustee's fee and the filing fee.

During the bankruptcy, the trustee must be kept informed of the whereabouts of the bankrupt person so he may be provided with whatever information is required. The bankrupt must report his earnings and living expenses and any changes in his family situation.

By being careful with your money and not spending more than you make, you will be in charge of your finances and never face bankruptcy.

"What is Filing for Bankruptcy" Comprehension Questions

1. What is bankruptcy?
2. What does "insolvent" mean?
3. Are there any alternatives to bankruptcy?
4. What does "consolidating your debts" mean?
5. Who sets the laws on what property a bankrupt can keep?
6. Are the wages of the bankrupt affected after the beginning of the bankruptcy?
7. In a bankruptcy, what cancels the debts of the bankrupt?

Reading Between the Lines

1. What can a person do to avoid being so heavily in debt that he needs to file for bankruptcy?
2. What do you think would happen if a bankrupt left the area without telling anyone during his period of bankruptcy?

"What is Filing for Bankruptcy" A Bit of This and That

1. What is another way to say "it is"?
 - a. I'm
 - b. I'll
 - c. it's
2. What is another word for "combine"?
 - a. insolvent
 - b. consolidate
 - c. equal
3. What is another word for "alternative"?
 - a. change
 - b. chance
 - c. option
4. Which word is a feeling?
 - a. careful
 - b. equal
 - c. sad

5. What is another word for "large"?
 - a. big
 - b. bold
 - c. small
6. Which vowel sound is in the word "way"?
 - a. y
 - b. a
 - c. o
7. Which word rhymes with "pay"?
 - a. not
 - b. may
 - c. very
8. Change the first letter to make a new word.
Example: pay **may**
 - a. file _____
 - b. bank _____
 - c. low _____

Bankruptcy^(*)

Sometimes people cannot pay their bills and payments.

They may decide to file for bankruptcy.

The person files a petition with the federal court.

A trustee liquidates the debtor's property.

Liquidates means to sell property to get cash.

The trustee uses the money to pay off the creditors.

Creditors are people they owe money to.

Some things will not be taken when a person files for bankruptcy.

Some of these things are clothing, food, fuel, and medical aids.



1. Liquidates means to _____.

2. _____ are people they owe money to.

* For sources for this article, see [What is Filing for Bankruptcy?](#)

Words to Preview			
budget	mortgage	finances	policies
expenses	recreation	unexpected	miscellaneous
charities			

A Family Budget

Sarah and Andrew Smith had just moved into their new home. Things would be different now for the young couple. Living under the same roof would mean a big change in their lifestyles.

For the past six years, Andrew had been working at the corner grocery store. He liked his job and felt lucky too. Many people had no work these days.

Sarah also felt lucky. She had just set up a small hairdressing salon in the basement of their new home. It was a small start, but she was excited. She had worked at a salon downtown and had some regular customers.

One evening, the couple sat down for a serious talk. They wanted to plan for their future. They were going to plan a budget.

A budget helps people plan how to spend their money. The Smiths knew that careful management of their money would make life easier for them.

Sarah poured a cup of coffee for Andrew. She then placed a sheet of paper on the table. She printed on the top of the page, "Our Family Budget." It was their family budget. It would be different from the budgets of their neighbors and their families.

"Let's look at our income first," said Andrew. They added up their combined clear income for the month. Andrew brought home \$1,500 per month, and Sarah made \$1000.

"So this is what we have to work with," they both said. Andrew wrote on the first line, "Monthly Payments." Those were the payments they had every month.

On the next line he wrote "Mortgage." There was no need to think too long about that one. Their new home took the biggest chunk out of their finances - \$500.

The couple's car would soon be paid off. They were happy. Andrew was also happy he lived so close to work. He could walk most of the time, but the Honda was handy on rainy days. The car was good on gas, and they hoped to keep it for a few more years. They paid \$320 per month for the car.

On the next line Sarah wrote "Bank Loan." She did not like those two words. She had taken out a small loan to start her hairdressing salon. She was sure she could meet her monthly payments of \$100.

There were also insurance policies to pay. They had decided to make the payments each month. It would be easier on their budget. It made them feel safer than having to pay bigger payments less often. They felt good about being insured. "Insurance" was written under "Bank Loan." It cost \$120 per month for their house, life, and car insurance.

Andrew got up to refill Sarah's cup when the buzzer on their new stove buzzed. They both jumped. They had almost forgotten about their new stove. They had bought it on a payment plan from a local store. The plan was \$50 per month, but it made it possible for them to buy the stove now and pay for it later. They would have to pay a finance charge, but it was better than having to eat cold soup from a can. "Stove Payment" was added to the list.

"That takes care of our monthly expenses. Now our living expenses," said Andrew.

Sarah wrote "Living Expenses" on a new line.

"There is food, clothing, medical, car expenses, cable T.V., telephone, taxes, electricity and heating," said Sarah. She wrote them down on the list.

Andrew did some quick figuring. "Every month we pay \$400 for food, \$50 for clothing, \$40 for medical expenses, \$150 for car expenses, \$50 for cable T.V., \$60 for the telephone, \$40 for taxes, and \$200 for heating and electricity," said Andrew.

"And there's other expenses like recreation," added Andrew. They had almost forgotten about their meals out and movies. Sarah wrote "Recreation."

Andrew took the pen and added "Other" to the list. "What is that for?" asked Sarah.

"That's for the unexpected expenses. Things break down sometimes," said Andrew.

Andrew poured himself a third cup of coffee. When he sat down, he saw that Sarah had written "Miscellaneous."

"That's for things like gifts or small things we may want," she said.

"Now let's add all our expenses and estimates and see how our budget looks," said Andrew.

He carefully added everything. They were surprised. There was still a little left over.

Sarah wrote "Savings" quickly. There was so much to save for. Things like finishing their new home and having children.

Sarah and Andrew knew that they should give a bit of what they had left to charities. Sarah wrote "Charities" on the last line.

Andrew and Sarah looked over their budget and wrote the word "Total."

They were happy with their plan. In the future it would change, but it was just right for now.

"A Family Budget" Comprehension Questions

1. What is a budget?
2. What monthly payment took the most money out of their income?
3. Did Sarah think that she would be able to pay back her bank loan?
4. What is an installment plan?
5. List two of Sarah and Andrew's living expenses.
6. What did Sarah and Andrew want to save for?

Reading Between the Lines

1. Do you think that Sarah and Andrew took their budget seriously?

"A Family Budget" Exercise

This exercise uses Sarah and Andrew's monthly budget sheet on the next page.

1. Fill in the amounts for the monthly payments and living expenses given in the story.
2. How much money is left after paying the monthly payments and living expenses?
3. How do you think Andrew and Sarah should distribute their remaining money among the other expenses?
4. Does this budget look like your budget? How is it different? How is it the same?

Our Family Budget

Total Income for month

Monthly Payments

Cost

Mortgage

Vehicle

Bank Loan

Insurances (Life, Auto, House)

Stove Payment

Living Expenses

Known costs or estimates

Food

Clothing

Medical

Car (gas/maintenance)

Cable T.V.

Telephone

Electricity & Heating

Taxes

Other

Known costs or estimates

Recreation

Other (Unexpected expenses)

Miscellaneous (gifts and small things)

Savings

Charities

Total

Budgeting

Budgeting is an important way of taking care of your money.

Make a list of all your monthly bills and payments.

How much money do you make in a month?

How much money do you have left after you pay your bills?

Do you have any money left?



Fill in this chart.

Bills & Payments	Cost
Total:	

I make _____ in a month.

I have _____ money left.

The information for the following story is from Grolier Inc.'s *The New Book of Knowledge* and Gail Vaz-Oxlade's *The Money Tree Myth*.

Words to Preview			
permission	deduct	signature	void
amount	sufficient	equal	

How to Write a Cheque

There are not many rules for writing a cheque, but a person must follow the rules in order for the cheque to be valid. Valid means legal.

First a person must have money in the bank in order to write a cheque. The cheque shows in which bank a person has money.

A cheque is a blank form or a kind of note. To have blank cheques, a person has to put money into a chequing account at a bank. The bank gives him blank cheques. The cheques are in a chequebook.

When a person writes a cheque, he is paying money to someone else. The cheque shows how much money is being paid.

A cheque is not money. It gives permission to a bank to deduct money from someone's account and pay it to someone else. To deduct means to take out. The bank gives money to the person to whom the cheque is written.

Many people use cheques instead of money. When a person wants to give money to another person, he can give a cheque instead of money. The person receiving the cheque can cash it to get money. The money is deducted from the account of the person who wrote the cheque. The cheque is signed by the person who is paying the money. Without a signature, the cheque is worth nothing.

The person cashing the cheque has to sign his name on the back of it. It must be signed by the person who received the cheque.

A cheque has to be properly filled out to be valid. Always use a pen to write a cheque. Do not use a pencil. The information on the cheque could easily be erased and changed. Nobody would want \$100 to be changed to \$400!

When a person writes a cheque, he has to use his best handwriting. A poorly written cheque is hard to read.

If you make a mistake, put a line across the cheque and write the word "void." Then write a new one. Void means not acceptable or useless.

To begin, fill in the date with the day, month, and the year. Next, on the line that says, "Pay to the order of," write the name of the person or the company to whom you are writing the

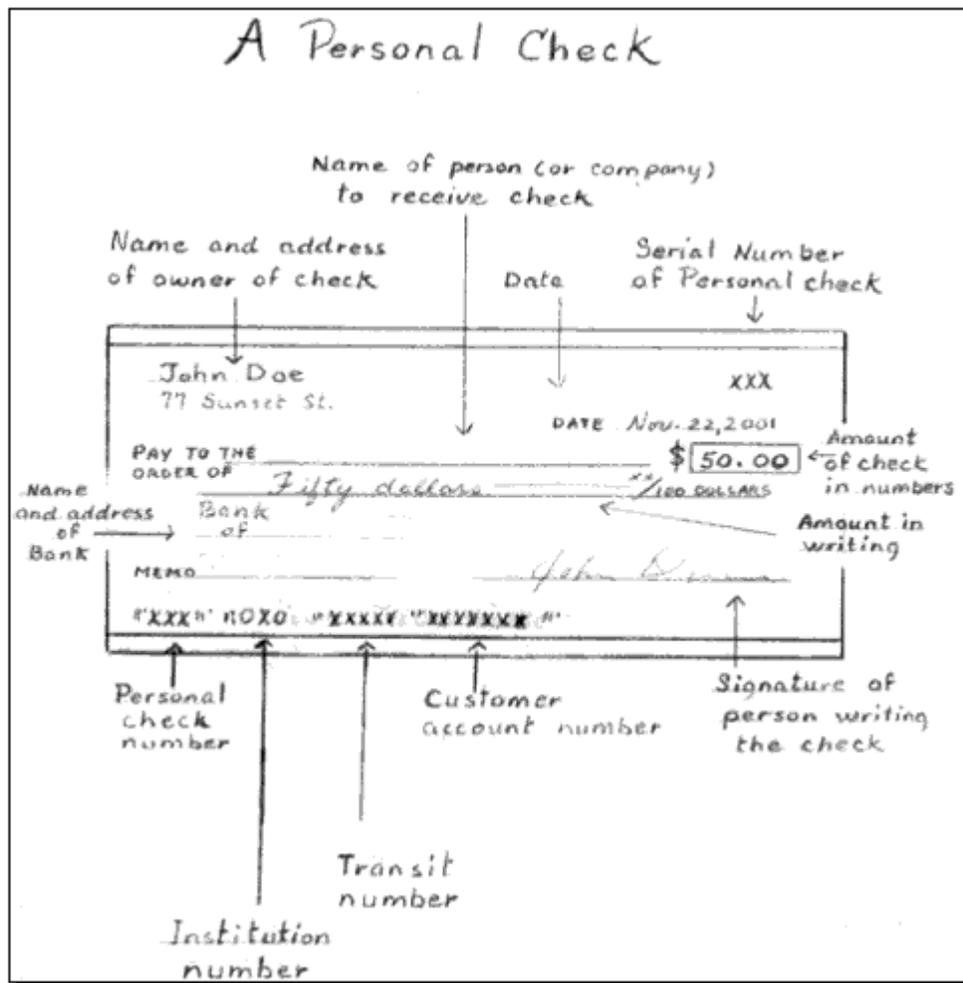
cheque. You must always use the person's full and proper name. Initials such as T.J. Jones, nicknames, or names like Aunt Gert should not be used.

The amount of the cheque should be written in numbers and in words. This is to make sure that there is no mistake in the amount that is intended. Let's say that the amount of \$50.00 was filled in numbers only. It would be easy to mistake it for \$5000. It would be a big mistake!

it is time to sign your name. This makes the cheque legal tender or valid. With your signature, the bank now has your permission to cash it by deducting the money from your account. Your signature should always be written and not printed.

It is illegal to write a cheque for a larger amount than you have in your account. The cheque would be called a NSF cheque. NSF means "non sufficient funds." The cheque would bounce. Bouncing cheques is not a good thing to do. The bank would lose trust in the person who wrote the cheque.

To make sure you do not bounce a cheque, you must keep a record of the cheques you write. There is a place in the chequebook to do this. This is how a person knows how much money he has spent and how much money he has left in the account.



Each month, the bank gives statements to customers who have a chequing account at their bank. It shows them how much money has been taken out or put into their account during that month. When a person receives his statement each month, he can compare it to the record he has kept. It must balance or be equal.

Balancing your chequebook is an important thing to do. It only takes a little bit of your time but it is much wiser than taking a chance that the cheque will bounce.

"How to Write a Cheque" Comprehension Questions

1. Where can a person get blank cheques?
2. When a person cashes a cheque, where does the money come from?
3. What does it mean to deduct money from an account?
4. When a person signed a cheque, it makes it legal tender. What does that mean?
5. What is necessary to make a cheque valid?
6. Why would a person write "void" on a cheque?
7. What does "bouncing a cheque" mean?

Reading Between the Lines

1. Do you think that cheques are safer to use than cash? Why or why not?
2. Do you think it's risky to sign blank cheques? Why or why not?

"How to Write a Cheque" Missing Vowels

**Fill in the blanks with the missing vowel (s).
a,e,i,o,u**

ch__que

c__sh

f__nds

val__d

s__gn

b__unce

acc__unt

vo__d

tr__st

b__nk

n__mber

rec__rd

statem__nt

amo__nt

s__m



Spelling

Circle the correct spelling of each word.

- | | | | |
|----|----------|----------|----------|
| 1. | ritte | write | writ |
| 2. | legal | legall | legil |
| 3. | acount | account | accont |
| 4. | monie | monny | money |
| 5. | cheque | sheck | chec |
| 6. | costumer | custemer | customer |
| 7. | number | nomber | nummber |
| 8. | bonce | bounce | bounse |

Cheques^(*)

A cheque is a blank form or note.

You need to have a chequing account at a bank to have cheques.

When you write a cheque, you are paying money to someone.

This money comes from your bank account.

You need to sign your name on the front of the cheque for it to be valid.

Valid means legal.

The person cashing the cheque needs to sign his name on the back of the cheque.

Always use a pen when writing a cheque.

Do not use a pencil since the cheque amount could be changed.



1. A cheque is a _____.
2. Valid means _____.
3. Do not use a pencil to write a cheque since
_____.

* For sources to this article, see [How to Write a Cheque](#).

The information for the following story is from Grolier's Incorporated's *The New Book of Knowledge*, Gail Vaz-Oxlade's *The Money Tree Myth*, and Investors Group's *Starting Out*.

Words to Preview			
authorizes	businesses	responsibility	plastic
interest	annual	receipt	

Using Credit Cards Wisely

Sometimes people wonder if they should get a credit card. Sometimes they wonder how many they should get.

Spending money is easy when we use a credit card. Sometimes it is too easy.

Many people use credit cards instead of cash. It gives people what is called a "line of credit." Credit cards allow people to borrow a certain amount of money anytime and for any reason.

The small wallet-size plastic cards authorize people to charge goods or services they want or need and be billed later. Some people call it "paying with plastic." Some well-known credit cards are Master Card, American Express, and Visa.

A person can get a credit card from the bank, but not only banks issue credit cards. Large companies, such as Sears, issue credit cards. So do hotels, gas companies, and many other businesses.

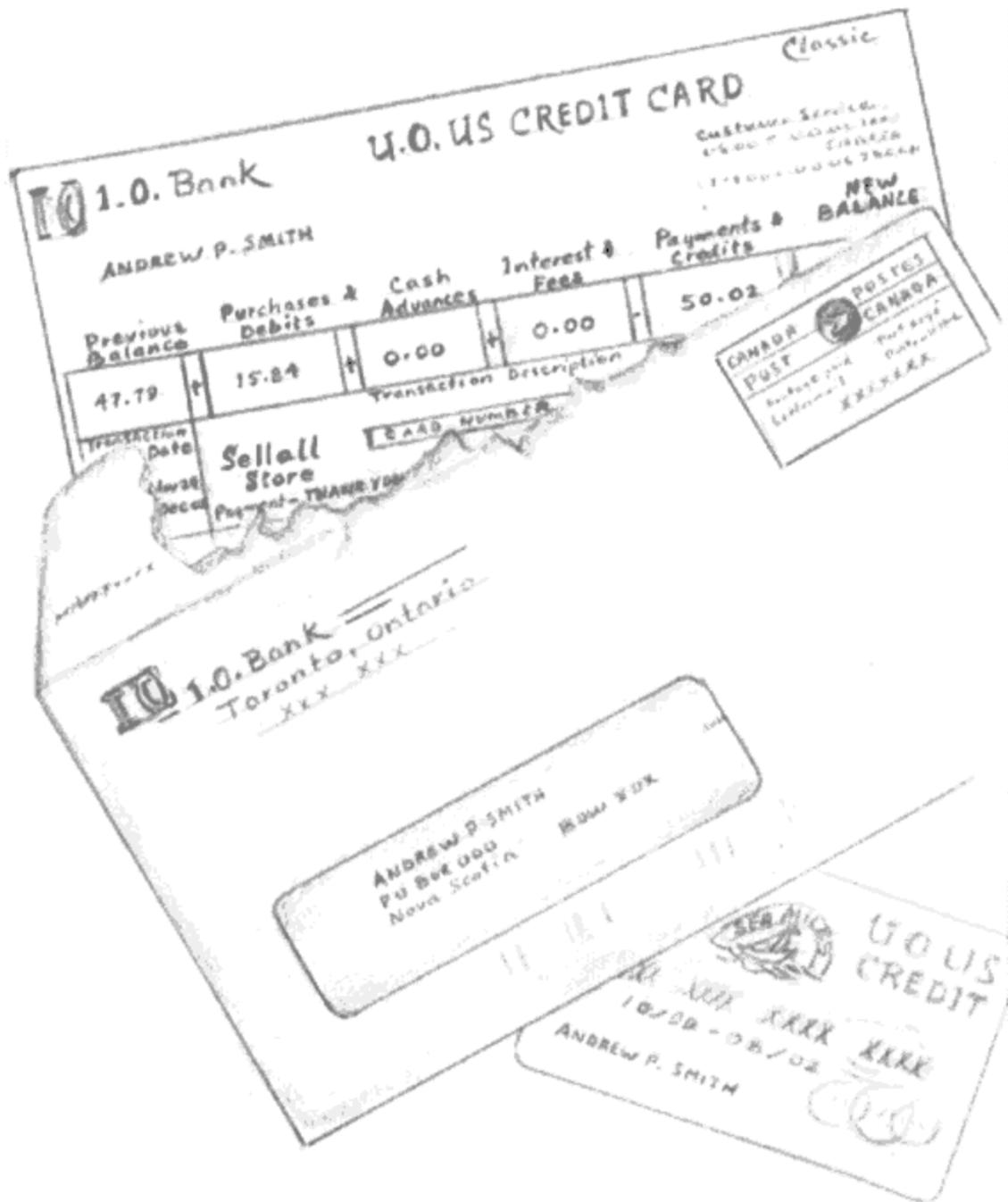
If you use your credit card to buy a coat at a store, the card shows the cashier that you have a certain amount of credit at the bank. Your coat is charged to your card. The bank will pay the store for your coat. Of course, you are expected to repay the bank. The bank will send you a bill. You will receive a bill every month.

If you pay the full amount of your bill on time, you will not be charged any interest. This saves you money.

If the bill is not paid before the end of the month, you will be charged interest. The interest rate on credit cards is very high. There may be no other place where the interest rate is higher. The annual rate can be as high as 18% or more.

People have different credit limits. It depends on different things. It may depend on the time you've had the credit card, your credit rating, and the kind of card.

It is important to use your credit card responsibly. Following good credit card rules is smart.



The following are a few helpful hints.

1. If it is the first time you've had a credit card, keep your credit limit low.
2. This will give you the chance to get used to using your credit card wisely.

3. A person should never lend his credit card to another person. Pay the full amount every month so you do not pay interest.
4. Don't make cash advances on your credit card. Interest is charged from the day you've borrowed the money.
5. Save your receipts and keep track of how much money you spend. It is always possible for the credit card company to make a mistake.
6. If your credit card has been stolen or lost, make sure to call the credit card company right away.

By following these simple rules, a person can shop wisely using credit cards.

"Using Credit Cards Wisely" Comprehension Questions

1. What does a credit card authorize people to do?
2. Name two well-known credit cards.
3. Where can a person get a credit card?
4. Why is it better to pay the full amount on your credit card every month?
5. What should you do if your credit card is stolen or lost?

Reading Between the Lines

1. Do you think it would be wise to pay only minimal payments on your credit card so you can get a second card?



Consonant Blends

Consonant blends are formed when two or more consonants blend together to make one sound.

Example: "sh" in show
"st" in cost

Underline the consonant blends in the following words.

spend
cash
things
place

should
this
track
lost

credit
charge
shows
chance

their
month
stolen
shop

Credit Cards^(*)

A credit card is a plastic card you get from the bank.

Many people use credit cards to pay for things.

When you use a credit card, you are charging so you can pay later.

You get a bill every month.

If you do not pay the entire bill, you get charged interest.

Be careful not to charge too much since the interest rate is usually high.

You have a credit limit on your card.

You cannot charge more than your limit.



1. When you use a credit card, you are charging so you can _____.
2. If you do not pay the entire bill, you get charged _____.
3. The interest rate is usually _____.

^{*} For sources to this article, see [Using Credit Cards Wisely](#).

The information for this story is from the following Internet site accessed 01/27/02: <http://www.nclnet.org/debitbro.htm>

Words to Preview		
subtract	financial institution	convient
transaction	identification	

What is a Debit Card?

You may wonder what is the difference between a debit card and a credit card. The answer lies in the words "debit" and "credit."

"Debit" means to subtract, take away, or deduct. When you use a debit card, money is subtracted or deducted from your bank account. Since you already own the money that is deducted from your account, you are not spending money you don't have. You are spending your own money. This makes it different from a credit card. When you use credit cards, you are charging so you can pay later.

Debit cards are also called check cards. They work like a personal check or cash. You can think of a debit card as "pay now" and a credit card as "pay later." There are a few reasons people like using a debit card.

- Debit cards are quite easy to obtain.
- A debit card is a convenient and quick way of getting money for a business transaction.
- Debit cards are accepted in many places such as grocery stories, gas stations, restaurants, and anywhere your card's name or logo is displayed.
- Debit cards are easier to carry around than a checkbook or cash.
- You do not need to show identification when using a debit card.
- A debit card is easier to use than cash or traveller's checks when you travel.

For those who like carrying little plastic cards in their wallets, the debit card is the answer to managing your money easily, saving time, and shopping without stress.



"What is a Debit Card?" Comprehension Questions

1. What does "debit" mean?
2. When you use a debit card, where does the money come from?
3. What is another name for "debit card"?
4. Can a debit card be used to buy groceries?
5. Does a debit card work the same as a personal check or cash?

Reading Between the Lines

1. Why do you think a debit card is easier to obtain than a credit card?
2. Why do you think so many places accept debit cards?

"What is a Debit Card?"

Fill in the Blanks

Fill in the blanks with a correct word.

1. "Debit" means to _____.
2. When you use credit cards, you are charging so you can pay _____.
3. Debit cards are also called _____ cards.
4. Using a debit card is an _____ way to obtain money for shopping.
5. Debit cards are small _____ cards.



b,p,g,d

Fill in the blank with the missing letter – *b, p, g, or d*.

__ebit

s__end

__eople

carryin__

car__

__as

__laces

__usiness

_ank

cre__it

o__tain

__lastic



-ing ending

Add the -ing ending to the following words.

Hint: Don't forget to change "y" to "i" where needed.

- | | | | |
|-------------|-------|------------|-------|
| 1. subtract | _____ | 7. check | _____ |
| 2. deduct | _____ | 8. accept | _____ |
| 3. account | _____ | 9. display | _____ |
| 4. bank | _____ | 10. cash | _____ |
| 5. spend | _____ | 11. travel | _____ |
| 6. obtain | _____ | 12. carry | _____ |

Debit Cards^(*)

A debit card is a plastic card you get from the bank.

Many people use debit cards to pay for things.

When you use a debit card, the money comes out of your bank account.

Debit cards are easy to use.

Many stores let you use debit cards.



1. A debit card is _____.
2. When you use a debit card, the money comes out of your _____.
3. Many _____ let you use debit cards.

* For sources to this article, see [What is a Debit Card?](#)

The information for this story is from the following Internet site accessed 04/08/02:
<http://www.businesstown.com/accounting/basic-depreciation.asp>

Words to Preview		
depreciation	decreased	business
depreciate	maintenance	expense
equipment	purpose	

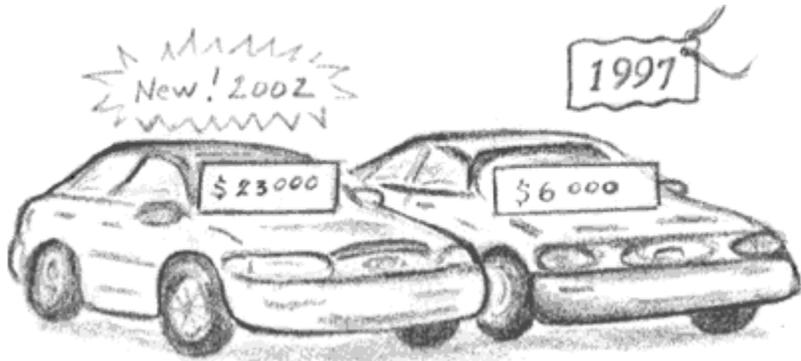
Depreciation

Cars and trucks depreciate. Machines depreciate. Office equipment, farming equipment, and other things depreciate. They are useful until they wear out, then they have little value or no value at all. Their value has decreased. This is called depreciation.

A person may have a truck to use for his business. As soon as he buys it, the truck begins to depreciate. Each year it loses more value with use. In less than 10 years, it may be of no value to the business.

Some things do not depreciate. Land does not depreciate even though it needs work and maintenance. Land is not like a vehicle that wears out.

A home that is kept repaired and well-maintained does not depreciate. It increases in value as the prices of homes increase each year.



Depreciation is considered an expense. In business, depreciation can be claimed for tax purposes.

"Depreciation"

Comprehension Questions

1. Cars depreciate. Name another thing that depreciates.
2. What makes some things depreciate?
3. Some things do not depreciate. Name one.
4. What would make a home increase in value as the years pass?

Reading Between the Lines

1. Can you think of other things not mentioned in the story that depreciate?
2. Do you think a business person could claim a truck as a depreciation expense for tax purposes?

Antonyms

Antonyms are two words that have opposite meanings. For example, happy and sad.

Look in the story to find the antonym of each of the following.

1. big _____
2. sell _____
3. gains _____
4. ends _____
5. rest _____
6. more _____
7. decrease _____

The information for the following story is from Grolier Inc.'s The New Book of Knowledge, and the following Internet sites accessed 11/15/01:

<http://www.escape.com/paulg53/politics/greatdepression.shtml>

<http://www.sd83.bc.ca/>

<http://winnipeg411.com/history/indepth/depression/>

<http://school.discovery.com/homeworkshop/worldbook/>

atozhistory/g/234080.html

Words to Preview			
depression	economic	unemployment	business
cooperate	prosperous	government	industrialized
bankrupt	foreigners	luxuries	drought

The Great Depression Story (1929-1938) Part I

In late 1929, an economic crisis happened that affected the whole world. This time of hardship lasted nearly ten years. People suffered everywhere. People did not have much money. Jobs and food were scarce. Banks and businesses failed. This difficult time of struggle and failure was called the Great Depression.

The Great Depression began in the United States in the fall of 1929. Soon it spread worldwide. Millions of people around the world lost their jobs.

What caused the high unemployment, very low wages, and failure of so many businesses?

The Depression was brought on by many different factors. Economists studied all these factors. Economists are experts in the field of the economy. But even the experts disagreed about what had caused the Great Depression.

It is normal for the economy in every country to go up and down. But this time, something had gone very wrong. There had been depressions before but never one as severe.

The 1920's had been very prosperous. These years were called the "roaring twenties." It was a time when there were many jobs, low unemployment, rising business profits, and increases in wages. These times were good times. But these good years came to an end.

One of the factors that caused the Great Depression was because money was not well divided between the rich and middle-class.

The economy was greatly weakened by the Stock Market crash of October 24, 1929. It happened when many people sold stock at the same time. Stock market prices fell at an very fast rate. People panicked and even more people sold their stock.

Some banks had invested in the stock market. This great fall in stock market prices caused the banks to fail. Also, people who had borrowed from the banks could not repay what they borrowed because they had lost money in the stock market.

Some economists believed that the government was also responsible for some of the causes of the Great Depression. For one thing, there had been an increase in interest rates and tax rates.

The first World War also had an affect on the economy. The United States had loaned money to many countries in Europe. Because of the war, they could not pay back their debt. Countries such as Italy, France, Belgium, Russia, and Poland were struggling to rebuild themselves. The war had destroyed their homes, businesses, farms, and factories.

What had started in the United States had now spread to every industrialized country in the world. It was a great worldwide depression.

Part II

Canadians were hurt by the Great Depression. Canada was hit hard. Canadians shared the same problems as the rest of the world.

The western provinces of Canada suffered the most. Canada's large crops of wheat, as well as many other products, could not be sold.

Many farmers in western Canada could not re-pay the large loans on their land and farming equipment. As a result, many farms went bankrupt.

As if times were not hard enough for Canadians, farmers in the prairies watched their fields and crops dry up and die. High winds blew away the top soil. These great dust blizzards were called "dust bowls." Soon grasshoppers arrived and ate the remaining crops that had survived. Prairie farmers felt helpless. They could barely feed their families.

Because it was very hard for people to get jobs, many people became angry and depressed.

The 1930's were called the "dirty thirties." In 1932, the unemployment rate was very high, especially in Winnipeg. The unemployed men became angry with foreigners who lived in Canada. They felt the foreigners were taking jobs from the Canadian men. They also added to the welfare load.

One plan, that did not work, was to send the foreigners back to their homelands. They were mainly from East Europe. The foreigners had no reason to go back home. The times were as hard in their homelands.



"Riding the rails" also became popular among the unemployed men. They travelled across Canada in search of work, but they did not find many jobs.

Simple things, such as good food, clothing, and shelter became luxuries. For many people, even bread and tea were luxuries.

Many people who lived in the country were better off than those who lived in towns or cities. These "lucky" country people lived off the products of their farms. They had eggs, milk, vegetables, and butter. They were happy to have their chickens, bacon, and eggs. Wheat was ground into flour. Food was plentiful on the farms.

During the Depression, everything was reused and recycled. Old coats were taken apart to make new ones for the children. Nothing was wasted. Even old bent nails were straightened and reused. People felt the lack of money, and they knew what hard work meant.

However, many people still found good times during the Great Depression. It brought families and communities closer together. Since people had no money for travel and entertainment, many people enjoyed long evenings of barn dancing. Nobody worried about how they were dressed. Everybody was equal. All it took to gather a large crowd was an old record player, families, friends, and an old barn.

Part III

In the United States, Franklin D. Roosevelt was elected president in 1932. Conditions were desperate, and the people put their confidence in the new president.

Many people lived in misery. A quarter of the country's wage earners were unemployed. Many families on aid received no more than 75 cents a week for food.

President Roosevelt called Congress into special session to pass laws that would help the economy recover. Roosevelt's program was called the New Deal. The purpose of the New Deal policies was to help fight the Depression by providing relief for those in need, providing jobs, and encouraging business. The new laws gave the government far more power than they had ever had before.

The Social Security Act was passed to provide Unemployment Insurance, old age pensions, and widows and orphans' assistance.

In Canada, Richard B. Bennett, who was prime minister from 1930 to 1935, had no success in relieving the Depression. W.L. MacKenzie King was then elected as prime minister.

King started programs like President Roosevelt's to help fight the Depression. Prime Minister King was a friend of the U.S. President Roosevelt and their friendship helped Canadians and Americans to cooperate and recover.

King was dedicated and one of Canada's greatest leaders. He won every election from 1935 until he retired in 1948.

At the end of the 1930's, the United States, Canada, and the rest of the world began to recover.

By 1938, Canada's economy had greatly recovered. The severe drought was also over. Because the price of wheat had dropped during the Depression, the farmers started to plant new crops. The drought had forced them to use better methods of farming, so the Prairie farmers had healthy crops of oats, rye, peas, alfalfa, and flax.

The Great Depression was over.

Read an actual [interview with Marjorie d'Entremont](#) about her life during the Depression.

"The Great Depression Story" Comprehension Questions

Part I

1. When did the Great Depression begin?
2. Who studied the factors that brought on the Depression?
3. Name two factors that caused the Great Depression.

Part II

4. What types of problems did the farmers in the Prairies have during the Great Depression?
5. Why were the unemployed Canadian men angry at foreigners during the Great Depression?
6. What did the "lucky" country people have during the Depression?
7. Name one item that was recycled during the Depression.
8. What did people do for entertainment during the Depression?

Part III

9. What was the purpose of President Roosevelt's New Deal?
10. Who won every election in Canada from 1935 until his retirement in 1948?
11. When did the Great Depression end?

"The Great Depression Story"

Present Tense

Change the following sentences to the present tense.

Example:

He was poor.

He is poor.

1. People suffered everywhere.

2. Some economists believed the government was responsible.

3. It was a worldwide depression.

4. Farmers felt helpless.

5. They could not feed their families.

6. Many people lived in the country.

7. Many people still found good times.

8. It brought the families together.

Interview with Marjorie d'Entremont November 14, 2001

Even throughout the very difficult years of the Great Depression, many people still found joy, hope, and even fun. There was no use worrying about something that almost didn't exist - money.

What follows is an interview with Marjorie d'Entremont who lived during the Great Depression of the 1930's.

Where were you living at the beginning of the Great Depression in the fall of 1929?

I was living at home with my parents in the Acadian village of West Pubnico, Nova Scotia.

How old were you at the time?

I was 12 years old in 1929.

How many members were there in your family?

We were four: my mother and father, myself, and my baby sister.

What was your father's occupation in 1929 and during the 1930's?

He was a lobster fisherman most of the time. He was president of the organization United Maritime Fishermen. (UMF)

Was your mother working outside the home?

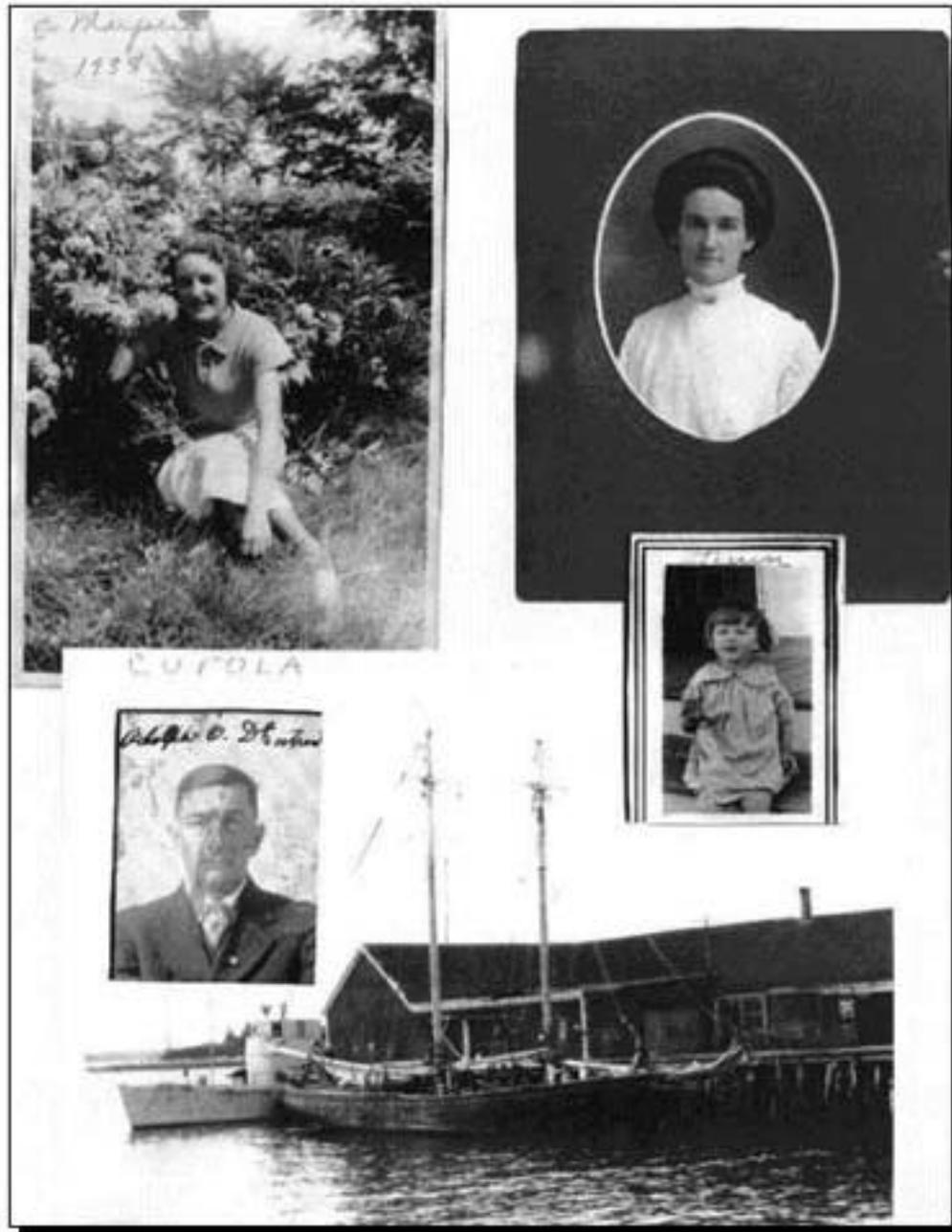
No. Very few married women with children worked outside the home. She was a homemaker. Her duties included tending the vegetable garden, milking the cow, feeding the chickens, and gathering eggs. She also churned butter, made quilts, sewed clothes, embroidered, and knitted. She was skilled at whittling wooden lobster pegs.

Were you still attending school?

I was in grade 8 in 1929 and attended the Lower West Pubnico country school. It was called a three department school: primary, intermediate, and advanced.

When did you first feel the effects of the Depression in your community?

In about the year 1934. I was 16 years old when I applied to the Teacher's College in Truro, but I was 10 days too young to be accepted. I might not have been able to find the \$200 for the year's tuition in 1934. My father was struggling to pay for the boat he had bought "second hand" with his brother Charles. The boat, Theresa, cost about \$150.



Clockwise: Marjorie d'Entremont, age 21, 1938; Marjorie's mother, Sarah d'Entremont; baby sister, Thérèse; the *Cupola*; Marjorie's father, Adolphe d'Entremont.

What were the main occupations of the people who lived in the village at that time?

The main occupations were fishing and farming. There were also a few fish plants and canning factories. Mostly single girls and men worked in these small privately owned

factories. There were also some village men who were involved in rum running, even though it was illegal.

Were some villagers better off than others during the Depression?

Yes, especially the school inspector and the village doctor. A well-known remark circulated around the village that the school inspector was heard saying, "They tell me times are hard." Many people paid the doctor with produce from their garden, poultry, eggs, butter, or whatever they could afford to give.

The parish priest lived poorly but comfortably. He was provided for by the parishioners. He received part of the Sunday collection as his salary.

Most large families were quite poor. Those who could afford to buy the large bags of flour, sugar, molasses, and tea were quite fortunate.

When food was scarce for some families, how did they cope?

Very poorly. There were many children and adults who went to bed hungry. The municipality helped those most in need by buying them large bags of flour. Many people were happy to have bread to eat. We were a small family, so we felt rich compared to many.

What was the most difficult thing for you during the 1930's?

It was not being able to attend the Teacher's College in Truro to become a teacher as I would have wished.

What do you think was most difficult for your parents?

It was definitely the lack of money. It was very hard to pay bills, such as taxes, fuel for the stove, kerosene or oil for lamps, clothes, and other things. And especially the boat payment. We were fortunate that the house was paid. My father had been the captain of the ship Cupola and he had sold his share of the boat to pay for his new home. The large house cost around \$2000 when he built it around 1919.

Did you always have enough to eat in your family?

Yes. We had plenty of fresh eggs, milk, butter, poultry, pork, and vegetables from our small family farm. We often shared or traded with neighbors and family, and we gave our surplus milk to the children who came to the door. People helped each other. My father also snared rabbits in winter, and my mother made the best rabbit pies of all.

What gave you the most hope during those years?

It was the dream of getting married, having a home of my own, and a family.

The Great Depression lasted nearly 10 years. What were you able to buy during those difficult years?

Very little most of the year. But before Christmas, my father sold his crates of lobsters to a company in Boston which gave us a little money. It was an exciting time. We were able to buy Christmas gifts. We made orders from T. Eatons, Simpson's Sears, and Dupuis Frères. My mother could afford to bake luxuries such as fruit cakes, mince pies, doughnuts, and all kinds of cookies. We bought beautiful glass ornaments, tinsels, and clip-on candles for our Christmas tree. We sent Christmas cards. I was lucky and received beautiful "bought" dolls, sets of China dishes, books, crayons, and games on Christmas morning. I remember especially a tin wind-up pecking chicken that my baby sister had received.

Do you remember some of the prices of the products in the 1930's?

Things were cheap. These are approximate prices. A large bag of flour was \$2.00, a loaf of bread was 10¢, kerosene was 30¢ a quart, and a gallon of gas was 35¢. I had bought a nice wool suit when I was 17 years old. It cost \$2.98. The shoes were around \$1.50. A young lad up the road, who became my husband, was selling strawberries for 10¢ a quart, but most people couldn't afford to buy them.

Without any money to spend, what did you do for entertainment?

We had wonderful concerts at the parish hall. Sometimes they were local performers and sometimes the actors came from outside the village. If we had 25¢ for the entry tickets, we were happy.

We played music and had sing-songs in homes of friends and neighbors. There were square dancing at weddings, quilting bees, and pound parties. People gave a pound of butter, a pound of sugar, a pound of beans, or a pound of anything they could afford to help the needy. We enjoyed all-day blueberry picking picnics. There were bridal showers. Even walking a few miles to church in our Sunday best was entertainment. We went sledding, skating, swimming, and had lots of laughter.

But the highlight of the Depression were the church picnics. Children and adults enjoyed the merry-go-round, bowling, bingos, ice-cream, candy, popcorn, and many rare treats. Everything was cheap to buy. Home cooked dinners were served for about 35¢ a meal. It cost 10¢ for the ticket to enter. Many people could only afford the entry ticket, but they enjoyed looking around. Others could not even afford the 10¢ to enter.

If the Great Depression was to happen today, do you think people could cope as well as in the 1930's?

No, definitely not. Most people are not used to being deprived of money or any other necessity. It would be very hard, especially for the young people, to cope. They would have to learn a whole new way of life.

Do you think that at 84 years of age, you would be better off or worse off than in the 1930's should a Great Depression happen today?

I would be better off. I would not worry for my future because I am at the other end of my life now.

The Great Depression^(**)

The Great Depression was a very hard time in Canada.

The Great Depression started in 1929.

It lasted until 1938.

During this time, there were not many jobs in Canada.

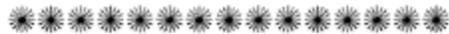
Many stores closed.

People did not have a lot of money.

Some families did not have a lot to eat.

People wasted nothing.

People were happy when the Great Depression was over.



1. The Great Depression lasted until _____.
2. Many stores _____.
3. People did not have a lot of _____.

** For sources to this article, see [The Great Depression Story](#)

The information for the following story is from James D. Thexton's *Made in Canada: economics for Canadians* and Open for Business's *Business Plan Guide*. Special thanks to Teresa Goreham at Modern Coiffure in Lower Clark's Harbour for her help with this story.

Words to Preview		
characteristics confident	entrepreneur proprietorship	motivated advertising

Sarah's Business Dream

Sarah Smith had been cutting hair at a salon for six years. For a few months, she had been trying to decide whether to open her own salon at home. She had to decide whether or not to take the risk.

Sarah decided to visit her local business resource centre for help with a business plan. She got a lot of information at the centre. She was not surprised to find out that she had the characteristics of an entrepreneur. She was, at times, a risk taker, didn't mind hard work, was motivated, and was confident she would succeed. But she still had a lot to think about.

Sarah knew that opening her own salon would be a lot of work. She loved being a hairstylist and didn't mind the long hours she knew she would have to work to get her business going. Sarah wanted the business to be a sole proprietorship; she would be the only owner and operator.

Sarah did some research to see whether it was a good idea to open a salon at home. She surveyed her 70 regular customers to see whether the new location would be convenient for them. Sixty of them said that they would go to her new location.

Sarah had to decide how she would advertise her new salon and how to get new customers. She knew there were a lot of hair salons in her community. Because of all the competition, Sarah had to think of a way that her salon would be different.

Sarah's goal was to have a take home pay of \$1000 per month. She felt she needed to make that much to help pay the family's household bills.

Sarah had to figure the expenses of running the salon. She first had to consider electricity and the cost of her products. She figured it would cost \$100 a month for electricity and products.

Sarah needed to get a hydraulic chair and a sink so she had to get a small loan to start her business. Her payments were \$100 per month.

Sarah wanted to do some advertising. She could only afford to do a bit so she decided to allot \$100 per month for this purpose.

Sarah also needed a business phone. That would cost her \$50 per month.

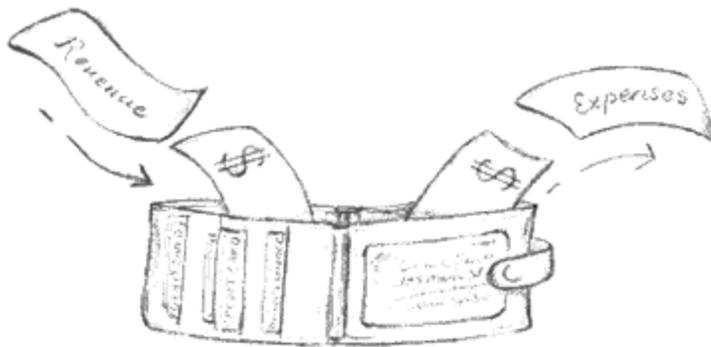
Sarah needed to pay for her personal hairdresser's license and salon registration. They were \$85 per year or around \$8.00 per month.

Sarah's property taxes were going to go up \$100 per year since she was operating a business out of her home. That was an extra \$9 per month.

Her last expense was her business insurance. She had to pay \$350 per year or \$30 per month. That meant that her expenses per month were \$397.

Sarah knew she had to pay income tax on her income. She would need a gross pay of \$1400 to have a net pay of \$1000. To bring home a net pay of \$1000 per month, she had to make \$1400 plus \$397 for expenses. That was \$1797. She had to make a lot of money to bring home \$1000.

Sarah did some quick figuring to see how many haircuts she would have to give to meet her goal. She decided that she would charge \$15 for a shampoo, cut, curl, and blow dry. At \$15 per haircut, she would have to give 120 haircuts per month. That was about 30 haircuts a week. If she worked 5 days a week, that meant 6 haircuts per day. Could she do it?



She decided that she would charge \$15 for a shampoo, cut, curl, and blow dry. At \$15 per haircut, she would have to give 120 haircuts per month. That was about 30 haircuts a week. If she worked 5 days a week, that meant 6 haircuts per day. Could she do it?

Sarah knew she only had sixty regular customers to depend on. Usually they

came at least once per month. That meant sixty haircuts per month. But, according to her goal in her business plan, she needed to make 120 haircuts per month. Could she find 60 new customers? She would have to double her customers.

Sarah knew that the senior citizen's home down the street had 40 residents. She hoped that many of the residents would come to her salon since it would be the closest. She decided to go talk to the residents. Sarah was pleased to find out that the residents were happy to hear her salon would be so close. Thirty of them said they would come to her new salon. That meant she needed 30 more new customers. Sarah decided to take the risk that the advertising would bring in the 30 new customers.

Sarah knew running her own business would be a lot of hard work, but she would enjoy working for herself. She felt confident that she had a good business plan and hoped that all would go well.

"Sarah's Business Dream" Comprehension Questions

1. According to the story, what are some characteristics of an entrepreneur?
2. What type of business is a sole proprietorship?
3. Sarah had lots of competition. What did she have to think about because of this?
4. Did Sarah feel she should do some advertising?
5. List two of Sarah's expenses. What was her highest expense(s)? (other than her own pay)
6. If Sarah makes \$1800 giving 120 haircuts at \$15 per haircut, how many haircuts would she have to give if she charged \$20 per haircut?
7. If Sarah wanted a net pay of \$1000, what would her gross pay need to be? What is the difference between the gross pay and net pay?
8. If Sarah's expenses are \$397 per month, what would they be for the year?

Reading Between the Lines

1. Do you think Sarah has a good business plan? Why or why not? If you were Sarah, would you take the risk and open the salon?
2. Have you ever thought of starting your own business? If yes, what made you choose that business? (There was a demand? It was your hobby? You felt it could make money?)

"Sarah Business Dream"
-er and -est endings

Add the -er and -est endings to each of the following words. Then write a sentence with one of the new words.

Example:

fast **faster** _____ **fastest** _____

He is the fastest runner. _____

1. hard _____ _____

2. small _____ _____

3. quick _____ _____

4. new _____ _____

5. happy _____ _____
(hint: change the "y" to "i" before adding -er and -est)

6. close _____ _____

7. big _____ _____

Starting your own Business^(*)

Starting your own business can be scary.

There are a lot of things to think about.

It is a lot of hard work.

You need to think about what your expenses will be.

There can be a lot of expenses when you run a business.

You need to think about what your profits will be.

Your profits need to be more than your expenses.

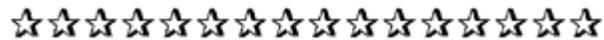
If they are not, you will not make money.

You need to think about how to advertise what you do.

Most of all, it needs to be a good business idea

Are people going to buy your items or use your services?

Is your business idea a good one?



1. Your _____ need to be more than your _____ to make money.

* For sources to this article, see [Sarah's Business Dream](#)

The information for the following story is from Grolier Inc.'s *The New Book of Knowledge*

Words to Preview			
instrument	Industrial Revolution	manufacturing	occupations
factories	unpleasant	forbidden	

The Industrial Revolution and its Effects

Can you imagine life without machines? Before the invention of machines, the world was much simpler and people lived different lives. People worked at their own pace while they made clothes, shoes, furniture, and other articles by hand.

To make clothes, thread had to be spun first with a spinning wheel. It was then woven into cloth on a hand loom. A skilled seamstress or tailor used the cloth to make beautiful and sturdy clothes. All the labour was done by hand with simple tools. This time is often called "the good old days."

Today, we live in the modern world. It all began with the Industrial Revolution. The Industrial Revolution changed the way people lived and worked. It happened very fast and the changes were great. It was called an industrial revolution since it had to do with the beginning of the use of machines to make and manufacture goods.

It may seem like large, new factories with fast water-powered machines that could produce all kinds of articles would make life easier for everybody. At first it was not so.

The lives of the workers changed a lot, and they had many problems. Some people quickly became rich. Many became poorer than before. Many skilled craftsmen were replaced by machines, but at the same time, others who were unemployed found jobs at factories.

The Industrial Revolution started in England in the 18th century. Farming and shipping were England's main occupations. Many Englishmen had made their fortune in the shipping industry. They were now ready for new ventures.

At that time in England, small farms had been taken into large land holdings so many farmers were unemployed. It was a good time for the arrival of the Industrial Revolution.

Also at that time, there was one industry that was doing very well in England. It was the spinning of thread and the weaving of cotton cloth. Because the spinning and weaving was done in the worker's own homes, it was called a "cottage industry."

The invention of faster weaving looms called "flying shuttles," and the invention of the "spinning jenny" began what is known as the Industrial Revolution. Manpower and animal power had been replaced by water-power.

Water-power was already being used to run mills, so why not use the water wheels to run the cloth factories?



The first real factories were built near rivers and streams. Workers and machines worked under the same roof with a lot of heat and noise. Life was not easy in the dark, hot, and crowded factories. People were not used to those unpleasant working conditions and the long 15-16 hour work days. To make matters worse, the machines could be operated by unskilled hands, so little children, as young as six years old, were working for more than 12 hours a day. Sadly, these working conditions lasted for many years.

England also had two great natural resources: coal and iron. Coal was used as fuel. Iron was used to make tools, weapons, utensils, and many other articles.

Inventors were plentiful in the 18th century. By the late 1700's, steam engines had been invented. They worked much better than water wheels. They

could be operated anywhere. Factories no longer needed to be near a river or stream. Steam-powered factories were set up in cities where there were more workers. Families moved from the villages to work in the cities. The steam engines made the factories hotter and more unpleasant than ever for the workers. Also, employers were quickly becoming rich while the employees were paid poor wages.

By the end of the 18th century, the law stepped in and conditions slowly improved. Laws were passed to forbid the employment of young children and also to shorten the work days.

It took a long time for the Industrial Revolution to cross the Atlantic Ocean and come to America. The old-fashioned spinning wheels were still being used by women in America.

English laws had forbidden the sale of English machines to Americans. Inventors and craftsmen were forbidden to settle in the United States.

However, the cloth industry did come to America from England. A kind and daring Englishman named Samuel Slater arrived in New York in 1789. He knew how to build and run a cloth factory.

In Rhode Island, Samuel built a whole factory of machines that worked as well as those in England. Samuel was a good man, and he made sure that the working conditions in his factories would never be as terrible as those in his homeland.

For a long time, only water-power was used in the factories in the United States. Steam engines were used for transportation. Because the country was so large, steamboats and railroads were badly needed. Many people were going West to farm the rich soils.

Steam-powered factories only became common in the United States in 1860. Many Americans worked in the factories. The United States became totally industrialized by the last part of the 19th century. Soon it led the world in machine manufacture.

"The Industrial Revolution and its Effects" Comprehension Questions

1. What was the Industrial Revolution? Where and when did it start?
2. What was a "cottage industry"?
3. Near what were the first factories built?
4. What were the conditions like in the first factories?
5. Why did factories set up in the cities?
6. Why did it take a long time for the Industrial Revolution to come to America?
7. When did steam-powered factories become common in the United States?

Reading Between the Lines

1. What does the expression "the law stepped in" mean?

"The Industrial Revolution and its Effects" Interrogative Sentences

Interrogative sentences are sentences that ask a question. Change the following sentences so that they ask a question instead of making a statement.

1. The Industrial Revolution started in England.

2. The factories were hot and dark.

3. Samuel Slater started a factory in Rhode Island.

4. The first factories were built near rivers.

5. Farming was one of the main industries.

6. Craftsmen were forbidden to settle in the United States.

7. Some employers were becoming rich.

8. The employees were paid poor wages.

9. Families moved from the villages to the cities.

The Industrial Revolution^(*)

Many years ago, every item was made by hand.

This was before the invention of machines.

The Industrial Revolution was when machines started being used.

A lot of people got jobs in factories working with machines.

A lot of people also lost jobs since they were replaced by machines.

The factories were hot.

The people worked long hours in the factories.

The people got poor pay for their work. Even young children worked in the factories.

Things got better after a while.



1. The Industrial Revolution was when _____ started being used.

1. A lot of people got jobs in _____ working with machines.

^{*} For sources to this article, see [The Industrial Revolution and its Effects](#)

The information for the following story is from James D. Thexton's *Made in Canada: economics for Canadians*, Canadian Bankers Association's *The Economy and You*, and the following Internet sites accessed 10/10/01:

<http://www.bized.ac.uk/stafsup/options/notes/econ216.htm>

<http://www.investopedia.com/university/inflation/default.asp>

<http://www.statcan.ca/english/Pgdb/Economy/Economic/econ09d.htm>

Words to Preview		
quality	consumer	accurate
average	increased	column
stability	deflation	multiply

Inflation and Deflation

We have all noticed that the prices of things have increased over the years. This change in prices is called inflation.

For the past twenty years in Canada, prices have risen about three to four percent per year. At this rate, a bag of chips that cost \$1.00 this year will cost \$1.03 or \$1.04 next year.

What causes inflation? When people buy a lot of goods, the demand gets greater. At times, the demand is too big and there are not enough goods. This makes the prices go up. Sometimes the cost of producing an item rises, so the price rises too.

The rate of inflation is figured by using the Consumer Price Index. The Consumer Price Index (CPI) was started in the early 1900's. The prices of 600 items such as foods, fuel, and rent in 60 cities were collected. Every month, the prices of the items are collected again. The amount and quality of the items stays the same, so the chart shows accurate prices increases.



See the Consumer Price Index for Nova Scotia below.

Nova Scotia	1996	1997	1998	1999	2000
1992 = 100					
All items	105.6	107.8	108.5	110.3	114.2
Food	106.5	108.4	110.5	111.4	113.1
Shelter	104.1	105.7	104.7	106.6	114.2
Household operations & furnishings	106.2	105.5	107.2	108.1	108.3
Clothing & footwear	103.0	109.3	109.6	113.8	113.0
Transportation	114.9	119.1	118.2	121.2	128.3
Health & personal care	102.7	104.7	106.9	108.6	109.8

Adapted from Statistics Canada's Internet Site,
<http://www.statcan.ca/start.html> , October 11, 2001

So what do all those numbers mean? In this chart, 1992 was the time base which means that all the prices are compared to those in 1992. Let's see how much the price of food rose between 1992 and 1996. The chart says that 1992 = 100. If you look in the 1996 column and find the row for food, you see that the number is 106.5. Then use the following math formula. Divide the most recent number by the oldest number, ($106.5 \div 100 = 1.065$) then multiply by 100 ($1.065 \times 100 = 106.5$) and subtract 100 ($106.5 - 100 = 6.5\%$) and you will find that the prices of food rose 6.5 percent between 1992 and 1996. This means that, on average, your \$100 grocery bill in 1992 cost \$106.50 in 1996.

How much have the prices of clothing and footwear risen between 1996 and 2000? This one is a little harder. Look in the 1996 column and find the row for clothing and footwear. The number is 103.0. Look in the 2000 column and find the row for clothing and footwear. The number is 113.0. Divide the most recent number by the oldest number, ($113.0 \div 103 = 1.097$) then multiply by 100 ($1.097 \times 100 = 109.7$) and subtract 100 ($109.7 - 100 = 9.7\%$) and you will find that clothing and footwear rose an average of 9.7% between 1992 and 1996. At that rate, a \$100 jacket in 1996 cost \$109.70 in 2000.

How does inflation affect us? If our wages don't increase as quickly as inflation, we can't afford to buy as many products as in the past. This makes it very hard for people living on a fixed income. That is why Old Age Security pensions are changed according to the Consumer Price Index.

Often when inflation occurs, interest rates go up. Lenders increase the interest rates since they are repaid with money that is worth less as time goes by.

Sometimes prices go down. If you look at the chart again, the cost of shelter in Nova Scotia dropped one percent between 1997 and 1998. When prices overall go down, this is called deflation.

When the prices overall stay the same over time, this is called price stability.

The rate of inflation or deflation every year is uncertain. From 1953 to 1965, the average yearly rate was only one and a half percent. But from 1973 to 1982, the average inflation rate was about nine percent. However, there is one thing that is certain. As long as there is inflation, people will have to try to make more and more money to buy the goods they want and need.

"Inflation and Deflation" Comprehension Questions

1. What is inflation?
2. Name one cause of inflation.
3. What does the Consumer Price Index show?
4. Looking at the chart in the story, has the price of shelter increased or decreased between 1996 and 2000? By how much? (Don't forget your math formula.)
5. Why do interest rates increase when inflation occurs?
6. When prices go down overall, this is called what?

Reading Between the Lines

1. Do you feel that your family's wages have increased at the same rate of inflation in Nova Scotia during the past four years?

"Inflation and Deflation" Percentages

1. If there is 15% tax on a \$10.00 hat, how much tax will you pay?
A) \$15.00 B) \$1.50 C) 15¢ D) 1.5¢
2. The cost of broccoli is 70 cents. You know that the price is going to rise 20%. What will the new cost of broccoli be?
A) 89¢ B) 88¢ C) 94¢ D) 84¢
3. At store Y, the cost of chicken is \$3.00 per pound. The price is 15% cheaper per pound at store X. What is the cost per pound at store X?
A) 45¢ B) \$2.50 C) \$2.45 D) \$2.55
4. A frying pan is \$15.00. There is a defect, so it is marked down 20%. What is the cost of the frying pan (before tax)?
A) \$12.00 B) \$3.00 C) \$13.00 D) \$12.50
5. You pay \$10.00 for a pizza at the pizza shop. You can get a second pizza for 30% off. What is the cost of the second pizza?
A) \$7.00 B) \$7.10 C) \$3.00 D) \$7.50
6. The regular price for cookware is \$150.00. If they only charge you \$75.00, you got the cookware at:
A) 35% off B) 50% off C) 40% off D) 60% off
7. You got a discount card from a children's clothing store. You get 35% off all clothing. What will you pay for a snowsuit with a regular price of \$75?
A) \$26.25 B) \$26.00 C) \$48.75 D) \$50.00

Inflation^(*)

Over the years, the prices of things have gone up.

This change in prices is called inflation.

The rate of inflation changes.

Some years it is at a higher rate than others years.

Sometimes the cost of making something goes up.

This makes the cost of the item go up.

Sometimes there is a big demand for an item.

This makes the prices of the item go up.

Sometimes the prices of items go down.

This is called deflation.



1. When the prices of things go up, the change in prices is called _____.
2. When the prices of things go down, the change in prices is called _____.

* For sources to this article, see [Inflation and Deflation](#).

The information for the following story is from James D. Thexton's *Made in Canada: economics for Canadians*, Canadian Bankers Association's *Your Guide to Financial Services*, Investors Group's *Starting Out*, and the following Internet site accessed 11/05/01: <http://www.insurance-canada.ca/>

Words to Preview		
protect	agent	amount
permanent	unexpectedly	disability
mortgage	premium	destroyed
possession	expenses	

Do you need Insurance?

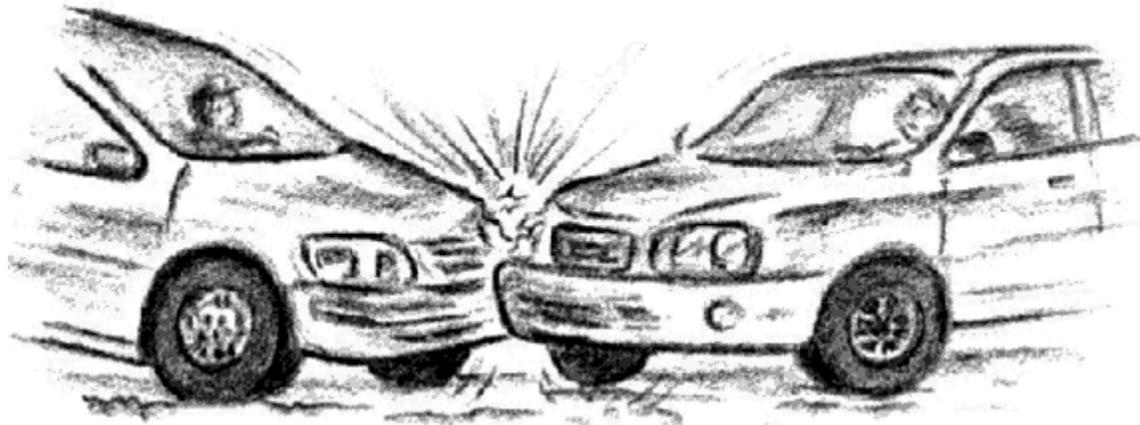
Most people feel the need to have some insurance. Some people want to protect their families if they die, so they buy life insurance. Some people want to protect their cars and homes, so they buy auto and home insurance. What kind of insurance do you need or have?

Insurance can be bought through providers. Four main providers are brokers, agents, direct sellers, and group plans.

Brokers shop to get the best insurance prices for you. They deal with more than one insurance company, so they are able to get good prices.

Agents sell insurance from one insurance company only.

Many of us have gotten phone calls from different companies offering insurance. These are direct sellers. These are similar to agents except they sell the insurance from call centres.



If people are lucky, they are able to get insurance from work through group plans. This insurance usually costs less money since it is bought in large amounts.

There are many types of insurance. People who get a loan at the bank can get life and disability insurance on the loan. With this insurance, the loan is paid off if they die. If they become disabled, the insurance covers the loan payments for a certain amount of months.

One reason that people buy life insurance is to make sure that their families have money if they die unexpectedly. This is very important for families with young children.

There are two types of life insurance. They are term insurance and permanent insurance.

Term insurance covers people for a certain amount of time. When they stop paying the payments or premiums, they are no longer covered.

Permanent insurance covers people for their whole lives. Part of the premiums pays the insurance and part goes into a savings fund for the insured person.

When people travel outside of Canada, they sometimes get travel insurance. If someone gets sick and needs medical care outside of Canada, it costs a lot of money. Travel insurance pays these expenses if they occur.

If a person owns a home, it is a good idea to have home insurance. Home insurance covers a person's home in situations like fire or theft. Homes are very big investments and cost a lot of money. It would be very scary to still have a mortgage to pay on a home that was destroyed by fire!

Insurance is a great way for people to protect their possessions and families. By buying the right insurance, people can have peace of mind knowing that they are protected against the loss of their homes, cars, and, most of all, that their loved ones will be protected if they can't be there to look after them.

"Do you need Insurance?" Comprehension Questions

1. Name two of the four main providers of insurance.
2. Which insurance provider sells insurance from a call centre?
3. Why does insurance through group plans cost less money?
4. What is one reason why people buy life insurance?
5. What type of expenses would travel insurance pay?
6. Why is home insurance important?

Reading Between the Lines

1. Do you think that one kind of insurance is more important than the others? (auto, life, house, etc.) Why or why not?

"Do you need Insurance?"
Hard and soft "c"

The letter "c" can make two sounds - a hard sound and a soft sound. The letter "c" has a hard sound in words like "car" and "cat." The letter "c" has a soft sound in words like "cent" and "face."

Circle the words with the hard "c" sound.

centre	company	cost
cover	insurance	call
Canada	can	peace
certain	car	care

"M" or "N"

Fill in the blanks with "m" or "n."

__eed	insura__ce	__ain
age__t	co__pany	o__ly
si__ilar	ce__tre	fu__d
__oney	a__ount	loa__
ba__k	ca__	ter__
certain__	pay__ent	__edical

Insurance^(*)

There are different types of insurance.

Life insurance protects your family if you die.

Car insurance protects your car if you have an accident.

Home insurance protects your home in case of fire.

You can get insurance on your bank loans.

You can buy insurance from an insurance company.

You pay premiums for the insurance.

Premiums are the amounts you need to pay for the insurance.

It is good to shop around for the best buy on insurance.



1. You can get insurance on _____ and _____.
2. _____ are the amounts you need to pay for insurance.

* For sources to this article, see [Do you need Insurance?](#)

The information for the following story is from Investors Group's *Starting Out* and the following Internet site accessed 10/27/01: <http://www.royalbank.com/online/>

Words to Preview		
quote	option	calculations
disability	insurance	variable
qualify	obtained	

The Loan

Sarah and Andrew Smith sat down to have a talk. They needed to talk about fixing the leaky roof and the windows in their home. They were worried since they didn't have the money for the repairs. They knew they needed to go to the bank for a loan.

The next day, they met with the loan officer at the bank, Mr. MacKay. They told Mr. MacKay that they needed a loan to fix their leaky roof and windows. Sarah and Andrew had obtained a quote on the cost and knew they had to borrow \$5000. They wanted a loan for 5 years or 60 months.

Mr. MacKay said, "You have three loan options. One is a fixed-rate loan. With a fixed rate loan, you know in advance what the interest rate is and it does not change." He did a few calculations. "The interest rate on a fixed-rate loan is now 12.5%. Your monthly payments will be \$113 per month for 60 months. If you want a protected loan, your payments will be \$117."

"What is a protected loan?" asked Andrew.

"A protected loan means you have life and disability coverage on one of you - whoever you decide. If you decide to cover Andrew, your loan would be paid off if he died. If he became disabled, the insurance would cover the loan for a maximum of 60 months, if he remained disabled that long," answered Mr. MacKay.

"That's something we would have to think about," said Sarah. "How much interest would we pay over the 5 years on the fixed-rate loan?"



Mr. MacKay looked at his paper and said, "You would pay the bank \$1749.39 in interest over 5 years with a fixed-rate loan."

"So what is our next option?" asked Andrew.

"The next option is a variable-rate loan. The interest rate on a variable-rate loan is now 9%. But the rate can change - it can go down, but it can also go up. If you pick this loan, you are taking a chance since the rate could go up," said Mr. MacKay.

Mr. MacKay did some calculations. "At the 9% rate, your payments would be \$108 for a protected loan and \$104 for an unprotected loan. You would pay around \$1230 in interest in 5 years. But remember, that can change with the interest rate."

Sarah and Andrew felt that it was a hard decision.

"Didn't you say there were three options?" asked Sarah.

"Yes," said Mr. MacKay, "if you qualify for a line of credit, that may be your best option since it is a small loan. A line of credit is a type of variable-rate loan. The interest rates on a line of credit can change - go up or down - but the rate is lower. It is now 7.75%. If you are approved, you can use your credit line for any big purchase, without coming to see us again."

"If we are approved, what would our limit be?" asked Andrew.

"Most credit limits start at \$5000. They can be higher. It depends on your past credit," said Mr. MacKay. "Maybe you should apply for one. If you get approved and don't want to use it, you'll always have it anyway."

"Good idea," said Sarah and Andrew. They now had to go home and decide what was the best option for them. At least they knew what their loan options were.

"The Loan" Comprehension Questions

1. What are Sarah and Andrew's three loan options?
2. What is a protected loan?
3. What was the interest rate on the fixed-rate loan? According to the loan officer in the story, how much interest would they pay in 5 years with this loan?
4. What was the interest rate on the variable-rate loan? How much interest would they pay in 5 years with this loan if the rate stayed the same?
5. What is a line of credit?

Reading Between the Lines

1. If you were Andrew and Sarah, which loan option would you choose? (Assume that they got approved for their credit line.)

"The Loan" Pronouns

Pronouns are words that replace nouns. Some examples of pronouns are *he*, *she*, *it*, *them*, and *they*.

Fill in the blanks with a correct pronoun.

1. Sarah went to the bank. _____needs a loan.
2. Sarah and Andrew went to the bank. _____ need a loan.
3. A loan would give them money they needed. _____was a good idea.
4. Sarah and Andrew spoke to Mr. MacKay. _____told them their options.
5. Mr. MacKay told Sarah and Andrew their options. He told _____ the best option too.
6. Sarah and Andrew were going home to think about their options; then _____ would decide what to do.
7. Andrew liked their options. _____ told Sarah he liked their options.
8. A credit line is a type of variable-rate loan. _____ has a lower interest rate.
9. Sarah and Andrew got a quote on what it would cost. _____ would cost \$5000.
10. Sarah said the roof was leaking. _____ said they needed to fix it.
11. Sarah and Andrew got the money. _____ were going to use it right away.

Loans^{*)}

Some people borrow money from the bank.

This is called a loan.

A mortgage is a house loan.

Some loans are for a bit of time and some are for many years.

Interest is money charged on the loan.

You need to pay back the loan, plus interest.

People get loans for many things.

Some things are cars, houses, and trips.

You have to make sure your loan is not too big for you to pay back.

You do not want your payments to be too high.



1. A _____ is a house loan.
2. People get loans for _____.

* For sources to this article, see [The Loan](#)

The information for the following story is from Grolier Inc.'s *The New Book of Knowledge* and *Reading in the Content Areas: Social Studies*.

Words to Preview			
advertising	knowledge	independent	convenience
accepting	impulse	manufacturer	competition

What is Marketing?

When a person buys or sells something in a market, it is called marketing.

A market is any place where buyers and sellers meet in order to exchange goods and services. The acts of advertising, selling, shipping, and storing are all included in marketing.

Shoppers can save time, work, and money with careful planning and knowledge about marketing.

Most food is sold through supermarkets, chain stores, or small privately owned stores. Foods are also offered for sale in marketplaces. A marketplace is an open area or a building where goods are often sold by many independent merchants. Large supermarkets buy food in huge quantities. It often makes it possible for them to sell their products at a lower price than the small stores.

Small convenience stores often provide services that larger stores cannot provide. Small stores may be open on Sundays or holidays. They may provide services such as accepting, charging, and delivering phone orders to customers.

Everything in a supermarket is designed to sell. It is not by accident that things are placed a certain way on the shelves. Everything has been carefully planned long before you ever stepped foot into the market.

Let's face it, the supermarket is a selling machine! Manufacturers and store owners work together to influence customers to buy more than they had planned when they left home. Their aim is to have as many impulse sales as possible. But if customers are aware of the trap behind the attractive, well-stocked shelves, they can save a lot of money.

Billions of dollars are spent every year by manufacturers and food companies to influence your buying. Much of that money goes into advertising. Companies rely on advertising to help their sales.

Every package is also designed a certain way to sell. Manufacturers use packaging as advertisement. An attractive package usually sells better. The use of bold colors and lettering and claims such as "new and improved" advertises something about the product. A package with gold lettering looks elegant while a package in plain brown paper adorned with natural twine gives it a homemade look.

Manufacturers hope for greater sales by updating their packaging with a new look from time to time. It usually works.



The placement of items on shelves and signs and displays play a role on sales. Items placed at eye-level sell better than those that occupy higher or lower shelves because of their placement. Often these items give the store the greatest profits. They are usually gourmet foods, store brand products, and other items of value. The products you would normally buy and are necessities, such as flour and sugar, are usually placed on lower shelves.

Special displays are usually placed in high traffic areas to attract more sales. Certain departments, such as meat, dairy, and produce usually make more money for the store than regular groceries, even though the cost of stocking them is greater. Their location on the perimeters of the stores increases sales because their locations are high traffic areas.

Supermarkets lure people into the store by advertising specials on high demand items. It attracts customers who will likely buy other items as well. Many supermarkets carry not only food from all parts of the world, but also housewares, cosmetics, medicine, gifts, clothes, and much more. People find this one-stop shopping very convenient.

Once you've been lured into the supermarket, the supermarket must keep you there for a while. The aisles and shelves must be well planned and convenient, or the customers would go to other stores.

The store has devised ways to lead you to their products.

- Specials are placed in the area where you enter. The store wants to give you a good impression as soon as you step through the automatic doors.

- Often the store bakery is located near the entrance where the shoppers get the nice smell of pastries and breads as soon as they enter.
- The produce department is always nicely displayed and kept fresh looking. Shoppers buy many fruits and vegetables on impulse.
- Many specials are placed at the end of the aisles; however, some items at the end of the aisle are not on sale. It fools the customers because many shoppers assume that all items at the end of the aisles are lower priced.
- The milk is put in the back of the store so that shoppers can pass many products along the way. The width of the aisles is carefully measured so that customers have enough room, but not too much. The store wants to encourage shoppers to pick items from both sides of the aisles.
- Many products are scattered around the store, whether they are high profit items, sale items, or popular products. The same item may be displayed in different parts of the store. The customer who resisted buying the first time may not resist the next time. Island displays also allow customers to buy from all sides.
- The supermarket takes advantage of the check-out counter where everybody has to stand. The store gets many impulse sales on candy, gum, magazines, and many small items at the cash register. A mother is almost always going to buy candy for an impatient child when there's a long line-up of customers.

There are ways of saving money at the supermarket. One way is by buying store brands. It is not only a good deal for you but also for the store. Popular high-priced brand name products usually bring less profit for the store since they usually sell them near their own cost. Supermarkets often make a higher profit on store brand products because they are free of competition from other supermarkets.

Selling is an art but so is buying. The more customers know about marketing, the more they will resist sale gimmicks. But the supermarket also knows a lot about its customers since scanners and computers give them valuable information about what they buy. But if customers keep their eyes open to what is going on, they can be as clever as the supermarket is.

"What is Marketing?" Comprehension Questions

1. What is a market?
2. Why do manufacturers and food companies spend a lot of money on advertising?
3. Why are products like flour and sugar placed on lower shelves?
4. Why are specials placed in the areas where you enter?
5. Why is milk put at the back of the store?
6. What gives supermarkets valuable information about what their customers buy?

Reading Between the Lines

1. What are impulse sales? Do you make many impulse purchases?

"What is Marketing?" Exercise

Visit your local supermarket and check for the following things. Do this exercise individually or as a class trip. Discuss your findings with your instructor or other class members.

1. Are there specials placed in the area where you enter?
Comments: _____
2. Is the store bakery located near the entrance?
Comments: _____
3. Is the produce department nicely displayed and fresh looking?
Comments: _____
4. Are there specials placed at the end of the aisles? Were some of the items at the end of the aisles not on sale?
Comments: _____
5. Is the milk at the back of the store?
Comments: _____

6. Are the aisles big enough to give you room but small enough so you can reach items on both sides of the aisle?
Comments: _____
7. Do you see some of the same items scattered around the store?
Comments: _____
8. Are there candy, gum, magazines, and many small items at the check-out?
Comments: _____

Marketing^(*)

Marketing is buying and selling something in a market.

A market is a place where people meet to buy and sell items or services.

It is important for shoppers to know about marketing.

Every item in a store is placed a certain way for a reason.

For example, milk is at the back of most stores.

This is so you need to walk through the whole store to get it.

Store owners hope that you will pick up more things as you walk through.

Impulse items are placed at the cash register.

Impulse items are things you buy without planning to, like gum and candy.

Scanners and computers give the store owners information about their shoppers.

They can find out what their shoppers buy.

This affects the way they do their marketing.



1. Marketing is _____

2. A market is a place where _____

^{*} For sources to this article, see [What is Marketing?](#)

The information for the following story is from Grolier Inc.'s *The New Book of Knowledge* and Gail Vaz-Oxlade's *The Money Tree Myth*.

Words to Preview			
civilization	neighbor	successful	nourished
surplus	property	valuable	weighed
convenient	Chinese		

The History of Money

It is hard to imagine living in a world without money. But money didn't always exist. Early civilization had no such thing as money. So how did people manage their affairs in those days?

Throughout history, money has undergone many changes. Money didn't begin as metal coins or paper bills. Before the invention of money, people had to figure out a way to get the things they needed or wanted. So people began trading with each other. This method of exchange is called barter. The word "barter" means "to trade." Barter was a simple method of trading something that was not needed for something that was needed.

For example, perhaps a man was a very good farmer who grew more vegetables than he could use. His neighbor, a successful fisherman, might have had a big catch of fish. Both men had more than their families could use. Both men soon realized that by trading their surplus, their problems were easily solved. Both families were better nourished and happier. This simple age-old barter system is often still used today. When a friend trades something with another friend, he is using barter to obtain what he needs.

Labor was also exchanged. For example, a skilled carpenter helped a friend build a barn. In exchange, the barn-owner used his strong oxen to haul heavy rocks for the carpenter's new well.

But this primitive form of trading also had its problems. Maybe the successful fisherman couldn't find a farmer with a surplus of vegetables. Maybe he was living next door to a shoemaker. The fisherman's children may have needed shoes, but the shoemaker might have thought that fish was not a fair trade.

What began as simple barter became harder. People couldn't decide which goods or services had the most value. As times changed, the barter system no longer worked. People started looking for something else.

Cattle was used as one of the earliest forms of money. Wealth was measured by the amount of livestock a man owned. His livestock was called "capital." Capital is property or things that a person owns.

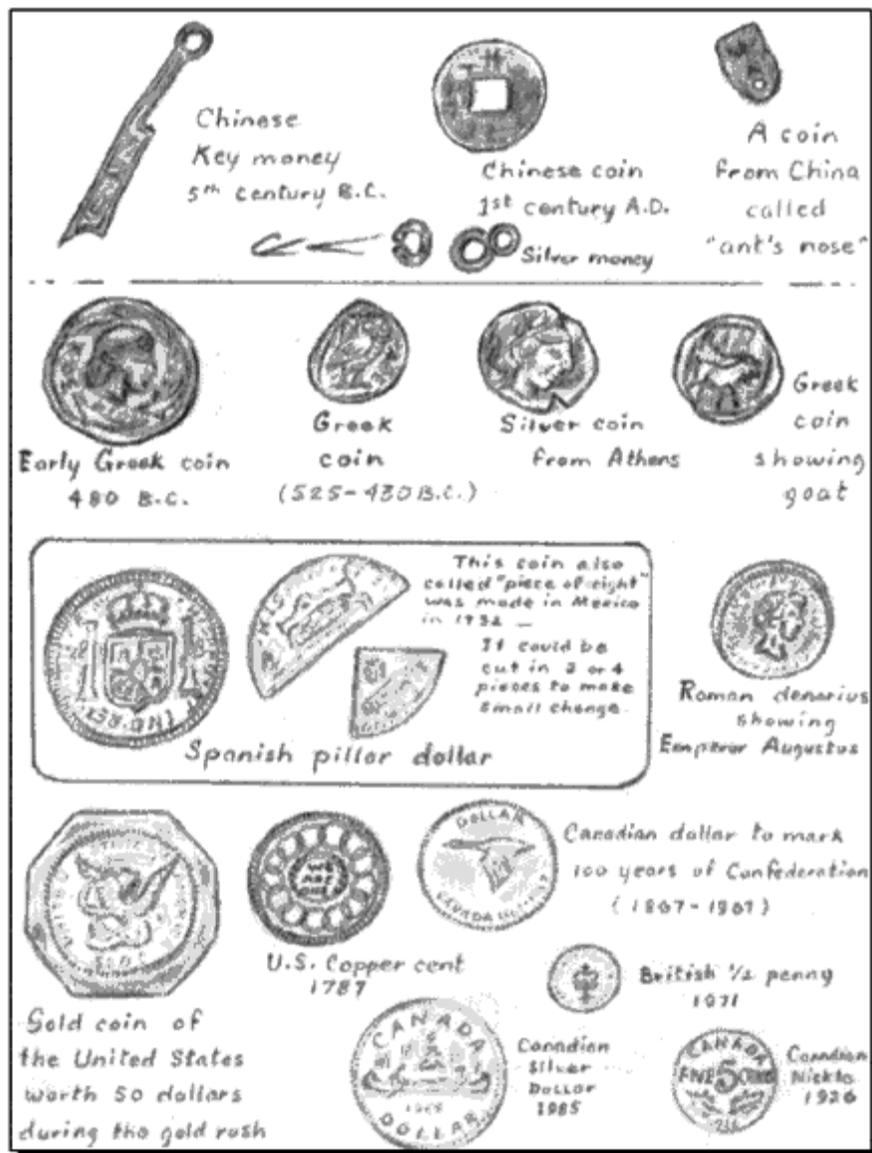
Other forms of exchange, such as grains and salt, soon came into use. They could be easily weighed, stored, and transported. Sometimes Roman soldiers received salt as payment.

Salt was scarce, therefore it was valuable. The word "salary" comes from a Latin word which means salt money. Even today, salt is used as money in some parts of Africa.

Many hundred of years passed and again people's needs changed. People needed a better means of exchange. Money was then invented out of need.

In earlier times, many different objects were used as money. People used small stones, colored beads, sharks' teeth, shells, feathers and even braids of hair. It would not be convenient today to cut your daughter's pigtails to buy a dozen eggs.

Animals skins, tobacco, and many other objects were used as money by early American colonists. People in Alaska used fish hooks as money.



The people who lived in the island of Yap in the Pacific Ocean used to carve stone wheels to use as money. They weighed more than 500 pounds. Can you imagine carrying one of these in your pocket?

After many years, small lumps of metal such as copper, iron, silver, and gold were used as money. Silver and gold were most often used because they were rare and therefore had more value.

In time, the metal was made into shapes, weighed, and stamped with images. They were beginning to look like the coins we use today. It is known that the Romans used metal coins similar to those we use today more than 2,000 years ago.

Because bags of coins were heavy and hard to carry around, paper money was invented. Paper bills were also called notes. Small amounts of paper bills had equal value to many bags of heavy metal coins. It was a better means of exchange.

It is believed that as early as the 10th century, the Chinese were printing paper money. In the 13th century, Marco Polo, an Italian explorer, came across paper money in China. But it was not until international trade began to grow rapidly in the 17th century that paper money came into common use.

At first, paper money was not accepted in many nations. People did not trust it. Many people did not accept the new bills at face value and kept their coins. However, when people understood that the paper bills stood for valuable metal, it became accepted and widely used. Today, paper money is used throughout the world.

"The History of Money" Comprehension Questions

1. How did people solve their "needs and wants" in the olden days?
2. Name two of the four metals that were used to make coins.
3. Why did the barter system stop working?
4. List three objects used as money in earlier times.
5. Why wasn't paper money accepted at first in many nations?

Reading Between the Lines

1. Do you think the barter system would work well today? Why or why not?

"The History of Money" True or False

Circle the correct answer.

1. The barter system was an early form of trade. True or False
2. Sometimes the barter system is still used today. True or False
3. Money was first invented for decorations. True or False
4. A note is the same as a paper bill. True or False
5. Paper money was in use before metal coins. True or False
6. At first, people in many nations trusted paper currency. True or False
7. The word "salary" comes from a Latin word which means pepper money. True or False
8. In the early days a man's wealth was measured by the amount of livestock he owned. True or False
9. Sometimes the Roman soldiers were given salt as payment. True or False

Money^(*)

There was a time when money did not exist.

People traded or bartered to get what they needed.

They would trade something they had for something they needed.

This stopped working since things had different values.

Items were then used for money.

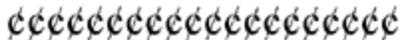
Sometimes salt was given as pay.

Stones, shells, and feathers were also used as money.

Later, metal was used for money.

Over time, the metal pieces started to look like today's coins.

Paper money was invented later since coins were heavy.



1. People traded or _____ to get what they needed.
2. _____ was used as money.

* For sources for this article, see [The History of Money](#).

Words to Preview

mysterious
favorite

quarter
concept

especially
delicious

Money Well Spent

I was still a young child in the early 1950's, but this day remains in my mind.

It was a warm, sunny day in mid-August. My family and I had been awaiting this special day for a very long time. It almost seemed like an eternity.

Finally the time arrived to leave for the annual county fair. Everybody would be there.

Earlier that day I had noticed that my father had a mysterious look on his face. I wondered what he was up to. Soon the mystery in his eyes turned into a smile as he handed me a quarter. "This is for you to use at the county fair, Ann."

"A quarter," I exclaimed. A whole quarter and all for me! I gazed at this shiny, new coin.

I slipped my precious piece of silver into my pocket and off I went. The fair was already busy. There were so many places I could spend my quarter.

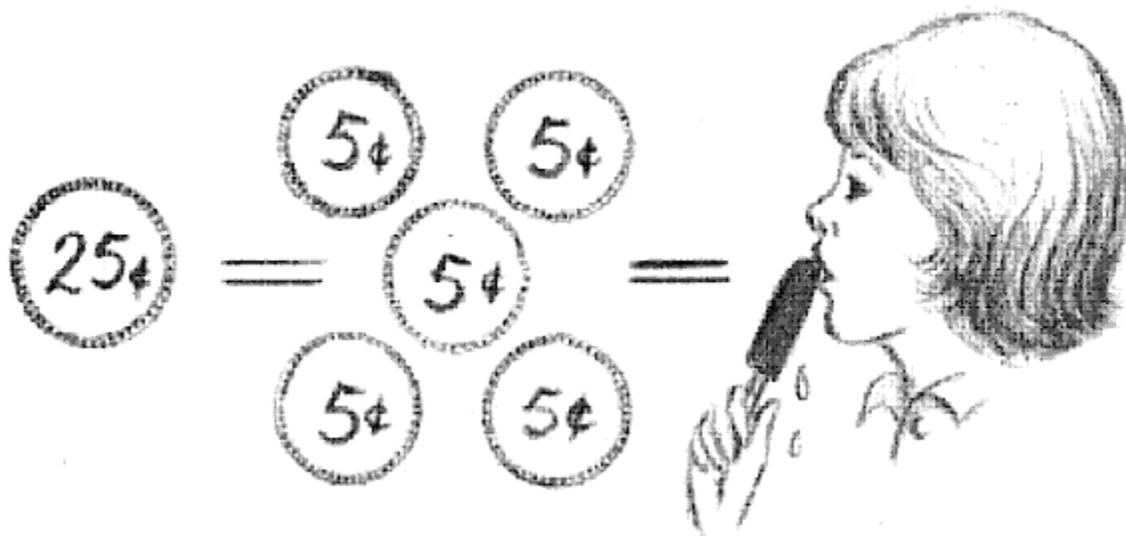
I headed for the booth where they sold cotton candy, but first I had to pass a table where popcorn was for sale. I picked up a box and read, "A prize in every box." I was tempted to buy a box, especially when my friend showed me the nice, little ring she had got from her box of popcorn. I put down the box of popcorn and picked up a box of Cracker Jacks. They looked delicious. Should I spend 5¢ on a box of popcorn with a prize or 10¢ for Cracker Jacks with no prize? I decided to buy neither one when I spotted the ice cream booth.

I was about to purchase a 5¢ scoop of my favorite three-flavour ice cream when I suddenly saw something new. What was that little, square chocolate something on a stick? It was something I hadn't seen before. "These are called fudge sticks," the lovely sales lady said with a smile.

My decision was made. "One fudge stick please," I told the lady. I handed her my quarter. I was not disappointed when I licked that delicious frozen fudge for the first time. I admired the two dimes she passed back to me -- twenty cents.

I could buy a lot of peppermints with twenty cents. At three peppermints for 1¢, that would make...let's see...a lot of peppermints! There were no peppermints anywhere. I wondered whether I should keep 5¢ to buy fifteen peppermints at the little store across from the school. I would decide later.

I handed over one of my dimes to the smiling lady at the ice cream booth, and she gave me a second fudge stick. She gave me a nickel in change.



I walked through the exhibits area and looked at all the vegetables. I spent many hours weeding our family's garden. The vegetables that we grew helped save money for the family. I did a lot of chores for the family, so I felt that I had worked hard for the quarter my father had given me.

I went and bought myself a third fudge stick.

I still had a dime left and three little wooden sticks. I met a friend from school and bragged about my quarter. She bragged about her dollar. I couldn't believe that she had gotten a dollar. She was an only child, so her father had given her a dollar. My father had given seven of his children a quarter. He had given \$1.75. That was more than a dollar.

I was beginning to understand the concept of money and how it affected families. I felt proud that my father had given more to the county fair than my friend's father.

Later that afternoon, I met my friend again. She had never heard of the fudge sticks. I showed her the way to the ice cream booth and soon we were both eating a fudge stick.

I wondered what I should buy with my last nickel. The popcorn with a prize in every box was tempting. I could buy a scoop of my favorite three-flavour ice cream...or I could save my nickel for another day to buy fifteen peppermints.

Maybe I would buy just one more fudge stick to enjoy as I walked home.

"Money Well Spent" Exercise

- 1.a) Economics is the study of how people spend their money on their wants and needs. What were the author's wants? What were the costs of each of her wants?

Wants:

Cost:

- 1.b) What did the author decide to buy?

2. The story is about one person. This person is the main character. Identify the main character.

3. The place where the story takes place is called the setting. What is the setting of the story?

"Money Well Spent" Adjectives

Adjectives are words used to describe people, places, or things.

Example: We drove the car on the wet road. *Wet* is an adjective that describes the road.

Underline the adjectives in each sentence.

1. It was a warm, sunny day in August.
2. I had been awaiting this special day.
3. My father had a mysterious look on his face.
4. I gazed at this shiny, new coin.
5. I slipped my precious piece of silver into my pocket.
6. My best friend showed me the nice, little ring.
7. What was that little, square chocolate something on a stick?
8. I was not disappointed when I licked that delicious frozen fudge for the first time.
9. "These are called fudge sticks," the lovely sales lady said with a smile.
10. It was a tasty box of popcorn.

The information for the following story is from James D. Thexton's *Made in Canada: economics for Canadians*.

Words to Preview		
monopoly	oligopoly	illegal
patent	cartel	combine
homogeneous	differentiated	competition

Monopoly and Oligopoly

Markets

Markets are any type of business or situation that brings sellers and buyers together. There are different types of markets. Two kinds of markets are monopolies and oligopolies.

Monopoly

One type of market is a monopoly. With a monopoly, there is only one company that produces the goods or provides the service. One example is your local electric company. Usually there is only one electric company that you can get electricity from. When a company has a monopoly, they have a lot of control on the price of their goods and services.

Sometimes the government makes it illegal for more than one company to offer services or produce certain goods. This is called a legal monopoly. One example of this is an inventor getting a patent for an invention. Only he can produce and sell his invention.

Another type of monopoly is a cartel or combine. Cartels are formed when a group of producers get together to limit competition by doing things like fixing the price of their goods. Cartels are illegal.

Oligopoly

Another type of market is an oligopoly. With an oligopoly, a few producers make most of the goods. One example is the automobile market. There are only a few companies that make automobiles.



One type of oligopoly is a homogeneous oligopoly. With a homogeneous oligopoly, the goods are nearly identical. For example, gasoline made by two different companies is nearly identical.

Another type of oligopoly is a differentiated oligopoly. With a differentiated oligopoly, the items are similar. One example is breakfast cereal. All breakfast cereal is similar, but they are not identical.

Let's test your understanding of monopolies and oligopolies. For each of the following, decide whether they are a monopoly or oligopoly. Discuss each with your class or instructor.

1. Local electrical service _____
2. Tire market _____
3. Steel market _____
4. Local phone service _____
5. Copyright on a book _____
6. Milk market _____
7. Only water company in a town _____
8. Only bus service in a city _____
9. Paper market _____
10. Only store in a town _____

The information for the following story is from James D. Thexton's *Made in Canada: economics for Canadians* and Gail Vaz-Oxlade's *The Money Tree Myth*.

Words to Preview			
corporation	investment	mutual	valuable

Mutual Funds

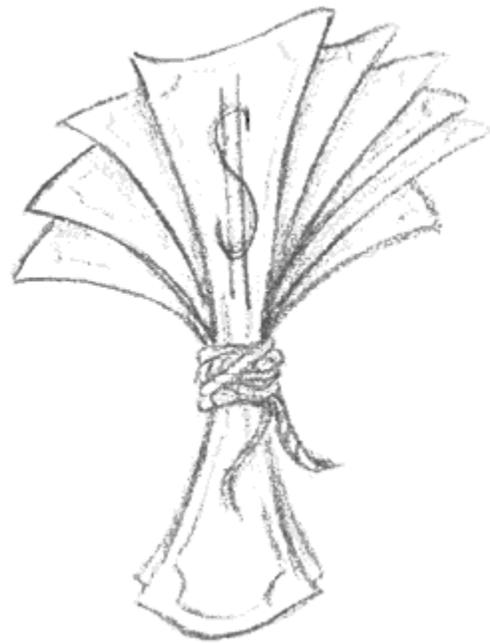
Many people who make money want to use their money to work for them. In other words, they want their money to make more money.

One way to make money is to lend your money to a bank, the government, or a corporation where you will be paid interest on your money.

Another way is by investing your money. There are many different investment options. One investment option that is becoming popular is mutual funds.

A mutual fund is also called an investment fund. It is a large sum of money which has been pooled or gathered together by thousands of investors. It is then invested in many different investments. This makes investing less risky, since you are spreading your money over many stocks.

Investors actually own the mutual fund. The investors get a share of the money produced by the mutual fund. The investors are part owners of a company. For example, if you buy one of 1,000,000 shares of a company, you own 1/1,000,000th of that company. When you become an owner, you are taking a risk that the company will do well and your shares will become more valuable. Fund managers buy and sell the investments in the mutual funds.



The value of the funds goes up and down. Daily newspapers list mutual fund prices.

Mutual funds are not new. They started in Europe in the 1800's. They only arrived in Canada in the 1930's. The number of mutual funds in Canada is growing. There are hundreds of different funds.

Mutual funds can be cashed in on short notice when you need money quickly. They also give you a higher return for your money than saving accounts.

Many people find investing a little scary. It is important to take some time to decide which mutual funds to invest in. The more you know, the better choice you will make.

"Mutual Funds" Comprehension Questions

1. What is an investment fund?
2. If you buy one share of a million shares in a company, you own how much of that company?
3. Where are mutual fund prices listed?
4. Who buys and sells the investments in the mutual funds?
5. Where did mutual funds originate?
6. Where do you usually get a higher return for your money – through mutual funds or savings accounts?

Reading Between the Lines

1. Why would "many people find investing a little scary"?

"Mutual Funds" Homonyms

Homonyms are words that sound alike but are not spelled the same way and do not have the same meaning.

Fill in the blanks with the word(s) that make sense in the sentences.

Example:

- | | | |
|----|----------------|---|
| | (here, hear) | Come over <u>here</u> if you want to <u>hear</u> me. |
| 1. | (there, their) | _____ are always risks when people invest _____ money. |
| 2. | (sum, some) | _____ people invest a very large _____ of money. |
| 3. | (buy, by) | Thousands of Canadians _____ stocks and bonds. |
| 4. | (to, too, two) | _____ of my friends invested in the stock market so I did _____. We hope _____ make a profit. |
| 5. | (in, inn) | People invest _____ mutual funds. |
| 6. | (week, weak) | Mutual fund prices are quoted every day, not every _____. |
| 7. | (know, no) | _____, I do not _____ how hard my money will work for me. |

The information for the following story is from "Made in Canada: economics for Canadians" by James D. Thexton, and *The New Book of Knowledge*, and from the following Internet sites accessed 04/08/02:
<http://www.nrcan.gc.ca/statistics/forestry/default.html>
<http://www.nrcan.gc.ca/statistics/energy/default.html>
http://www.nrcan.gc.ca/mms/hm_e.htm

Words to Preview		
element	abundant	valuable
promote	quota	regulated

Natural Resources in Canada

Many countries of the world are rich in natural resources. We can call it "nature's gift" to a country.

Natural resources are elements that are natural to the land. Examples of these are minerals, forests, soils, water, and wildlife. Natural resources have to be useful to people in order to be of value to the country. For example, rocks are a useful resource. They can be used for building purposes.

Not all countries are equal in the wealth of natural resources. Some are rich in several valuable resources. Others have few resources of value. Some other countries have valuable resources but are unable to develop them.

Sometimes you need many natural elements working together to be of value to the country. For example, fertile soil, smooth ground, good drainage, and long seasons of sunshine with average rainfall make ideal conditions for growing many crops of fruits and vegetables. All the elements work together for the benefit of the country.

Some countries have short growing seasons or low rainfall. This affects the value of the fertile soil.

The location of the resources is very important. If the fertile, rich soils are located on top of high mountains, it is much less valuable than if it is near a large market.

The size and quality of the resources are also important. Large deposits of minerals are more valuable than smaller ones. A tiny amount of gold is not as valuable to a country as an abundant amount of a less valuable mineral.

The most powerful countries of the world are the ones with the most valuable natural resources. However, no country has all the resources it needs. The excess or lack of natural resources promotes trade between countries.



Canada is the second largest country in the world. Forests cover nearly half of Canada's land area. Canada has 10% of the world's forests. Forestry is a major industry and of great value for Canadians.

The forest industry is very big in British Columbia, Ontario, Quebec, and the Atlantic provinces. Canada is one of the world's leaders in the production of pulp, paper, and lumber.

Hardwoods and softwoods cover a large part of the maritime provinces. Much of it is used for logs, pulpwood, firewood, and almost all of Canada's Christmas trees.

Forests also help Canadians by filtering the air and water. It provides natural habitats for animals, birds, plants, and recreation for people.

Canada's oceans, rivers, and streams are also of great value. For nearly 500 years, Canadians benefitted from the abundant fish in their waters. Today, commercial fishing is still booming although it is regulated by quotas.

Large crops of wheat, barley, vegetables, and tobacco are grown in the fertile lands in the Prairies, the Great Lakes, and the St. Lawrence lowlands.

The mining industry has been productive in Canada for many years. Our country has many minerals, huge reserves of coal, crude oil, and natural gas. In 2000, the production of crude oil in Canada was 1.35 million barrels per day.

The main minerals and metals produced in Canada are aluminum, asbestos, coal, copper, gold, iron ore, lead, nickel, potash, salt, and zinc. Much of it is exported to other countries.

People can improve or destroy their natural resources. Over cutting forests and not replanting trees results in less valuable forests. On the other hand, good forests can be grown on well-managed proper soils. Also fish can be killed by dumping garbage in the oceans, lakes, and streams. This makes the value of water less.

People and nations depend on natural resources. The quality and quantity of our resources affect us today. It will also affect our future.

"Natural Resources in Canada" Comprehension Questions

1. Natural resources are natural to land. Name three natural resources.
2. Are all countries equal in the wealth of natural resources?
3. If a country has large areas of fertile soil, what other natural conditions can bring more value to the soil?
4. Would rich soil be of more value near a large market?
5. How much of Canada's land area is covered by forests?
6. Name two provinces where the forest industry is big.
7. The fish in Canada's waters is a natural resource. For how many years has the fishing industry been productive in Canada?
8. Canada has a wealth of minerals and metals. Name three.

Reading Between the Lines

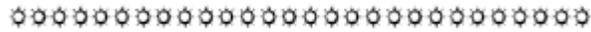
1. What do you think are the main kinds of trees that grow in Canada's forests?
2. Do you think that sunshine is a natural resource for a country?

"Natural Resources in Canada" Syllables

Syllables are the separate sounds in a word. For example, "important" has 3 syllables - im*por*tant.

Write the number of syllables found in each word.

resources	_____	sunshine	_____	industry	_____
world	_____	elements	_____	softwoods	_____
country	_____	growing	_____	coal	_____
aluminum	_____	vegetables	_____	Canadian	_____
rock	_____	gold	_____	minerals	_____



Vowels

Vowels are the letters a,e,i,o,u, and sometimes y. All words have at least one vowel.

Fill in the blanks with a vowel to make a word.

- | | | | |
|----|----------|-----|----------|
| 1. | l__nd | 8. | v__lable |
| 2. | fert__le | 9. | s__ze |
| 3. | cr__ps | 10. | __ears |
| 4. | us__ful | 11. | barl__y |
| 5. | fr__its | 12. | q__otas |
| 6. | countr__ | 13. | stre__ms |
| 7. | ar__a | 14. | p__tash |

Natural Resources^(*)

Natural resources are elements that are natural to the land.

Every country has natural resources.

Forests, minerals, soils, water, and wildlife are natural resources.

Some countries have more natural resources than others.

Canada is rich in natural resources.

Forests cover nearly half of Canada's land area.

Forestry is a big industry in Canada.

It is one of the world leaders in the production of pulp, paper, and lumber.

The fish in Canada's oceans, rivers, and streams are also of great value.

Large crops of wheat, barley, vegetables, and tobacco are grown in Canada.

Our country has a wealth of minerals and metals, coal, crude oil, and natural gas.

Mining has been big in Canada for many years.

A large amount of Canada's natural resources are exported to other countries.

Future generations will continue to depend on our valuable resources.



1. Natural resources are _____
_____.

* For sources for this article, see [Natural Resources in Canada](#).

The information for the following story is from *Starting Out* by Investors Group.

Words to Preview		
Real Estate	disadvantage	investments
rental	insurance	abide

Real Estate

Buying or Renting -- Which is Better?

Many of us wonder if it is better to buy a house or rent one. When the time comes to make this decision, everybody has different wants and needs. Before making a final decision on whether to buy or rent, you should consider some of the following concerns and questions in this story.

At the end of the story you should have a better idea of whether buying or renting better suits you and your family.

What Can You Afford?

The first thing you should consider when trying to decide to rent or buy is what will your personal budget allow. Is your budget better suited for house payments or rental payments?

When buying a house there are other payments besides your basic house payments to consider. Are you prepared and able to pay house insurance, home owner's tax, and have money set aside for repairs that seem to pop up when you least need them to? You also have your basic monthly bills, such as your power, phone, oil, and cable bills. You also need to have money for a down payment.



Buying a house does seem like the best option because in the end you will own your home. For some people, there is no choice but renting. You may prefer to buy, but renting is a quick fix when there are no homes available to suit your family's needs and budget. The

biggest disadvantage of renting is making payments month after month and never owning anything.

Some people prefer renting because their job does not allow them to live in the same area for a long period of time. These people like the idea of not being committed to a long loan. House buyers usually plan to live in their homes for a long period of time.

Other people rent to keep their monthly payments low and do not want to pay home owners insurance, property tax, and the upkeep of their houses. When you're renting you pay less insurance than a home owner does. People who rent may want to use that extra money toward different investments, such as a new vehicle or vacations.

For many people, house buying is the best option. The main reason in buying a home is simple. You will own your house and property when all your payments have been made. Many people who choose to buy are planning to settle down and have good homes for their families.

For house buyers, you are following your own rules. For people who rent, you have to abide by your landlord's rules. What choice better suits you?

"Real Estate" Comprehension Questions

1. According to this story, what is the first thing somebody should consider before making the choice whether to buy or rent?
2. In this story, name two things home owners would have to pay but people who rent would not.
3. According to this story, what would probably be the biggest disadvantage in renting?
4. According to this story, what is probably the biggest advantage in buying a house?

Reading Between the Lines

1. Buying or renting is a personal choice. Based on the reasons given in this story, what choice do you think better suits you and your family?

"Real Estate" Hard and Soft "C"

The letter "c" can make two sounds - a hard sound and a soft sound. The letter "c" has a hard sound in the words cat and car. The letter "c" has a soft sound in the words cent and face.

Circle the words that have a hard "c" sound.

comes
decision
consider
can

basic
insurance
cable
choice

quick
committed
vehicle
vacations

choose
decide
prices
because



Antonyms

Antonyms are two words that have opposite meaning. For example, good and bad.

Look in the story to find the antonym for each of the following words.

1. smallest _____
2. wrong _____
3. last _____
4. most _____
5. none _____

Rent or Buy?^(*)

Should you rent a house or buy one?

When you buy a house, you need to pay for more than just your mortgage.

You need to pay house insurance, home owners' tax, and repairs.

When you rent, the landlord may pay these things.

Some people need to move for their jobs a lot.

For them, renting may be a better idea.

Some people think renting is a waste of money.

When you rent, you own nothing.

When you buy, you own your home when you have paid off the mortgage.

????????????????????????????

1. When you buy a house, you need to pay _____

2. When you rent, you own _____.

* For sources for this article, see [Real Estate](#).

The information for the following story is from James D. Thexton's *Made in Canada: economics for Canadians*, Investors Group's *Starting Out*, and the following Internet site accessed 10/30/01: <http://www.royalbank.com/online/>

What is an RRSP (Registered Retirement Savings Plan)?

RRSP means Registered Retirement Savings Plan.

RRSPs are registered with the federal government.

You can get RRSPs at any bank.

Many people use RRSPs to save for their retirement.

Many people think that the government will not give them enough money to live when they retire.

That is why they try to save now.

An RRSP is a good way to save for the future.

The money that you put in an RRSP is not taxable.

That means you do not pay income taxes on the money you put in an RRSP.

As long as the money is in your RRSP, you do not have to pay taxes on it.

The money in your RRSPs grows.

After a while, you will have more money in your RRSP than you put in.

You are allowed to put only a certain amount of your income every year in an RRSP.

In 2001, the most money a person can put in an RRSP per year is \$13,500.

Some people put money in an RRSP once a year.

Other people put money in an RRSP every month.

When people retire, they take out the money in their RRSP and use it.

Sometimes people have to take money out of their RRSPs earlier.

They then have to pay income taxes on the money they take out since the money is income for that year.



RRSPs are a smart way to save money.

Just putting a bit of money in an RRSP now can help a lot in the future.

\$

Questions

1. What does RRSP mean?
2. Why do people get RRSPs?
3. Is the money you put in an RRSP taxable?
4. Can you put all the money you want in an RRSP?
5. Is the money you take out of an RRSP taxable?

The information for the following story is from James D. Thexton's *Made in Canada: economics for Canadians*, Investors Group's *Starting Out*, and the Canadian Bankers Association's *Your Guide to Financial Services* brochure.

Words to Preview

preferred
business

brochure
corporate

risky
government

Sarah's Investments

One day Sarah and Andrew Smith got some bad news. Sarah's grandmother had died. Sarah was very sad to lose her grandmother.

Sarah was surprised to hear her grandmother had left her \$3,000 in her will. Sarah and Andrew decided to invest \$1,000 of the money. They didn't know where to invest their money. They decided to find out about shares and bonds.

One day, Andrew got a brochure from a financial planner on shares and bonds. "There are two kinds of shares," he told Sarah. "One is common shares and the other is preferred shares. This brochure says that with common shares, you become part-owner of the company. You also have voting rights," said Andrew.

Sarah looked at the brochure. "You can sell your shares on the stock market," she said. "But, common shares are very risky since you don't know how well the company is going to do. And, if the company goes out of business, shareholders of common shares only get their money after everyone else has been paid. There could be nothing left," said Sarah.

Andrew took the brochure. "Shareholders of preferred shares get paid before common shares if the company goes out of business, but you don't have the right to vote," said Andrew.

"What about bonds?" asked Sarah.

"Bonds are not as risky as shares," said Andrew. "With bonds, the company is borrowing the money from us. The company has to pay our money back, plus interest, by a certain date. And, they pay bondholders before shareholders if the company goes out of business," added Andrew.

"So, we are not part-owners of the company if we are only bondholders?" asked Sarah.

"No," said Andrew, "but remember that bonds are less risky than shares."



"There are a few different types of bonds," added Andrew.

"What are they?" asked Sarah.

"Some types are government bonds, Canada Savings Bonds, and corporate bonds," answered Andrew. "The government bonds and Canada Savings Bonds are issued by the government. The corporate bonds are issued by a company. With government bonds, you are lending the government money. With the corporate bonds, you are lending money to a company," added Andrew.

"We will have to think about this for a while and decide what is the best option for us," said Sarah.

"I agree," said Andrew, "we need to make the right decision about our investment."

"Sarah's Investments" Comprehension Questions

1. What are the two types of shares? Which share gives you voting rights with the company?
2. Where can you sell shares?
3. Why are bonds not as risky as shares?
4. Name one type of bond. Who issues bonds?

Reading Between the Lines

1. Some people like taking risks. Other people don't like risks. If you had money to invest, would you invest in shares or bonds?

"Sarah's Investments" Rhyming

Rhyming words are words that sound the same. Example: at, cat, hat, bat

For each of the following words, write as many rhyming words as you can. Use a dictionary to help you out. Challenge your classmates.

we _____

not _____

took _____

bad _____

Shares and Bonds^(*)

Some people decide to invest their money.

Buying shares in a company is a way of investing.

When you buy shares, you are becoming part owner of that company.

You are taking a risk that the company will do well.

You can buy and sell shares on the stock market.

The value of shares goes up and down.

Newspapers give the prices of shares.

With bonds, you are lending money to the government or a company.

The company pays your money back, plus interest, by a certain date.

\$

1. You can buy and sell shares on the _____.
2. _____ give the prices of shares.
3. With bonds, you are lending the money to the
_____.

* For sources for this article, see [Sarah's Investments](#)

The information for the following story is from *"The New Book of Knowledge."*

Words to Preview		
industries	preservatives	additives
ingredients	nutritious	delicious
refrigerated	unpleasant	bacteria

The Wise Shopper

Food industries and the government in many countries protect the health of the consumer by regulating how food is processed and graded. These laws say how food is to be handled and labelled so that the public will not be misled in any way.

Always read the labels on cans and packages. It tells you all that you need to know about the product. The label tells you about its contents. It tells you about its grade and quality, its weight, the amount of food it contains, and whether preservatives or additives have been added.

The labels also inform you whether the product is packaged whole or cut up, whether it is packed in water, oil, or syrup, and how many people it will serve. On many labels, the ingredients are also listed.

When buying canned products, check the cans. Avoid buying cans that are swollen. The swelling can be caused by bacteria which may be harmful to your health. Usually a small dent in a can does not affect its contents.

Buying the right size can for the needs of your family is a wise choice. It cost less per serving for the contents of a large can than for the contents of a small can. A 16 oz. can holds about 2 cups or 4 servings.

When buying frozen foods, buy only packages that are frozen solid. Do not re-freeze products that have been thawed.

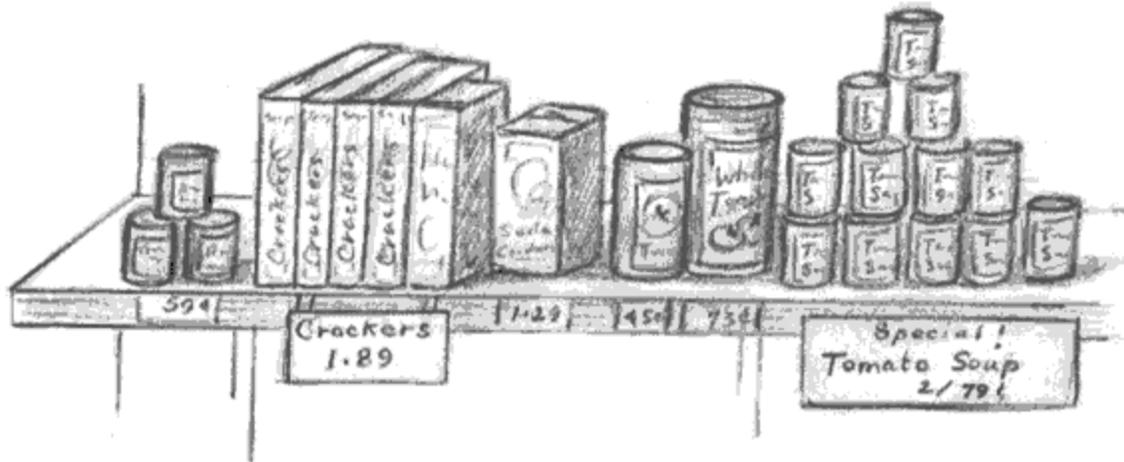
Fresh meats should always be selected and examined carefully. It must have a fresh, moist appearance and be free of any unpleasant odor.

The nutritive value of all meats is about the same whether the grade is the most or least expensive. Cheaper grades are usually less tender but with slow cooking they can still provide a family with a delicious, nutritious meal.

When buying meats, sometimes the more expensive lean, well-trimmed cuts may be cheaper in the long run. It may have more servings per pound and less fat and bone.

Poultry is a very popular food in markets. Plump young chickens are the best for roasting or frying. Larger chickens are usually a better buy because they have more meat in relation to bone.

Fish may be bought fresh, frozen, or canned. Freshness in fish is important. Fish is usually



at its best when it is bought in season or at the time it is most available. Fresh fish has no unpleasant odor.

When buying eggs, select those that are refrigerated, sold in cartons, and graded. The information on the carton will tell you the grade and size. Eggs are sold by size; small, medium, large, and extra large. The grades of eggs are AA, A, B, and C. The best quality are AA and A. Brown eggs are no different from white eggs in quality or taste. Eggs should always be kept refrigerated.

It is best to buy fruits and vegetables when they are in peak season. They are at their best quality and best value. Fresh fruit and vegetables have a higher nutritional value and a better taste. Fresh fruit and vegetables can rot, so they must be kept in a cool storage place.

The wise shopper knows how to get more value for his money and better nutrition for his family.

"The Wise Shopper" Comprehension Questions

1. Why are there laws about how food is processed and graded?
2. What do labels on cans and packages tell you?
3. Does a small dent in a can affect its contents?
4. Is the nutritive value of all meats about the same whether the grade is the most or least expensive?
5. What are the grades of eggs? Which is the best?
6. Why is it best to buy fruits and vegetables when they are in peak season?

Exercise

1. Do you think that you could feed your family for less while still providing nutritious meals? Brainstorm some ideas with your instructor or classmates. Get your classmates to bring in their favorite low cost recipes.

The information for the following story is from James D. Thexton's *Made in Canada: economics for Canadians*, "Foreign Trade," Microsoft (R) Encarta (R) 96 Encyclopedia, and the following Internet sites accessed 12/05/01:
<http://www.cbsc.org/manitoba/index.cfm?name=chapte07>
<http://www.worldbook.com/fun/taxation/html/tariff.htm>

Statistics Canada information is used with the permission of the Minister of Industry, as Minister responsible for Statistics Canada. Information on the availability of the wide range of data from Statistic Canada can be obtained from Statistic Canada's Regional Offices, its World Wide Web site at <http://www.statcan.ca>, and its toll-free access number 1-800-263-1136.

Words to Preview		
international	specialize	forestry
competition	restriction	lessened
quota	tariff	embargo

International Trade

What is international trade?

Canada often trades its goods with other countries. This is known as international trade.

Imports are goods that Canada receives from other countries. If you look in your cupboard, you will find some imports like canned oranges from China, coffee from the USA, and canned salmon from Korea.

Exports are goods that Canada produces and sends to other countries. Some of Canada's exports are wheat, forestry products, metals, natural gas, and automotive parts.

All countries like to have a balance of trade that is in their favour. This means they want to export more than they import.

See the chart below for some of Canada's exports and imports.

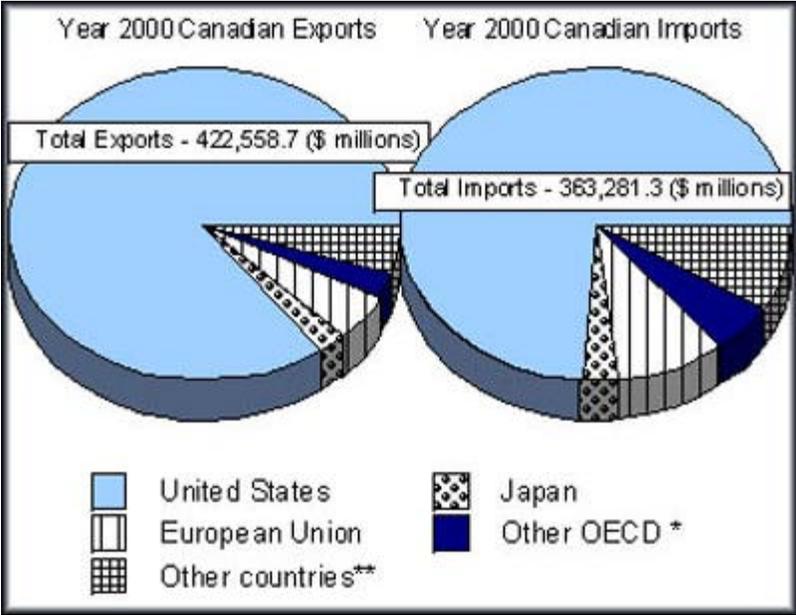
Partial list of Canada's year 2000 exports (\$ millions)	
<i>Exports</i>	422,558.7
Agricultural and fishing products	27,366.8
Wheat	3,609.4
Natural gas	20,420.5
Forestry products	41,755.8
Chemicals, plastics and fertilizers	22,552.5
Trucks and other motor vehicles	18,183.9
Partial list of Canada's year 2000 imports (\$ millions)	
<i>Imports</i>	363,281.3
Agricultural and fishing products	18,567.9

Forestry Products	3,063.7
Machinery and equipment	122,674.4
Automotive products	77,402.7
Apparel and footwear	7,530.9

Table 1. Source: Statistics Canada Cansim Database, <http://cansima.statcan.ca/CNSMCGI.EXE>, Tables 228-001, 228-0002, and 228-0003, extracted December 5, 2001.

Why trade with other countries?

Sometimes another country can produce specific goods cheaper than Canada. Sometimes Canada can produce specific goods cheaper than other countries. It is for these reasons that countries trade their goods. It is to their advantage to produce only goods they specialize in and import the rest.



When a country can produce goods cheaper than another country, they have what is called an absolute advantage.

Pie chart 1.
 * Organisation for Economic Co-operation and Development excluding the United States, Japan, and EU countries.
 ** Countries not included in the European Union or the OECD.
 Source: Statistics Canada Cansim Database, <http://cansima.statcan.ca/CNSMCGI.EXE>, Tables 228-001, 228-0002, and 228-0003, extracted December 5, 2001.

International trade can be good for industries since the demand for goods is increased.

Restrictions to international trade

Since some countries can sometimes produce goods cheaper than another country, certain government restrictions are applied to trade to protect industries from unfair competition.

One of these government restrictions is a protective tariff. Tariffs are taxes put on imports to make the price higher for the goods. Since the prices are increased, the demand is lessened.

Import quotas are another type of restriction. When an import quota is in place, only a certain amount of that product is allowed in the country.

Another type of restriction is an embargo. An embargo is a ban on certain imports and exports.

Sometimes imports need to be inspected to make sure they are safe for Canadians. One example of a product that is inspected is meat.

Free Trade Agreements

In October of 1987, Canada and the United States formed a Free Trade Agreement. The agreement made it easier for Canada and the USA to trade goods. One term of this agreement was that all tariffs be removed from imports between the two countries.

In January of 1994, another free trade agreement was formed between Canada, the United States, and Mexico. It was called the North American Free Trade Agreement. This made it easier for these three countries to trade.

International Trade and You

If international trade stopped, many of the products we are used to seeing in our homes would no longer be available. Trade is an important part of Canada's economy and our lives.

"International Trade" Comprehension Questions

1. What are imports? Name two of Canada's imports. (Hint: see the table in the story.)
2. What are exports? Name two of Canada's exports. (Hint: see the table in the story.)
3. Why is it to a country's advantage to only produce goods they specialize in and import the rest?
4. What is an absolute advantage?
5. List and explain one of the restrictions to international trade.
6. What was one term of the Free Trade Agreement between Canada and the United States?

"International Trade" Reading Pie Charts

Using the pie chart in the story, answer the following questions.

1. The statistics given in the chart are for what year?
2. How much is the total of Canadian exports?
3. How much is the total of Canadian imports?
4. A balance of trade is in a country's favour when they export more than they import. Does Canada have a balance of trade in its favour?
5. What are two of the countries that Canada trades with?
6. Which country does Canada trade with the most?
7. Which country does Canada receive the least imports from?
8. The OECD excludes which countries?

Imports and Exports^(*)

Canada trades goods with many other countries.

Canada exports or sends goods to some countries.

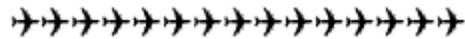
Canada imports or receives goods from some countries.

Some of Canada's exports are wheat, metals, and wood products.

Some of Canada's imports are clothing, footwear, and auto parts.

Sometimes the cost of making something in Canada is higher than the price of buying it.

This is why it is good to trade with other countries.



1. Canada _____ or sends goods to some countries.
2. Canada _____ or receives goods from some countries.
3. One of Canada's exports is _____.
4. One of Canada's imports is _____.

* For sources for this article, see [International Trade](#).

The information for the following story is from James D. Thexton's *Made in Canada: economics for Canadians* and the following Internet sites accessed 12/03/01:
http://labour.hrdc-drhc.gc.ca/psait_spila/lmnec_eslc/eslc/salaire_minwage/intro/index.cfm?fuseaction=english
<http://labour.hrdc-drhc.gc.ca/policy/leg/e/stanf5-e1.html>
<http://labour.hrdc-drhc.gc.ca/>

Words to Preview		
minimum occupation	disabilities professional	legislation

Wages in Canada

Minimum Wage

Wages are the money people are paid by an employer for working. Minimum wage is the least amount of money that an employer can pay an employee per hour.

It is against the law for an employer to pay an employee less than minimum wage. It is also against the law for an employee to decide to work for less than minimum wage.

Some employees in some provinces are not covered by the minimum wage legislation. Some of these are young workers, workers with disabilities, live-in care workers, farm labourers, and people who work at home or homeworkers.

In 1900, Canada started the Fair Wages Policy. By 1920, Nova Scotia put minimum wage legislation into effect. The legislation only covered female workers in some types of jobs.

It was only later that Nova Scotia set up a minimum wage act for men. The minimum wage for men was higher since men were supposed to be the family's main income provider.

Nova Scotia's minimum wage rate changes from time to time. On October 1, 2001, the minimum wage rate in Nova Scotia went from \$5.70 per hour to \$5.80. See the table below for the minimum wage rates in Canada.

Current and Forthcoming Minimum Hourly Wage Rates		
Area	Effective Rate	Wage Rate
Alberta	Oct. 1, 1999	\$5.90
British Columbia	Nov. 1, 2001	\$8.00
Manitoba	April 01, 2001	\$6.25
New Brunswick	July 1, 2001	\$5.90
Newfoundland	Nov. 1, 2002	\$6.00
Northwest Territories	April 1, 1991	\$7.00
Nova Scotia	Oct. 1, 2001	\$5.80
Nunavut	April 1, 1999	\$7.00

Ontario	Jan. 1, 1995	\$6.85
Prince Edward Island	Jan. 1, 2002	\$6.00
Quebec	Feb. 1, 2001	\$7.00
Saskatchewan	Jan. 1, 1999	\$6.00
Yukon	Oct. 1, 1998	\$7.20

Information extracted on December 3, 2001 from the web site of the Labour Branch, Human Resources Development Canada (<http://labour.hrdc-drhc.gc.ca/> under the heading "Canadian labour law information")

Factors that Affect Wages

Why do doctors and babysitters earn very different wages? Both are very important jobs. Taking care of people's health is very important, but so is taking care of children.

There are some factors that determine wages. One is supply and demand.(**) People need to go to school for many years to become a doctor. This may be one of the reasons why doctors are not as numerous as babysitters. Because there are so few doctors available, the demand is high. When the demand for a certain occupation is high, the pay for that occupation can be high.

The same applies to a professional ball player. Is playing ball more important a job than babysitting? Most people would say no. But there are very few ball players that are good enough to become professionals. That means the demand is high and that is why professional ball players are paid a lot of money.

Now, what about babysitting? There are usually many babysitters available in most communities. Are there as many doctors and professional ball players? Probably not.

Sometimes wages for certain occupations are not based on the value of the work, but on supply and demand. If there was suddenly a shortage of babysitters, probably the wages of babysitters would go up.

Sometimes the wages of certain jobs are high because the jobs are dangerous. People working on offshore oil rigs get paid well since their work is dangerous, and they are away from home for long periods of time.

All jobs help make our economy work. Regardless of whether people make minimum wage or high wages, their jobs are important in keeping Canada running well.

** To read more on how supply and demand affects the prices of goods and services, see the story [Business of a Lobster Fisherman](#).

"Wages in Canada" Comprehension Questions

1. What is minimum wage?
2. How does supply and demand affect wages?
3. Why are professional ball players paid a lot of money?
4. What would probably happen to the wages of babysitters if there was suddenly a shortage of them?

Reading Between the Lines

1. The story says that early minimum wage legislation gave higher pay to men than women since men were supposed to be the family's main income provider. Do you think this was fair? Why or why not?
2. Do you think that a person should be paid higher wages if their job is dangerous? Why or why not?

"Wages in Canada" Reading Tables

The story contained a table called "Current and Forthcoming Minimum Hourly Wage Rates." Look at the table to answer the following questions.

1. Which province or territory has the highest minimum wage rate?
2. Which province or territory has the lowest minimum wage rate?
3. When did Nova Scotia last change its minimum wage rate?
4. Which province or territory most recently changed its minimum wage rate?
5. What is the difference per hour between Newfoundland's minimum wage rate and British Columbia's?
6. Which province has a higher minimum wage rate - Manitoba or Saskatchewan?
7. Which provinces have the same minimum wage rates?
8. Do you feel that the differences in minimum wage rates across Canada are fair? Why or why not?

Wages^(*)

Wages are the pay we get for work.

Some people get paid a lot.

Some people get minimum wage.

An employer cannot pay less than minimum wage.



1. Wages are_____.
2. Some people get paid_____.
3. An employer cannot pay less than_____.

* For sources for this article, see [Wages in Canada](#)

The information for the following story is from *The New Revised Cambridge GED Program - Comprehensive Canadian Edition* by Beverly Ann Chin, Gloria Levine, Karen Wunderman, Stella Sands, Michael Ross, Alan Hines, Donald Gerstein and John Einarson, and from *The World Book Encyclopedia: Reading in the content areas Social Studies* published by New Readers Press.

Words to Preview		
economic	businesses	citizens
governments	abide	elect
systems	interfere	communism
Capitalism	socialism	limited
organization	democratic	fortunate

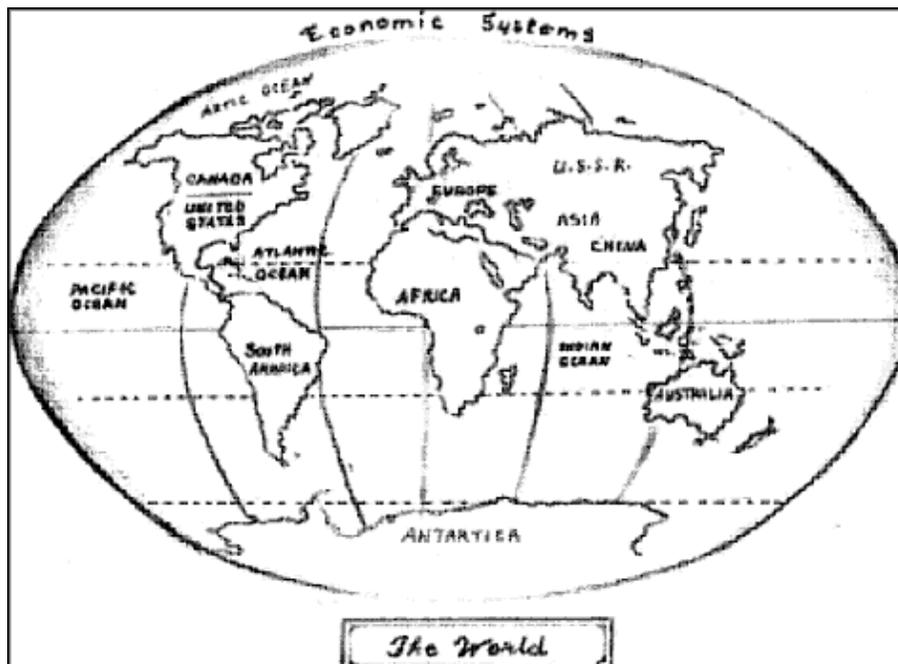
World Economic Systems

Most of the world has one of three economic systems. They are: free enterprise economy, mixed economy, and communism. Governments from around the world use these systems to help their countries manage money. Even large countries, like ours, need to control spending and use money wisely.

Free Enterprise Economy

In our country, Canada, we use the free enterprise economy, also known as capitalism. The United States also uses this system.

Free enterprise allows people or organizations to own their own businesses. The prices of goods and services depend on supply and demand.* The customers buy as much as they like. The government usually does not have any say on how the business is run. However, every business has to abide by laws.



* To read more on supply and demand, See the story [Business of a Lobster Fisherman](#).

Mixed Economy

Another economic system that is commonly used is mixed economy. There are two types of mixed economy. They are socialism and democratic socialism.

In a mixed economy, socialism is the most commonly used. In this system, governments have more control. The most important businesses of the country are owned by the government. Smaller businesses can be owned by citizens or organizations other than the government.

Another form of mixed economy is called democratic socialism. In this system, the people of the country elect the government. They can vote on economic policies. Also, if the people feel the government is having too much control in a business, they can vote to change this. Some countries that use this system are Great Britain and Sweden.

Communism

Communism is another economic system in the world. China is a country that is ruled by communism. In a communist country, the government owns and is in control of all businesses. There may be a few businesses they do not control. A communist government is in charge of all the economic activity. Also, the government sets workers' wages. They decide on the amount of goods and services that are produced and provided. This affects how fast the economy will grow.

People living in a communist country can spend their money as they wish. But there are very few varieties of goods and services from which to choose.

The people living in a communist country have little control over government business. The members of the Communist Party make up important government rules and policies.

It takes all kinds of economic systems to create our world. We are fortunate to be living in a country that gives us many choices in life.

"World Economic Systems" Comprehension Questions

1. Name the three economic systems most commonly used in the world.
2. Which economic system is used in Canada?
3. What are the two types of mixed economy?
4. Which economic system allows people to elect their government and to vote on economic policies?
5. Briefly describe how a communist government works.

Reading Between the Lines

1. Which economic system do you think is best? Why?

"World Economic Systems" True or False

1. Canada has three economic systems. True or False
2. Capitalism is another name for free enterprise. True or False
3. Free enterprise does not allow people to own their own businesses. True or False
4. In free enterprise, prices of goods and services depend on supply and demand. True or False
5. Socialism and democratic socialism are two types of mixed economy. True or False
6. In a democratic system, people are not allowed to elect members of the government. True or False
7. In a democratic system, people can vote to change the amount of power given to the government. True or False
8. In a communist country, the people own their own businesses. True or False
9. A communist government decides on workers wages and on the amount of goods and services that are produced and provided. True or False
10. In a communist country, the people have little control over government policies. True or False

Economic Systems^(*)

Most of the world has one of three economic systems.

Free enterprise is one economic system.

Free enterprise allows people to own their own businesses.

Mixed economy is another economic system.

With a mixed economy, the most important businesses are owned by the government.

Smaller businesses can be owned by people.

Communism is another economic system in the world.

China is a country that is ruled by communism.

With communism, the government owns and controls all businesses.



1. Free enterprise is known as _____.
2. With a _____, the most important businesses are owned by the government.
3. With _____, the government owns and controls all businesses.

* For sources for this article, see [World Economic Systems](#).

The information for this story is from *Made in Canada: economics for Canadians* by James D. Thexton.

Words to Preview		
difficult	available	grocery
fluctuate	increases	satisfied
determine	producing	equilibrium
		maintained

Business of a Lobster Fisherman

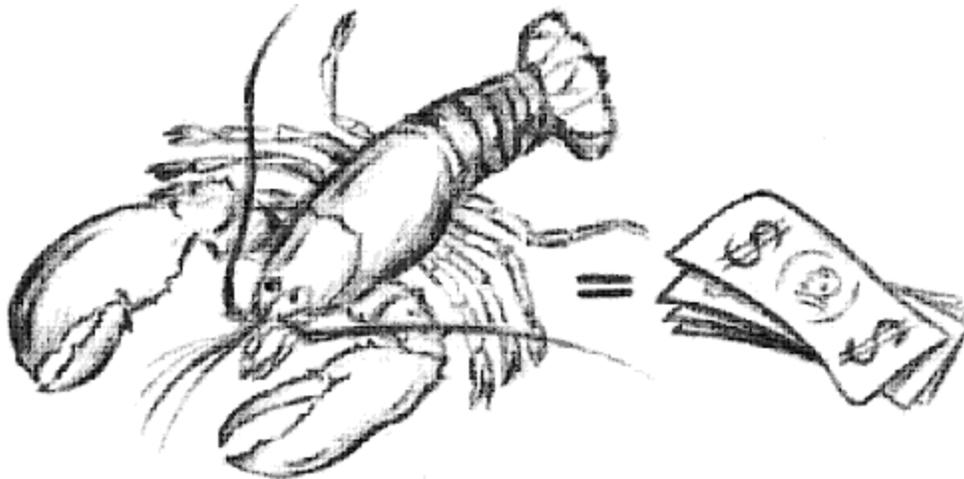
The early morning sun was shining on the calm ocean waters. Robert Atkins stepped out of his truck. He turned to reach for his lunch pail and coveralls. His two hired men were already at the wharf waiting for him.

Captain Robert Atkins, a lobster fisherman, and his two crew members climbed down into his lobster fishing boat. Captain Atkins hoped for a big catch of lobsters. The price of lobsters had risen, and he wanted to catch all he could. Three weeks before, the price had been very low.

Often the price of lobsters fluctuates. To fluctuate means to change. This makes it difficult for lobster fishermen to determine how much money they will earn in the fishing season. Why does the price fluctuate?

The lobster business is based on "supply and demand." Lobster fishermen supply the lobsters. Demand means how many goods and services are wanted or needed. This depends on the price of the goods and services. It also depends on whether the product is available. If the price is too high, the demand is low. If the price is lowered, the demand increases.

Sellers are the people who provide or produce goods and services. The lobster fishermen are known as the "sellers." The fishermen are providing a product for the customers, known as the "buyers." The buyers could also be food companies or customers in a grocery store.



In this story, lobsters are the "goods." High prices on goods or services is good news to the sellers if there is demand. This means they will make a nice profit. But high prices are not good news for the people wanting to buy lobsters. Buyers may think the price of lobsters is too high for them to afford.

The store will not sell as many lobsters when the price is high. So the store will bring in fewer lobsters since they are not being sold. In this case, the "demand" for the lobsters is low. When the price is high, it is hard for the sellers to make money.

To make both the sellers and buyers happy, the price needs to come down. The buyer will be able to afford to purchase the lobsters if the price is low. The stores will have a bigger "demand" and will be buying more lobsters from the fishermen. Both the lobster fishermen (sellers) and the consumers (buyers) are happy. The sellers are making money and the buyers are satisfied with the price. This balance is called an "equilibrium."

When the price of lobsters becomes too low for fishermen to make a profit, they may not sell them right away. This makes the demand rise, and the price will increase. The equilibrium will be restored once again.

Captain Robert Atkins did have a good catch of lobsters that day. When he and his crew returned after a long day of work, the prices were high. Captain Atkins and his crew made a nice profit from that catch. But the price did not remain high for very long. After a while the price dropped.

Captain Robert Atkins and his crew are happier when an equilibrium is maintained. He likes the price low enough so that lobsters will be bought and high enough so he can make money.

"Business of a Lobster Fisherman" Comprehension Questions

1. Does Captain Atkins know how much his earnings will be this year? Why or why not?
2. On what does the prices of lobsters depend?
3. In this story, who are the "sellers" and who are the "buyers"?
4. What is an equilibrium?

Reading Between the Lines

1. Do you think an equilibrium on lobsters is easy to maintain?

"Business of a Lobster Fisherman" Fill in the Blanks

Select a word from the box to complete each sentence.

sellers	consumers	demand	crew
expensive	estimate	supply	safe
forgets	ready	drops	equilibrium

1. Robert Atkins was getting _____ to go lobster fishing today.
2. Fluctuating costs makes it difficult to _____ your season earnings.
3. A high priced lobster is usually too _____ for people to afford.
4. It makes most buyers and sellers happy when there's an _____.
5. Robert Atkins sometimes _____ his coveralls in his truck.
6. Is a high price good news for buyers and _____?
7. The store is not going to buy more lobster until the price _____.
8. Mr. Atkins and his _____ thought it was good news for the price to rise.
9. More _____ will buy lobsters if the price is low.
10. If the _____ for lobster increases, it will affect the price.
11. The fishermen keep their lobsters in a _____ place until they sell them.
12. The lobster fishing industry is based on the _____ and demand system.

Supply and Demand^(*)

Supply is the amount of goods available.

Goods are products.

Demand is how much the good is wanted or needed.

When the demand for a good is low, the price is usually low.

When the demand is higher than the supply, the price is usually high.

For example, when there are only a few lobsters on the market, the price is high.

When there are a lot of lobsters on the market, the price is usually lower.

Supply and demand go hand in hand.

1. Supply is _____.
2. Demand is _____.

* For sources for this article, see [Business of a Lobster Fisherman](#).

The following information is from *Made in Canada: economics for Canadians* by James D. Thexton, *How are We Governed in the '90's* by John Ricker and John Saywell with Jim Parsons, *Canada Today: Second Edition* by Angus L. Scully, Carl F. Smith, and Daniel J. McDevitt, and from the following Internet site accessed 01/02/02: <http://www.wwia.org/cahi1917.htm>

Words to Preview		
taxation	Great Britain	combined
income tax	finance	Harmonized
resources	proposal	percentages
revenue	citizen	fortunate

Our Tax Dollars

What are Taxes?

Taxes are required payments made by people and businesses to the government. This is known as taxation. Many everyday things we use are taxed. Some examples of these are food, gasoline, and services. Some other taxable things include property, income, and most purchases.

Why do we pay Taxes?

The Canadian government provides us with police, hospitals, schools, roads, and many other goods and services. In order for us to keep these services, the government has to find ways to collect money to pay for these things. A lot of the money collected comes from us, the tax payers.

What is Income tax?

Income tax is the tax a person or business pays on net income. Net income is the total amount of profit made. Income tax is one of the main resources that the federal government relies on for revenue.



The Beginning of Income tax

Canada was involved in World War I. The cost of being in the war was hard on Canada's finances. The cost of the war to Canada was around 600 million dollars. Canada was running out of money. Other countries, like Great Britain and the United States, had already put income tax into practice. Canada was thinking they should do the same. Income tax would provide extra money for the Canadian government.

On April 24, 1917, Sir Thomas White, Minister of Finance, was at the annual budget meeting in the House of Commons. Sir Thomas White and members of the House of Commons discussed Canada's large cost resulting from the war. Sir Thomas told the House of Commons that Great Britain and the United States had placed an income tax on their working citizens. Sir Thomas White felt Canada should not have to do this.

On July 25, 1917, Sir Thomas White prepared a solution to the problem. A rate of 4% was charged on single men making over \$2000. Personal exemption was \$3000 dollars for others. A personal exemption is an amount of money you do not have to pay tax on. Canadian citizens with a yearly income that was over \$6000 had a tax rate ranging from 2 to 25%. This bill was passed. This was the start of income tax in Canada.

HST, GST, and PST

Today, in New Brunswick, Newfoundland, and Nova Scotia we pay a combined tax known as HST. HST stands for Harmonized Sales Tax. It is called Harmonized Sales Tax because the rate of this tax comes from two separate percentages that are added together.

HST is a combination of GST and PST. GST stands for Goods and Services Tax. PST stands for Provincial Sales Tax. The Goods and Services Tax and the Provincial Sales Tax combined equals a 15% tax rate. This sales tax is placed on most goods and services in Nova Scotia.

The amount of tax paid by each province and territory vary. Most areas pay close to the same amount of tax, while others may pay less or more. This depends on the wealth of each individual province and territory.

Oh no! Not more Taxes!

Many of us complain about the amount of money we pay in taxes. Many would say that we are over-taxed. That may seem true, but we are very fortunate to have the things we get in return for our tax dollars.

"Our Tax Dollars" Comprehension Questions

1. Name two of the three examples given in the story of the everyday items that are taxed.
2. What is income tax?
3. Why did Canadian citizens have to start paying income tax?
4. Who brought the income tax proposal to the House of Commons and when did it happen? What was his job in the Canadian government?
5. What does HST stand for? Name the three provinces that use the HST system.
6. Name the two taxes that make up HST.

Reading Between the Lines

1. It is true that we already pay a lot in taxes. Do you think if we paid a lot less in taxes that we would be able to properly maintain our roads, schools, hospitals, and police?

"Our Tax Dollars" Select the Correct Word

Fill in the blanks with the correct word.

1. Many everyday things we use are _____ (taxing, taxed).
2. A lot of the money _____ (collected, collecting) comes from the tax payer.
3. In order for us to keep these services, the _____ (governs, government) has to find ways to collect money to pay for these things.
4. Net income is the total amount of profit_____ (made, make).
5. Income tax is one of the main resources that the federal government_____ (relying, relies) on for revenue.
6. The cost of being in the war was hard on Canada's _____ (finances, financial).
7. Canada was _____ (ran, running) out of money.
8. Today, in New Brunswick, Newfoundland, and Nova Scotia we pay a _____ (combines, combined) tax known as HST.
9. This sales tax is _____ (placing, placed) on most goods and services in Nova Scotia.
10. Many of us _____ (complain, complaint) about the amount of money we pay in taxes.

The information for the following story is from James D. Thexton's *Made in Canada: economics for Canadians*.

Words to Preview		
statistics structural	temporarily cyclical	tourism frictional

Unemployment in Canada

Unemployment is a major problem in Canada. Many billions of Canadian dollars have been spent for the unemployed and their families. The costs are very high if the unemployment rate is high.

Unemployment usually refers to the unemployment of labour. Each month Statistics Canada calculates the official unemployment figures. They do this through labour force surveys. Thousands of households across Canada are surveyed. They are asked questions relating to the state of unemployment.

In Canada, if a person is over the age of fifteen and without work but seeking employment or temporarily laid off, he is considered unemployed.

Discouraged workers are not counted in the official statistics. These are people who believe there are no jobs for them and have stopped looking for work.



The unemployment rate is not equal in all the provinces of Canada. For example, the unemployment rate is usually higher in Newfoundland than in Saskatchewan. It is also higher for young adults between the age of fifteen and twenty-four. The rate is higher among young men than young women.

According to economists, there are four kinds of unemployment:

1. **Seasonal unemployment:** Some people lose their jobs due to the changes of the seasons. Fishing, lumbering, farming, construction, and tourism are examples of employment that is seasonal.
2. **Frictional unemployment:** Some workers are out of work for a short time due to changing jobs. It is called frictional unemployment. Sometimes frictional unemployment can be good for the economy because workers move to better-paying and more productive jobs.

3. **Structural unemployment:** People also lose their jobs due to changes in demand, new technology, a drop in natural resources, and changes in foreign trade. New inventions can bring a change in demand. For example, the car industry has replaced the horse and buggy industry. Blacksmiths are no longer in demand since they have been replaced by car mechanics. Another example is the decline in fish which has caused unemployment for many fishermen.
4. **Cyclical unemployment:** Cyclical unemployment is a fourth type of unemployment. It is due to changes in economic activity. The business cycles are affected by the highs and lows of the economy. For reasons not easy to understand, there are good times in which businesses are booming and where jobs are plentiful. There are also hard times where businesses are failing and there are fewer jobs. Good and bad times don't last forever, but the cycle goes on. When our economy experiences lows, there will always be a period of high unemployment to follow.

The government tries to lower the amount of unemployment by providing employment offices, job counselling and training in skills that are in demand, winter work projects, and financial help to employers.

Do you think that Canadians will ever see zero per cent unemployment in Canada?

"Unemployment in Canada" Comprehension Questions

1. How does the government calculate the official unemployment figures?
2. In Canada, who is considered the unemployed?
3. Who are the discouraged workers?
4. Name and explain one of the four kinds of unemployment.
5. When is there high unemployment in Canada?

Discussion Questions

Discuss the following with your class or instructor.

1. Why do you think the unemployment rate is usually higher in Newfoundland than in Saskatchewan?
2. Why do you think the unemployment rate is higher for young adults between the age of fifteen and twenty-four?
3. Why do you think the unemployment rate is higher among young men than young women?
4. How does technology affects jobs?

"Unemployment in Canada" Comprehension Exercise

Decide if the following examples of unemployment are seasonal, frictional, structural, or cyclical.

1. John left his job, but has another job he is going to start in one month.
a) seasonal b) frictional c) structural d) cyclical
2. Coal is not used as often for fuel, so there are fewer coal miners.
a) seasonal b) frictional c) structural d) cyclical
3. Things seem to be slow and a few businesses have closed and jobs have been lost.
a) seasonal b) frictional c) structural d) cyclical
4. Peter works as a tour guide during the summer but is unemployed during the winter.
a) seasonal b) frictional c) structural d) cyclical
5. An employer has a new computer that can do the work of one of his employees.
a) seasonal b) frictional c) structural d) cyclical
6. Bob goes lobstering during the winter and spring but is unemployed during the summer.
a) seasonal b) frictional c) structural d) cyclical
7. Sally decided to take the summer off from work and start a new job in September.
a) seasonal b) frictional c) structural d) cyclical

Unemployment^(*)

Some people in Canada do not have a job.

Each month Statistics Canada calculates the official unemployment figures.

The unemployment rate is not the same in every province.

Canadians over the age of fifteen and looking for work are called unemployed.

Those who are not looking for work are not counted as unemployed.

People are unemployed for different reasons.

Some people are unemployed for a short time while they change jobs.

Other people are unemployed because they work a seasonal job.



1. Each month _____ calculates the official unemployment figures.
2. Canadians over the age of fifteen and looking for work are called _____.

* For sources to this article, see [Unemployment in Canada](#).

The information for the following story is from James D. Thexton's Made in Canada: economics for Canadians and the following Internet site accessed on 02/09/02: <http://www.civilization.ca/hist/labour/lab01e.html>

Words to Preview		
industrial	physical	negotiated

Canadian Labour Unions

Labour unions didn't always exist. In the past, workers had to fight for better work conditions. They fought for shorter work days, pensions, health insurance, job security, good wages, and better work conditions.

Labour unions began because of the poor working conditions in the past. They were formed to protect the workers.

A labour or trade union is an organization of workers. Industrial unions represent workers in an industry or firm. These unions include skilled and unskilled workers.

In Canada, the first labour unions were called craft unions. These unions began in the 1820's and 1830's in the Maritimes, Ontario, and Quebec. Many of the workers in these unions were craft workers. Craft workers were printers, shoemakers, bakers, coopers, masons, and tailors.

In Canada, the labour movement made very little progress between 1919 and 1945. When workers tried to strike or march for their rights, they were often stopped with physical force. The labour movement made more progress after World War II.



After World War II, many large factories were built. Many people moved to large cities to work in factories. Many people worked in these factories. The employees had no direct contact with their employers or bosses. The workers had no one to turn to with their problems. The workers found that when they stood together, they were heard. They began to organize unions. Officers of the unions negotiated between the workers and the employers.

Union membership in Canada has grown steadily since 1926. By the early 1990's, more than four million Canadian workers were union members.

"Canadian Labour Unions" Comprehension Questions

1. For what did workers need to fight for in the past?
2. What are labour unions?
3. What were the first unions in Canada called?
4. In the past, most Canadian worked as craft workers. Name two craft workers given in the story.
5. What often happened when the workers tried to strike or march for their rights?

Reading Between the Lines

1. One of the craft workers listed in the story is a cooper. What is a cooper?

"Canadian Labour Unions" Substitutions

Replace the underlined part in each of these sentences with another word or words.

1. Labour unions began because of the poor working conditions.
2. After World War II, many large factories were built.
3. After World War II, many large factories were built.
4. The employees had no direct contact with their employers.
5. They began to organize unions.
6. The workers and employers began to negotiate.
7. Union membership in Canada has grown.
8. Unions were started to protect workers in the past.
9. The workers fought for good wages.
10. The workers had no one to turn to with their problems.
11. The workers found that when they stood together, they were heard.

Unions^(*)

Unions are organizations of workers.

Unions represent and protect workers in a company.

In the past, unions gave workers shorter work days, pensions, good wages, and better working conditions.

Unions were started in the 1820's and 1830's in Canada.

The first unions were called craft unions.

Craft unions represented craft workers.

Some craft workers were printers, shoemakers, and bakers.

The amount of workers in unions has grown a lot since 1926.

In the early 1990's, there were four million Canadian union members.



1. Unions are _____.
 2. In the past, unions gave workers _____
-

* For sources for this article, see [Canadian Labour Unions](#).

Political Science

The information for the following story is from *Canada Today* by Angus L. Scully, Carl F. Smith, and Daniel J. McDevitt and *How Are We Governed in the '90's?* by John Ricker and John Saywell with Jim Parsons.

Words to Preview

Parliament	statute	draft
Governor General	prime minister	caucus
Senate	senator	amendment
House of Commons	cabinet	Royal Assent

How a Bill becomes Law

Who makes the Laws?

You might wonder, "who makes the laws in Canada?" In Canada, Parliament makes the laws. Parliament is made up of the Governor General, the Senate, and the House of Commons.

It is a very difficult process to create a statute or law. A statute is another word for law. Before a law is made, it starts out as a bill. If Parliament approves a bill, then it becomes law.

How does a Bill enter Parliament?

Many times the ideas for bills come from the public and their ideas are passed along to a member or members of Parliament. The member of Parliament who receives the idea for the bill passes it along to a cabinet minister. The cabinet minister then presents the idea to fellow cabinet members. Cabinet either approves this idea or turns it down.

Passing the Cabinet

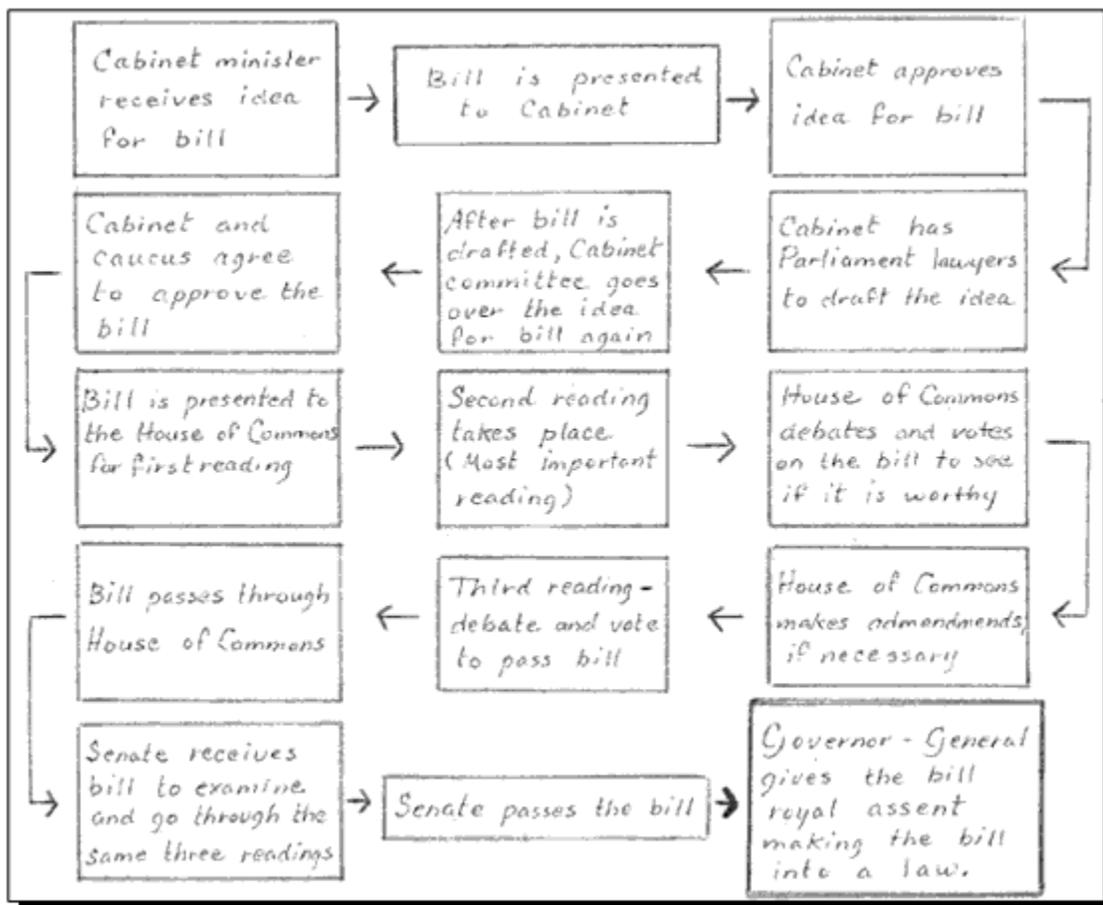
If the Cabinet members approve the idea for the bill, they have Parliament lawyers draft the bill. This means the lawyers make up legal documents making the idea into a bill. Once the lawyers draft the bill, the bill is returned to the Cabinet committee. The Cabinet checks the bill. If the bill is fine, Cabinet and caucus approve the bill. Caucus is the name for the meetings held by the House of Commons and the Senate party members. These meetings are used to discuss problems and policies. Caucus usually happens once a week.

Bill Enters House of Commons

Now that the bill has been approved by the Cabinet and caucus, the next step is taking the bill to the House of Commons. Each bill has three readings in the House of Commons. The first reading introduces the bill.

In the second reading, the members examine the details of the bill and debate the good and bad points. Often the committee of the whole House examines the bill. The "whole house" means the usual formal rules in the House become less formal and relaxed when discussing the bill. Sometimes the members of the House of Commons want an expert opinion from outside of Parliament. When this happens, the members ask a smaller group of people called a standing committee to arrange for this meeting. During this second reading, amendments can be made as long as they do not change the main intent of the bill. Amendment means to change.

When the bill receives its third reading, it is passed by the House of Commons.



Passing the Senate

Once the bill is passed in the House of Commons, it moves on to the Senate. In the Senate, the bill goes through the same three readings as it did in the House of Commons. If the bill is approved, the Senate passes it.

Bill Becomes Law

When the Senate approves the bill, it is passed on to the Governor General. The Governor General gives the bill Royal Assent. This means the bill is signed by the Governor General and now the bill becomes law.

"How a Bill becomes Law" Comprehension Questions

1. Who makes the laws in Canada?
2. What is another name for law that is used in this story?
3. Before a law is passed, what is the name it is known as?
4. Who usually presents the idea for a bill to cabinet members in Parliament?
5. What is caucus?
6. In the House of Commons and the Senate, the bill has to pass three readings. Briefly describe each reading.
7. Who is the last person to sign the bill for it to become a law?

Reading Between the Lines

1. Do you think a bill should have to go through three readings with both the House of Commons and the Senate, or do you think just one is enough? Why or why not?

"How a Bill becomes Law" Sequencing

Put the following in the order in which they occur.

1. The bill passes the House of Commons and moves on to the Senate. _____
2. The bill is taken to the House of Commons. _____
3. In the Senate, the bill goes through the same three readings as it did in the House of Commons. _____
4. A Cabinet minister presents the idea of a bill to the cabinet. _____
5. The Governor General gives royal assent. _____
6. Cabinet approves the idea or turns it down. _____
7. In the second reading, members in the House of Commons examine details of the bill. _____
8. If the bill is approved, the Senate passes it. _____
9. In the third reading, the House of Commons passes it. _____
10. The bill will become law. _____
11. The lawyers draft the bill. _____

Bill Passing^(*)

There are many laws in Canada.

Laws begin as bills.

Bills are passed in Parliament.

Bills can be turned down.

Ideas for bills come from many places.

Some ideas come from the public.

If a bill is passed in the House of Commons, it goes to the Senate.

After the Senate, it goes to the Governor General.

If the Governor General signs the bill, it becomes a law.



1. Laws begin as _____.
2. Some ideas for bills come from _____.
3. If the _____ signs the bill, it becomes a law.

** For sources for this article, see [How a Bill becomes Law](#).

The information for the following story is from *Canada Today* by Angus L. Scully, Carl F. Smith, and Daniel J. McDevitt, and from the following Internet sites accessed 03/14/02:

<http://www.nlc-bnc.ca/index-e.html>

<http://www.nlc-bnc.ca/2/18/h18-2000-e.html>

<http://www.nlc-bnc.ca/2/18/h18-2100-e.html>

Words to Preview		
Confederation	independence	economy
Aboriginal Nation	established	American
colonies	military	territories

Canada's Confederation

Confederation means the joining of the British colonies in British North America to create one country, Canada.

How it All Started...

In the 1500's, explorers from Europe sailed across the Atlantic Ocean to North America. They were searching for a new life in a land that was rich with resources. Britain and France were two countries that claimed most of the North American land.

Britain and France often fought against each other for land. They also fought against the Aboriginal Nations. These people had lived in North America for thousands of years before the Europeans discovered it. Sometimes the Aboriginals would fight on the side of Britain or France; other times they fought against both countries.

In North America, a war had taken place between the British and the French called the Seven Years' War. Most of the Aboriginals had sided with France. The war ended in 1763. The British had won the war. France had to surrender its land to the British.

Britain controlled thirteen colonies in what we now know as the United States. The Americans in the thirteen colonies did not like the way they were being treated by the British. The thirteen colonies wanted their independence from Britain. In 1775, the thirteen colonies and Britain went to war. The thirteen colonies won the war. The Americans formed their own country, the United States.

The remaining land that the British owned became known as British North America. This land would be known as Canada many years later.

In the 1860's, many British colonies were established in British North America. These colonies were British Columbia, Newfoundland, Nova Scotia, New Brunswick, Prince Edward Island, and the Province of Canada. The Province of Canada was made up of two colonies, Upper Canada (Ontario) and Lower Canada (Quebec).

In the 1860's, the British colonies began to consider joining all the colonies together to make a new country. This was called Confederation. One of the reasons why the colonies wanted Confederation was to have a stronger military. The British North American colonies were afraid the United States would invade them and take control of their land.

Another reason to join together as a country was to help the economy grow. The colonies bought and sold their products to each other.

The British North American colonies were having political problems. The two colonies in the Province of Canada were disagreeing among themselves. The French speaking people in Lower Canada and the English speaking people in Upper Canada would often disagree on how things in the Province of Canada should be run.

The idea of coming together as one country made many people believe this was a way to solve their problems. The United States had joined together as a country and the idea of the British colonies coming together was a popular idea.

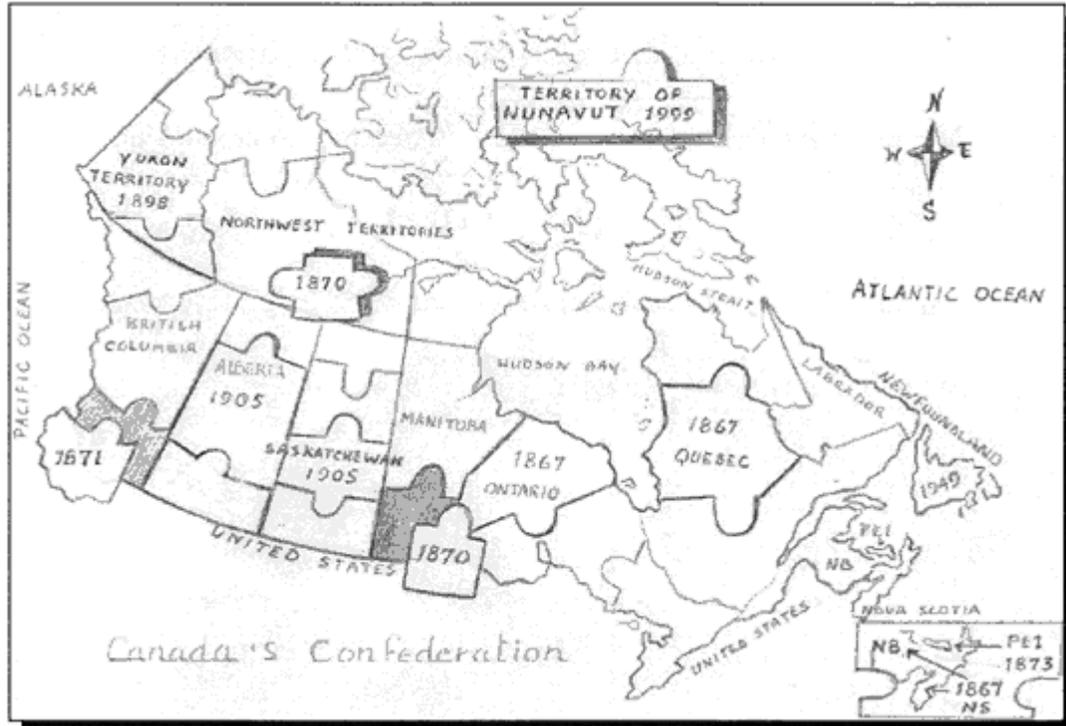
The Start of a New Country

Some of the British North American colonies made a historic move and the process of Confederation began. A new country called Canada was formed.

Canada first became a country in 1867. At that time, four provinces made up Canada. The four provinces were Nova Scotia, New Brunswick, Ontario, and Quebec. It took another 132 years for Canada to become the ten province and three territories that it is today.

Here is a list of Canada's provinces and territories and the year they became a part of Canada.

Nova Scotia - 1867
New Brunswick - 1867
Quebec - 1867
Ontario - 1867
Manitoba - 1870
Northwest Territories - 1870
British Columbia - 1871
Prince Edward Island - 1873
Yukon - 1898
Alberta - 1905
Saskatchewan - 1905
Newfoundland - 1949
Nunavut - 1999



"Canada's Confederation" Comprehension Questions

1. What name was Canada known as before Confederation?
2. In this story, what is Confederation?
3. Starting back in the 1500's, what two European countries claimed most of North America?
4. What group of people already lived in North America before the European explorers discovered it?
5. Who fought in the Seven Years' War? Who won the war and when did it end?
6. How did the thirteen colonies get their independence from the British?
7. Which four provinces were the first to join together to create Canada?

Reading Between the Lines

1. Do you think the British colonies benefitted when they joined together to create Canada? Why or why not?

"Canada's Confederation" Select the Correct Word

Fill in the blanks with the correct word.

1. The British colonies joined together to _____ (create, creation) a new country called Canada.
2. Aboriginal Nations were already _____ (living, lived) in North America before the European explorers arrived.
3. The thirteen colonies felt they were not being treated _____ (fairer, fairly) by the British.
4. The British colonies started to _____ (consideration, consider) joining together as one country.
5. The British colonies wanted their _____ (economics, economy) to expand.
6. Upper and Lower Canada were usually _____ (disagreeing, disagreed) amongst themselves.
7. Four provinces had _____ (join, joined) together to form Canada.
8. The British colonies wanted to buy and sell _____ (production, products) from each other to help their economy grow.
9. Canada has three _____ (territory, territories).

Confederation^(*)

Confederation was when Canada became a country.

Canada first became a country in 1867.

At that time, four provinces made up Canada.

They were Nova Scotia, New Brunswick, Ontario, and Quebec.

Newfoundland only became part of Canada in 1949.

In 1999, Nunavut became part of Canada.

It took 132 years for Canada to be what it is today.



1. Canada first became a country in _____.
2. _____ became part of Canada in 1949.
3. It took _____ years for Canada to be what it is today.

* For sources for this article, see [Canada's Confederation](#).

The information for the following story is from *Ideologies* by Douglas Baldwin and from the following Internet sites accessed 03/09/02:
<http://www.uni.ca/charter.html>
http://www.uni.ca/what_is_const.html

Words to Preview		
constitution	procedures	convention
ordinary	religion	discriminated
disability		

The Canadian Constitution

The Canadian Constitution is a framework of the rules and regulations of the government.

It is said that the Canadian Constitution is hard to understand with its mixture of written and unwritten rules and procedures.

Unwritten laws are called conventions. Conventions are agreements. Some procedures in Parliament have existed for such a long time that they are considered binding, even though they are not written anywhere. For example, it is not written anywhere that the party with the majority of seats in the House of Commons forms the government. It is not written anywhere that the Prime Minister of Canada is the leader of the party that wins the majority of seats.

The written laws form the core of the constitution. Constitutional laws are different from ordinary laws. If there is a conflict between a constitutional law and an ordinary law, the constitutional law will win.

Canada's Constitution Act was passed in 1982. It includes the written Charter of Rights.

Here are some things in the Constitution:

- Canadians have freedom of religion, belief, and opinion. This includes freedom of the press.
- Canadians have the right to enter and leave Canada.
- Canadians are innocent until proven guilty.
- Every Canadian is equal before the law.
- Canadians cannot be discriminated against based on their color, sex, race, age, or physical or mental disabilities before the law.

"The Canadian Constitution" Syllables

Syllables are the separate sounds in a word. For example, *important* has 3 syllables: im • por • tant

Write the number of syllables in each word.

constitution	_____	majority	_____
regulations	_____	laws	_____
government	_____	Canada	_____
written	_____	rights	_____
rules	_____	freedom	_____
procedures	_____	opinion	_____
binding	_____	legal	_____

Find two one-syllable words in the story.

Find two two-syllable words in the story.

Find two three-syllable words in the story.

The Constitution^(*)

The Constitution is made up of government rules.

Canada's Constitution Act was passed in 1982.

The Charter of Rights is part of it.

The Charter of Rights lists the rights of Canadians.

Here are some rights:

Canadians have the right to choose their religion.

Canadians are innocent until proven guilty.

Every Canadian is the same before the law.



1. Canada's Constitution Act was passed in _____.

2. One right of Canadians is

_____.

^{*} For sources for this article, see [The Canadian Constitution](#).

The information for the following story is from *How Are We Governed in the '90's?* by John Ricker, and John Saywell with Jim Parsons and *Atlantic Canada in the Global Community* by James Crewe, Russell McLean, William Butt, Robert Kenyon, Deirdre Kessler, Dennis Minty, and Elma Schemenauer.

Words to Preview		
ridings	legislatures	Chief Electoral Officer
electoral districts	minorities	civil servant
Parliament	Prime Minister	ballot
candidate	Governor General	nomination meeting

Elections in Canada

Why are Elections held?

Elections are held throughout the world. In Canada, we hold elections to make sure ridings or electoral districts have politicians that will fairly represent them in Parliament.

Who Can Vote?

All Canadian citizens who are eighteen years of age and older and who are on the voters' list can vote. Everybody who qualifies should vote. In federal and provincial government, an election is held no later than five years after the last election. Since an election is held this often, the politicians must do their job well or they will be replaced. The voters can elect somebody else for the job.

Who Can Run in an Election?

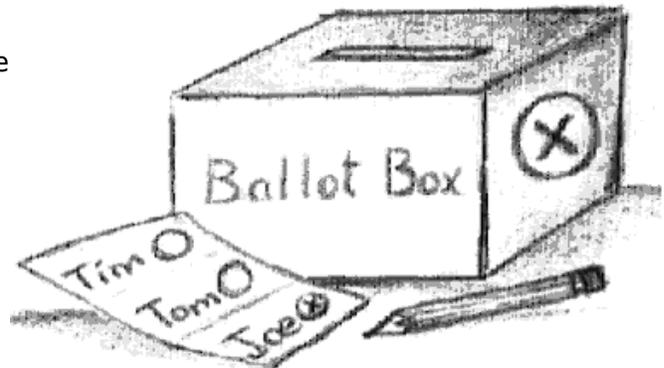
In the House of Commons and provincial legislatures, anybody who can vote can run in an election. Some minority groups have only a few members in the House of Commons and provincial legislatures. Some of these groups are women and the Inuit people. But the numbers of minorities in Parliament are slowly growing.

Who Do You Vote for?

Canadians vote for a candidate for a variety of reasons. Generally people vote for the person who shares the same point of view and morals as they do. Some people vote for a certain political party because it's family tradition. Some families are strong believers in a particular party and remain loyal and give their vote to that party.

How does an Election Work?

The Prime Minister decides when an election is best for his or her party. Then the Governor-General is advised by the Prime Minister to dissolve or break up Parliament and have an election.



An order is sent to the Chief Electoral Officer to prepare for an election. The Chief Electoral Officer is the civil servant in charge of the organization of the election.

Then the Chief Electoral Officer contacts returning officers and sends them information about the upcoming election (i.e. dates for nomination of candidates and voting stations). The returning officers are people who are responsible for the election in their districts. The returning officers divide their districts into voting stations. There is one station for every 250 people. The returning officer has a list of all the people who have the right to vote.

Nomination meetings take place in each riding. At a nomination meeting, political parties decide who will represent their party in the upcoming election. Party leaders can have a lot of influence on who will be the person to represent the party.

People who want to run in the election pay a fee of \$200. This way, only the candidates who are very serious about running will have their names on the ballot. The ballot is the piece of paper made available at the voters' station with the list of people running in the election. The money is returned if the candidate wins or receives half as many votes as the winner.

On election day, each voters' station has a deputy returning officer to oversee the event. Voters arrive at the voters' station or polling station, give their names to the returning officer, and then they are given a ballot. The voter secretly marks an "X" by the name of the person he or she is voting for. The ballot is folded and placed in a box. When the voters' station is closed, the ballots are counted by the deputy returning officer and other people who have been working in the voters' station or polling station that day. In most cases, the results are known before the next day.

It is your right and responsibility to support and speak out for what you believe in. Don't pass up your right to vote.

"Elections in Canada" Comprehension Questions

1. What is the importance of having elections no more than five years apart?
2. Name two qualifications you need to be able to vote in Canada.
3. Name one minority group that has only a few members in the House of Commons.
4. How do people determine who they will vote for in an election?
5. Who is the Chief Electoral Officer?
6. What is the job of returning officers?
7. What is a nomination meeting?

Reading Between the Lines

1. Do you think elections should happen more or less often than every five years? Do you think the time given is fair? Why or why not?

"Elections in Canada" Spelling

Circle the two words that are spelled incorrectly in each sentence.

1. This way the voters' can electe somebody else for the jobb.
2. Everybody who qaulifies to vote shud do so.
3. There are minority gruups who are not represnted well in Parliament.
4. Canadains vote for a candidete for a variety of reasons.
5. Some people vote for a certein poletical party because it's family tradition.
6. The Prim Minister decides when an electon is best for his or her party.
7. Then the Governor-General is advissed by the Prime Minister to break up Parlliament.
8. The reterning officers are people who are responsible for the election in their district.
9. The returning officer has a list of all the poeple who hav the right to vote.
10. The moniey is returned if the candidate wins or receives haff as many votes as the winner.
11. On election day, each voters' statoin has a deputy returning officer to overse the event.
12. So please don't pass up your ritte to vote.

Elections⁷⁾

Elections need to be held at least every five years in Canada.

Canadians on the voters' list can vote. You also need to be eighteen years old to vote.

On election day, voters need to go to the voters' station.

Voters are given a ballot.

The list of the people running in the election is on the ballot.

Voters mark an "x" next to the name of the person they are voting for.

The ballot is folded and put in a box.

Nobody knows who you vote for.

XXXXXXXXXXXXXXXXXXXXXXXXXXXX

1. Elections need to be held every _____ years in Canada.
2. You need to be _____ years old to vote.
3. The list of the people running in the election is on the _____.

For sources for this article, see [Elections in Canada](#).

The information for the following story is from *Made in Canada: economics for Canadians* by James D. Thexton, *How Are We Governed in the '90's?* by John Ricker and John Saywell with Jim Parsons, and *Grassroots Democracy: Local Government in the Maritimes* by Kell Antoft and Jack Novack.

Words to Preview		
expenditures	unemployment	maintenance
commerce	veterans'	supplements
foreign	guaranteed	facilities

Canada's Expenses

Many of us often wonder how our tax dollars are being used. Also, we might wonder why the government budget does not seem to cover every program that we think it should. Often we hear people saying, "I pay taxes, why is there not enough money for this program?"

Here is a brief look at what the government budget allows for expenditures.

Expenditures

An expenditure is an expense paid by the government. The government provides us with a variety of goods and services, and most of the money that is used to pay for these services comes from the taxpayers. Different levels of government are responsible for different expenditures. The three levels of government in Canada are federal, provincial, and municipal.

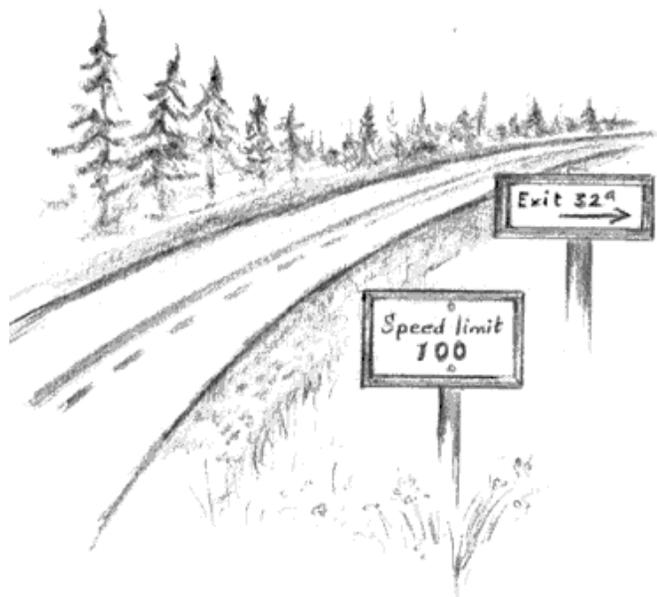
Federal Expenditures

The federal government expenditures include the goods and services that benefit all of Canada. Some of these are our military, the court system, banking, imports, exports, and railways.

More than one half of expenditures go toward social development. Some of the areas social development consists of are Old Age Security benefits, unemployment insurance benefits, veterans' benefits, Canada Assistance Plan, family allowances, guaranteed income supplements, and other social programs.

Provincial Expenditures

Provincial expenditures are for goods and services within a province. The constructing and maintenance of most



roads, highways, and bridges are paid for by the provincial government.

Health care is funded by both the federal and provincial government, but the Health Care system is managed by the provincial government. Some provinces in Canada are not as rich as others, and those provinces may not have enough money for their health care system.

In cases like this, the federal government gives the province a Canada Health Services Transfer (CHST). This money transfer is given to make sure each province has at least the basic requirements for its health care system.

Another expenditure given to provinces and municipalities by the federal government is called an Equalization Transfer. This is money given to the poorer provinces to make sure the basic services can be provided. Some provinces or municipalities may not have enough money to provide a needed service, so the federal government gives the provincial or municipal government an Equalization Transfer to ensure that service.

The provincial government provides most of the money for education in the province. The Department of Education is responsible for the public school system.

The funding for the school system comes mostly from taxpayers within the province. The provincial government gives the local municipal governments a set tax rate that is collected through municipal residents' annual property tax. The money collected through this set tax rate funds part of the public school system.

Municipal Expenditures

Municipal governments provide us with goods and services available in our local area. Some of the expenses include the building and maintaining of municipal roads, sidewalks, streetlights, and sewers. Our municipal government provides us with fire departments, recreational programs and facilities, and garbage collection.

Some towns, cities, and municipalities provide funding for their local police forces. The Royal Canadian Mounted Police (RCMP) is funded by both the federal and municipal governments.

"Canada's Expenses" Comprehension Questions

1. What is a government expenditure?
2. Name the three levels of government in Canada.
3. Name two examples given in the story of expenditures having to do with social development.
4. Which government or governments provide funding for Nova Scotia's health care system?
5. Does the federal government provide most of the funding for Nova Scotia's roads, highways, and bridges? If not, who does?
6. How do municipalities help the provincial government gather money to fund Nova Scotia's public school system?
7. Who provides the funding for local police and the RCMP in Nova Scotia?

Reading Between the Lines

1. Do you think each level of the Canadian government is given a fair amount of expenditures? Why or why not?

Word Search

Circle the following words in the puzzle below. They can be forwards, backwards, sideways, up, or down.

- | | | | |
|-------------|----------------|--------------|--------|
| government | federal | goods | fund |
| budget | provincial | constructing | school |
| expenditure | municipal | health | sewer |
| expense | justice | elementary | police |
| taxpayer | transportation | property | local |

b	a	j	u	s	t	i	c	e	h	e	a	l	t	h
u	f	b	i	s	d	o	o	g	m	l	n	v	r	o
d	o	l	a	c	o	l	t	s	w	e	d	p	a	a
g	o	v	e	r	n	m	e	n	t	m	p	r	n	s
e	p	e	x	p	e	n	s	e	r	e	w	e	s	l
t	o	q	p	v	i	n	v	d	x	n	o	r	p	i
y	t	r	e	p	o	r	p	y	i	t	f	p	o	l
e	u	k	n	c	e	h	n	b	w	a	s	p	r	a
e	f	e	d	e	r	a	l	i	a	r	c	i	t	p
c	u	u	i	h	k	c	s	z	p	y	h	k	a	i
i	n	l	t	a	x	p	a	y	e	r	o	i	t	c
l	d	a	u	j	l	c	e	r	b	s	o	k	i	i
o	f	p	r	o	v	i	n	c	i	a	l	p	o	n
p	h	w	e	j	k	c	l	a	f	w	b	c	n	u
c	o	n	s	t	r	u	c	t	i	n	g	a	s	m

Government Expenses^(*)

We all pay taxes to the government.

The government uses this money to pay for some of its expenses.

The federal government uses the money for many things in Canada.

The federal government funds social programs.

One social program is old age security.

The provincial government uses the money for things in our province.

Some things are roads, education, and health care.

We also pay taxes to the municipal government.

The municipal government uses the money for things in our community.

Some things are sewer systems, garbage services, and street lights.

Without taxes, we would not have all these goods and services.



1. The federal government pays for _____.
2. The provincial government pays for _____.
3. The municipal government pays for _____.

* For sources for this article, see [Canada's Expenses](#).

The information for the following story is from *Atlantic Canada: in the Global Community* by James Crewe, Russell McLean, William Butt, Robert Kenyon, Deirdre Kessler, Dennis Minty, and Elma Schemenauer and *Made in Canada: economics for Canadians* by James D. Thexton.

Words to Preview		
Federal Parliamentary	electoral districts	appoint
Government	Senate	cabinet ministers
constituencies	monarchy	Governor General

Federal Parliamentary Government

From Canada's west coast to its east coast, we all follow the laws of our Federal Parliamentary Government. Also known as the federal government, it is responsible for setting the guidelines and laws for the entire country.

Some responsibilities are shared by the provincial and federal government. Some of these responsibilities are social services, job training, health care, and natural resources.

Like the provincial government, the federal government is made up of elected members. The members are responsible to the people who elect them. These members represent different political parties. The candidates run in an election so they can get one of the seats or positions in the House of Commons. Each seat represents one of the electoral districts across Canada.

In Canada, Parliament is made up of two houses. They are the House of Commons and the Senate.

House of Commons

The House of Commons has the greatest number of seats of the two houses. There are 301 constituencies or electoral districts in Canada. Some provinces have more electoral districts than others. The number of seats in each province is according to its population. For example, Ontario and Quebec have the most seats since they have the largest populations. This means these provinces are allowed more seats in the House of Commons to represent their people properly.

In the House of Commons, the political party that has the most seats becomes the government. The leader of the winning political party becomes the Prime Minister. The Prime Minister becomes the leader of the country.

The Opposition

The House of Commons is divided into two sections. They are the Government and the Official Opposition.



The political party with the second largest amount of seats in the House of Commons is called the Official Opposition. The Opposition's role in the House of Commons is to debate issues. It also criticizes the way government is operating. This is how the Opposition tries to show the public that it would be better if they ran the government.

If the Prime Minister resigns or dies, a new election takes place. The Deputy Prime Minister takes his place until the party elects a new leader. This only happens if it is not time for the general election to take place.

The Senate

The Senate is made up of 105 Senators. Senators are people who are appointed by the Prime Minister. To appoint means to choose or to nominate. Another name for the Senate is the Upper Chamber. Each person of the Senate represents an area in Canada. Once people are appointed to the Senate, they can keep their seats until they turn seventy-five years of age, if they choose to. Some Senators may be experienced politicians while other Senators have non-political backgrounds.

The Senate and House of Commons pass bills. The Senate and the House of Commons both have to agree before a bill can be passed. The Senate gives a second opinion on the bill before passing or not passing a bill. They discuss the proposed bill and decide if they agree or disagree about passing it.

The Cabinet

In the federal government, the Prime Minister appoints cabinet ministers. The cabinet ministers are taken from the members already elected to the House of Commons. The cabinet members are in charge of assigned departments.

The Cabinet holds a lot of power. The Prime Minister is first in power, and he rules the Cabinet. The cabinet members are the big decision makers in the federal government. The Cabinet has the final say on such things as whether to lower or raise taxes, change the amount given for old age pensions, or go to war.

Monarchy

Canada is a constitutional monarchy. The monarch is the Queen Elizabeth II. The monarch did rule Canada many years ago. The monarch is listed at the top of our federal government.

In Canada, the monarch is represented by the Governor General. Neither the Governor General nor the Queen hold any true power in the federal government. Presently, the Queen does not take any part in the decision making in the federal government.

"Federal Parliamentary Government" Comprehension Questions

1. For which parts of Canada do the federal government make guidelines and laws?
2. Name two of the four responsibilities both the provincial and federal government share.
3. What is another name for electoral districts? How many electoral districts are in Canada?
4. How is the number of electoral districts for each province determined?
5. What is a seat in the House of Commons?
6. The political party with the second largest amount of seats in the House of Commons is called what?
7. What do the cabinet ministers do and who appoints them?
8. Does the monarch hold any power in the Canadian federal government?

Reading Between the Lines

1. Today the monarch does not take part in the decision making in the federal government. Do you think the monarch should still be mentioned and recognized in the Canadian Federal Government?

"Federal Parliamentary Government" Syllables

Syllables are the separate sounds in a word. For example, "remember" has 3 syllables - re*mem*ber

Write the number of syllables found in each word.

follow	_____	candidates	_____	cabinet	_____
government	_____	Quebec	_____	monarch	_____
responsible	_____	Ontario	_____	external	_____
departments	_____	Minister	_____	Senate	_____
provincial	_____	trade	_____	bill	_____



Find 3 one-syllable words in the story.

Find 3 two-syllable words in the story.

Find 3 three-syllable words in the story.

Federal Government^(*)

The federal government is made up of elected members.

These elected members represent different political parties.

The elected members have one of the seats in the House of Commons.

Each seat represents one of the electoral districts across Canada.

There are 301 electoral districts in Canada.

In Canada, Parliament is made up of two houses.

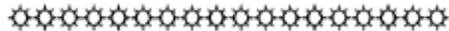
They are the House of Commons and the Senate.

The House of Commons is divided into two sections.

They are the Government and the Official Opposition.

The political party that has the most seats forms the government.

The leader of this party is the Prime Minister.



1. The federal government is made up of
_____.
2. The leader of the political party that has the most seats is the
_____.

^{*}For sources for this article, see [Federal Parliamentary Government](#).

The information for the following story is from *How Are We Governed in the '90's?* by John Ricker and John Saywell with Jim Parsons, and *Canada Today* by Angus L. Scully, Carl F. Smith, and Daniel J. McDevitt, and from the following Internet sites accessed 04/01/02:

- http://www.gg.ca/governor_general/role_e.asp
- http://www.gg.ca/governor_general/role-encour_e.asp
- http://www.gg.ca/governor_general/role-excel_e.asp
- http://www.gg.ca/governor_general/role-sover_e.asp
- http://www.gg.ca/governor_general/role-crown_e.asp

Words to Preview		
Governor General	Throne	achievements
recognized	dissolved	salutes
Royal Assent	Commander-in-Chief	appointed

Canada's Governor General

Many years ago, Canada was under British rule. The Queen of England ruled Britain.

Britain does not rule Canada anymore, but we do have a Governor General in our Parliament to represent the Queen, who is Head of State. The position of Governor General shows respect to Britain.

What does the Governor General Represent?

The Crown is recognized at the top of Canada's Parliament, even though it does not hold any power in Parliament. The Governor General's job is to give formal approval to acts and rules presented by the Prime Minister and the Cabinet. The Governor General is appointed by the Queen on the advice of the Prime Minister.



Today, the year 2002, Canada's Governor General is The Rt. Hon. Adrienne Clarkson. The Governor General has many responsibilities she takes care of on the Queen's behalf.

A bill that has gone through the process of being passed in the House of Commons and the Senate has to be given the Royal Assent by the Governor General in order to become law. Royal Assent means to give approval by the Governor General on behalf of the Queen.

In Parliament the Governor General reads the Speech from the Throne and opens and ends each session of Parliament. She is responsible for swearing in government officials, such as the Prime Minister and cabinet ministers. In order to have an election, Parliament has to be dissolved by the Governor General.

The Governor General's responsibilities include traveling and keeping in touch with other countries and keeping communication open and friendly with these countries. She is one of the first to greet leaders of other countries when they visit Canada.

The Governor General has the job of Commander-in-Chief of the Canadian Forces. This means she visits troops and military bases across Canada and abroad. She gives them words of praise and commends them on jobs well done. She encourages them to keep up their good work. She takes part in their ceremonies.

Across Canada, there are people who stand out in their achievements. The Governor General presents different awards and medals on behalf of *The Order of Canada*. *The Order of Canada* is the highest honor that is given to Canadian citizens for their achievements.

There are many other types of awards given to outstanding Canadian citizens that are presented by the Governor General. The *Order of Military Merit* salutes members of the military on their outstanding performances on the job. The *Decoration for Bravery* award is presented to people who have risked their own lives and are very brave. The *Caring Heraldic Authority* award is presented to care givers and volunteers for their outstanding work.

The Governor General travels across Canada to help communities and towns feel proud and to encourage communities to work together and care for each other. She visits many places throughout the country such as hospitals, schools, festivals, fairs, and community events in support of many organizations.

"Canada's Governor General" Comprehension Questions

1. Who ruled Canada in the past?
2. Who or what does the Governor General represent in Canada?
3. List one of the duties of the Governor General in Parliament.
4. What is the Governor General's duty with the Canadian Forces?
5. What is *The Order of Canada*?
6. How is the Governor General selected?

Reading Between the Lines

1. Do you think it is necessary to have a Governor General in Canada to carry on the duties of the Queen who no longer has any political power in Canada? Why or why not?
2. In the story, it says the Governor General gives troops "words of praise and commends them on jobs well done." What does "commend" mean?

"Canada's Governor General" Spelling

Circle the correct spelling of each word.

- | | | | |
|----|---------------|--------------|--------------|
| 1. | Govenor | Govnor | Governor |
| 2. | Queen | Quein | Quein |
| 3. | Parliament | Parlament | Parliament |
| 4. | postion | position | positon |
| 5. | reconized | recognized | recongized |
| 6. | ceremonies | creremonies | ceremanyes |
| 7. | communication | communcation | communicaton |
| 8. | encourages | encoauages | encurages |

Past Tense

Re-write each sentence in the past tense.

Example: Canada is under British rule. --> Canada was under British rule.

- | | | |
|----|------------------------------|-------|
| 1. | The position shows respect. | _____ |
| 2. | She gives approval to acts. | _____ |
| 3. | Duties include traveling. | _____ |
| 4. | She has the job. | _____ |
| 5. | People risk their own lives. | _____ |
| 6. | She helps Canada. | _____ |
| 7. | She visits many places. | _____ |

The Governor General^(*)

The Governor General is part of the federal government.

She represents the Queen in Canada's Parliament.

Today, the year 2002, the Governor General is The Rt. Hon. Adrienne Clarkson.

The Governor General does many things.

She reads the speech from the Throne in Parliament.

She signs bills that then become laws.

She visits many places in Canada.

She visits military bases.

She gives out awards to special Canadians.



1. Today, the year 2002, the Governor General is

_____.

2. One thing the Governor General does is

_____.

* For sources for this article, see [Canada's Governor General](#).

The information for the following story is from the following Internet sites accessed 01/19 /02:
http://www.archives.ca/05/0518/05180202/0518020201_e.html
http://www.ottawakiosk.com/parliament/p_2.html
http://www.ottawakiosk.com/parliament/p_1.html
<http://www.discoverlearning.com/pole2pole/ottawa/>
http://www.capcan.ca/attractions/parliament/index_e.html

Words to Preview		
established	American	resembled
permanent	architects	Gothic Revival
conduct	contractor	Victoria Memorial
Ottawa	thousands	

History of Parliament Hill

Many years ago, Canada was divided into two sections. It was known as Lower Canada and Upper Canada. Lower Canada is now Quebec, and Upper Canada is now Ontario.

In 1841, Upper and Lower Canada joined together. Together they were known as the Province of Canada. Government sessions were held in both areas. The Queen was asked to decide on a permanent location for government.

In 1857, the Queen choose Ottawa to be the permanent location to conduct government. Ottawa was not a well established city but was further away from the American border. Canada's other established cities were close to the border. America was a threat to Canada at that time.

Cost of Construction

Two architects designed the Gothic style Parliament buildings. They were Thomas Fuller and Chilion Jones. The contractor's name was Thomas McGreevy. The total cost of the original Parliament buildings was \$1,750,720. The price included the cost of the Library and the Tower.

The First Parliament Buildings

In 1859, construction began on the Parliament buildings. On September 1, 1860, the first cornerstone of the Parliament buildings was laid by the Prince of Wales.

The Parliament buildings were called blocks. The Centre Block, East Block, and the West Block were built and completed between 1859 and 1866. The Parliamentary Library was completed in 1876, and The Victoria Tower was finished in 1878.

The Centre Block held the Senate, the House of Commons, and the Parliamentary Library. The Victoria Tower stood in front of The Centre Block.

Fire!

On February 3, 1916, a terrible fire destroyed The Centre Block. A fire had started in the Parliamentary Reading Room. The fire spread fast with all the newspapers that were in the room. All that was saved was the Parliamentary Library and the north-west wing. An employee closed the library's iron doors, and many important books were saved. Seven people died in the fire.

Rebuilding Parliament

The Centre Block had to be rebuilt. The new building resembled the original building with a Gothic Revival style. Parliament was held in The Victoria Memorial Museum until construction was finished in 1922. The Victoria Tower was destroyed in the fire. A new tower was built to replace it. This new tower is called The Peace Tower. The Peace Tower was completed in 1927.

Today's Parliament Buildings

The Parliament buildings are still where Canada's government creates and passes laws. Ottawa is now a well-established and beautiful city. Thousands of tourists visit each year to see the historic buildings of our capital, Ottawa.



"History of Parliament Hill" Comprehension Questions

1. Name the two areas that joined together to create Canada.
2. Today, what are the names of the two areas that came together to create Canada?
3. What area did the Queen choose as a permanent location to conduct government?
4. What was the cost of the original Parliament buildings?
5. In this story, what are "blocks"? Name the blocks that were built.
6. In this story, what happened on February 3, 1916?
7. Where did Parliament take place while the new government buildings were being constructed?

Reading Between the Lines

1. In 1857, Ottawa was not a well-established city. Do you think the Queen made the right decision choosing Ottawa as a permanent location to conduct government? Why or why not?

"History of Parliament Hill" Where, Who, What, When, Why

Fill in the blanks with *where, who, what, when, or why*.

1. _____ did Upper and Lower Canada join together?
2. _____ choose Ottawa as a permanent location to conduct government?
3. _____ in Canada were the Parliament buildings built?
4. _____ did the fire happen in the Parliamentary Reading Room?
5. _____ were the names of the two architects?
6. _____ laid the first cornerstone of the Parliament buildings?
7. The fire spread fast. _____ did this happen?
8. The fire destroyed The Centre Block. _____ made the fire start?
9. Do you know _____ The Victoria Memorial Museum is located?
10. _____ did the Queen choose Ottawa as a location for government?
11. The Victoria Tower was destroyed in the fire. _____ was the name of the new tower that was built?
12. At the time of the fire, _____ was it lucky an employee closed the library's iron doors?

Parliament Hill^(*)

In 1857, the Queen picked Ottawa as the place for government.

The Parliament buildings were started in 1859.

They cost \$1,750,720.

The buildings were called blocks.

They were the Centre Block, East Block, and West Block.

They were finished in 1866.

The library was finished ten years later. The Victoria Tower was finished in 1878.

The Centre Block held the Senate, House of Commons, and library.

In 1916, a fire destroyed the Centre Block.

Seven people died in the fire.

Centre Block was rebuilt and was finished in 1922.

The new tower was finished in 1927.

It is called the Peace Tower.



1. The buildings were called _____.
2. The new tower is called the _____.

* For sources to this article, see [History of Parliament Hill](#).

The information for the following story is from *How Are We Governed in the '90's?* by John Ricker and John Saywell with Jim Parsons.

Words to Preview		
Lieutenant Governor	functions	accomplishments
appointed	Royal Assent	Honourable
legislation	enforcer	dignity

The Lieutenant Governor

Across Canada, all provinces appoint a Lieutenant Governor. In some ways, the position of Lieutenant Governor resembles that of the Governor General in Parliament. Both represent the Queen and take on similar jobs and duties. The Lieutenant Governor represents the Crown in her province. The Governor General represents the Crown for all of Canada.

The Lieutenant Governor is appointed by the Governor General on the advice of the Prime Minister. The provincial premiers do not give their advice on who they think should have the position of Lieutenant Governor. The Prime Minister can ask a premier for his advice but does not need to do so.

The position of Lieutenant Governor is usually given to a member of the federal political party in power. That means a member of a political party that is not in power within the province can hold the position of Lieutenant Governor.

In the provincial legislature, the Lieutenant Governor has to give Royal Assent on all bills before they can be made into law. Royal Assent means to give approval by the Lieutenant Governor on behalf of the Queen. At the opening of a Session of the Legislature, the Lieutenant Governor always begins with the official reading of the Speech from the Throne. Also, the Lieutenant Governor swears in the members of the Cabinet.

The Lieutenant Governor watches over government and if she feels something wrong or unlawful is happening, she has the right to dismiss the House of Assembly. This action is rarely used, but it is possible if needed.



The role of the Lieutenant Governor is more symbolic of the Queen's presence, rather than as a leader and enforcer of the laws of the House of Assembly.

The Lieutenant Governor presents important awards to deserving citizens in the province who are outstanding in their accomplishments.

Today in Nova Scotia, the year 2002, we have our 30th Lieutenant Governor, The Honourable Myra A. Freeman. Besides her duties in the House of Assembly and presenting special

awards, she is responsible for many other things. She attends many special events within the province. She visits with organizations and functions commending them on jobs well done. Nova Scotians are proud of the way she makes sure the Crown is represented with dignity and grace.

"The Lieutenant Governor" Comprehension Questions

1. Who or what does the Lieutenant Governor represent?
2. Who appoints each of the provincial Lieutenant Governors?
3. The Lieutenant Governor is usually, but not always, a member of which political party?
4. Before a bill is passed, what does the Lieutenant Governor have to do before it can become law?
5. To whom does the Lieutenant Governor present important awards?

Reading Between the Lines

1. Do you think that the Governor General, on advice of the Prime Minister, should choose a Lieutenant Governor for each province, or do you think that each province should have their premier choose a person for the position of Lieutenant Governor? Why or why not?

"The Lieutenant Governor" Fill in the Blank

Select the correct word in each sentence.

1. I have an _____ (appointed/ appointment) with the Lieutenant Governor.
2. That statue _____ (resembles/ resembling) the premier of this province.
3. The Lieutenant Governor belongs to a _____ (differently/ different) political party.
4. Has the Lieutenant Governor already _____ (giving/ given) the award?
5. Which political party is more _____ (power/ powerful)?
6. The Lieutenant Governor has many _____ (duties/ duty).
7. Nova Scotian citizens _____ (feel/ feels) very proud of her.

8. Was it _____ (possible/ possibility) for her to dismiss government?
9. The provincial government was _____ (enforcer/ enforcing) the laws of the province.
10. The Lieutenant Governor is _____ (responsible/ responsive) for many tasks and duties representing the Queen.

Lieutenant Governor^(*)

The Lieutenant Governor is part of the provincial government.

She represents the Queen.

Today, the year 2002, Nova Scotia's Lieutenant Governor is The Honourable Myra A. Freeman.

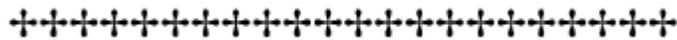
The Lieutenant Governor does many things.

She reads the speech from the Throne in the House of Assembly.

She signs bills that then become laws.

She gives out awards to special people in the province.

She attends many special events in the province.



1. The Lieutenant Governor is part of the _____ government.
2. Today, the year 2002, Nova Scotia's Lieutenant Governor is _____.
3. She reads the speech from the Throne in the _____.

* For sources to this article, see [The Lieutenant Governor](#).

The information for the following story is from *How Are We Governed in the '90's?* by John Ricker and John Saywell with Jim Parsons. Special thanks goes to Ruth L. Blades, Sessional Librarian, Nova Scotia Legislative Library, Province House, for sending helpful information on this subject.

Words to Preview		
Legislative Assembly	transportation	House of Assembly
cabinet	constituency	finance

Members of the Legislative Assembly

MLA stands for Member of the Legislative Assembly.

MLAs are a part of the provincial government.

In Nova Scotia, each MLA has a seat in the House of Assembly.

A seat is a position in government.

Some MLAs are also members of the cabinet.

Cabinet members are ministers of departments.

Some examples of provincial departments are Fisheries, Transportation, and Finance.

In Nova Scotia, there are fifty-two MLAs.

In Nova Scotia, MLAs are elected in each county.

Many counties have more than one MLA, depending on the population.

MLAs are responsible for the needs and wants of their constituencies.

They need to make sure that their constituencies do not miss any opportunities that would benefit them.

Some MLAs have a political background while others have no experience in politics.

At times, newly elected MLAs are provided training sessions.

This helps the new members understand how the House of Assembly works.

MLAs spend at least 2 to 3 months in Halifax attending meetings.

Many MLAs have a constituency office located in their district or county.

These offices help the MLAs keep in touch with their constituents.

Constituents are the voters.

Any Canadian citizen or British subject who is 19 years and older can run for election in the House of Assembly.

Most people running in an election have the backing of a political party.

Nova Scotia has three main political parties.

They are the Progressive Conservatives (PC), the Liberal Party (Lib), and the New Democratic Party (NDP).



"Member of the Legislative Assembly" Comprehension Questions

1. What does MLA stand for?

2. Do MLA's belong to the federal or provincial government?

3. How many MLA's does Nova Scotia have?

4. Who can run in an election to become a MLA?

5. What does PC, Lib, and NDP stand for?

The following information comes from *Canada Today* by Angus L. Scully, Carl F. Smith, and Daniel J. McDevitt.

Words to Preview		
Member of Parliament	constituency	Federal Government
nomination	House of Commons	conveys

Members of Parliament

MPs make up the Federal Government and are members of Parliament.

The federal government governs Canada.

Parliament is made up of the House of Commons and the Senate.

MPs have seats in the House of Commons in Parliament.

Members of Parliament are elected.

Any Canadian citizen who is 19 years and older can run in an election.

Candidates wanting to run in the election look for a political party to support them.

There are several political parties in Canada's government.

The main political parties in the Canadian Federal Government are:

- Liberal Party
- Canadian Alliance Party
- Progressive Conservative Party
- New Democratic Party

The different political parties decide which candidates will run for their party.

The candidates are chosen at nomination meetings.

An election is held in each constituency or riding.

One MP represents a constituency or riding.

* To read more on the [Federal Government](#).

A constituency or riding is a city, part of a city, or numerous small villages, depending on the population of the area.

The successful candidate takes a seat in the House of Commons.

Some MPs are ministers in the cabinet.

Ministers are leaders of assigned departments.

Some departments in the federal government are Defence, Foreign Affairs, and Finance.

Constituents can contact their MPs to help them solve certain matters.

Constituents are the people in a constituency or riding.

Your MP takes the matter to a minister in the House of Commons or the appropriate government department.

The matter may be addressed in the House of Commons.

An MP conveys many requests from constituents to Government.

MPs have to keep in touch with their constituents' interests and concerns.

MPs vote for their riding's best interest in the House of Commons.

Members of Parliament have to keep up-to-date on federal affairs.

If an MP is not up-to-date, he or she could be replaced in the next election.



Comprehension Questions

1. What does MP stand for?
2. Name the area that each election takes place in.
3. How are the candidates for Members of Parliament chosen?
4. Where do Members of Parliament have a seat?
5. Name one of Canada's main political parties.

by James D. Thexton, *Grassroots Democracy: Local Government in the Maritimes* by Kell Antoft and Jack Novack, and the following Internet site accessed 10/15/01: <http://199.202.235.157/yig/yourlocalgovernm.html>

Words to Preview		
municipal	councils	maintenance
municipality	councillors	finances
government	residents	revenue
assigned	represent	assessed
district	citizens	recognize

Our Municipal Government

The sun was setting as cars turned into the Municipal building parking lot. The municipal councillors smiled and gave a little wave to each other as they got out of their vehicles with briefcases in their hands. These people live in your communities and represent your area in municipal government.

Municipal government is also known as local government. This kind of government handles small situations within our local area. Our municipal government is in charge of local services within our municipality. A municipality is a district made up of a community or communities.

Municipalities are controlled by councils. Councils are made up of people elected to represent the people in an assigned area or areas within the municipality. The councillors are responsible for the best interests of the district and for taking requests or concerns from residents to municipal meetings for discussion. They are in charge of making decisions on municipal services and the spending of municipal money.

The councillors get their seat or position by running in an election. The members of the community vote for the person who will represent them in their area. Municipal governments deal with many issues that affect the citizens of the municipality. Some services that municipal governments handle are fire departments, sewers, sidewalks, streetlights, garbage collection, the local school system, maintenance of local roads, and the local police.

Here is an example of something a municipal government might handle. A fire department wants to replace its old, outdated fire truck with a new and improved fire truck. Most of the money will come from the tax payers so many issues have to be addressed. Is there a real need for the truck? What is the truck's cost? Will residents of the municipality have their taxes increased, and is this acceptable? The request by the fire department is brought to the local municipal council by a person or persons representing the fire department. Councillors would vote if a new truck is



needed and if municipal finances could handle this purchase.

Municipal governments get most of their revenue through local property tax. Revenue means income. Local property tax is the tax you pay on your land, house, or some sort of property. Your property is assessed, and your tax bill is based on the value of your property. The money collected from the tax payers goes towards certain needs and wants of the municipality.

Sometimes municipalities need to ask the provincial government for money. For example, the municipality may want to build a sports centre or an arena. This may cost more money than the municipality can afford. This is when the municipal government would make a request to the provincial government to help fund their project.

Our Municipal government takes care of many everyday situations in our community that perhaps our provincial and federal governments do not have time to handle. Local governments tend to know and recognize the needs and wants of local people. This adds a personal touch and it allows the voices of local people to be heard.

"Our Municipal Government" Comprehension Questions

1. What is another name for Municipal government?
2. What is a Municipality? Who controls it?
3. Councils are made up of people called councillors. What is their job?
4. Name two services that local governments handle in a municipality.
5. How is the tax bill determined for your property? What is this tax called?

Reading Between the Lines

1. Do you think it's better to have a municipal government or would you rather have provincial or federal governments make decisions on some of the issues listed in the story?

"Our Municipal Government" Root Words

A root word is a smaller word that has something added to it to make it bigger. Example:
The root word for *singing* is *sing*.

Give the root word of each of the following. Don't forget to add a silent "e," if necessary.

1. setting _____
2. controlled _____
3. smaller _____
4. assigned _____
5. areas _____
6. smiled _____
7. mostly _____
8. municipality _____
9. improved _____
10. acceptable _____
11. discussion _____
12. running _____
13. addressed _____
14. voices _____

Municipal Government^(*)

Municipal government is our local government.

It is run by councils.

Councils are made up of elected members.

These elected members are called councillors.

Municipal government looks after many local things.

Some things are fire departments, sewers, sidewalks, and streetlights.

The money for these things comes from local property taxes.



1. Municipal government is run by _____.
2. Municipal government looks after
_____.

* For sources to this article, see [Our Municipal Government](#).

The information for the following story is from the following Internet sites accessed 02/15/02.
<http://www.gov.ns.ca/legislature/>
<http://www.gov.ns.ca/legislature/FACTS/premiers.html>
<http://www.craigmarlatt.com/craig/canada/>

Words to Preview		
premier	consecutive	administration
House of Assembly	resigned	legislative

The Premier

Every province in Canada has a provincial government.

Every provincial government has a leader called a premier.

The premier is the leader of the largest party in the House of Assembly.

The House of Assembly is a part of the provincial government.

Nova Scotia's House of Assembly is located in the city of Halifax.

Nova Scotia's first premier was James Boyle Uniacke.

Uniacke served as premier from 1848 to 1854.

He was a member of the Reformer Party.

The longest serving premier in Nova Scotia's history was George Henry Murray.

He served for 27 consecutive years, from 1896 to 1923.

On January 24, 1923, George Henry Murray resigned from his position.

Nova Scotia has had some famous premiers, like Joseph Howe and Charles Tupper.

Before Joseph Howe became premier, he had a newspaper called the Nova Scotian.

He was charged with criminal libel for publishing a letter in his newspaper.

The letter criticized the financial administration of the city of Halifax.



The letter suggested the administrators were not being honest.

In March of 1835, a trial took place in the Supreme Court.

It is now known as the Legislative Library at Province House in Halifax.

Joseph Howe was not a lawyer, but he acted as his own lawyer.

At his trial, Howe gave his famous 6 hours, 45 minutes speech on liberty and freedom of the press.

He won his case!

In 1836, he was elected to the House of Assembly in Halifax.

Today's premier has many issues to handle within the province.

Some of these issues are:

- education
- health and welfare
- transportation
- utilities - (garbage collection and disposal, sewage, electricity)
- planning and zoning of land

Across Canada, the premiers represent their provinces and look out for their regions' best interests.



Comprehension Questions

1. Who was Nova Scotia's first premier?
2. What was George Henry Murray well known for?
3. What was the name of the newspaper that Joseph Howe owned?
4. Name two issues that the premier deals with in the House of Assembly.

The information for the following story is from *Canada Today* by Angus L. Scully, Carl F. Smith, and Daniel J. McDevitt and *How Are We Governed in the '90's?* by John Ricker and John Saywell with Jim Parsons.

Words to Preview		
prime minister	Parliament	governor general
premiers	caucus	Cabinet
spokesperson	Conservative	

The Prime Minister

Canada's first Prime Minister was Sir John A. MacDonald.

He was Prime Minister from 1867 to 1873 and again from 1878 to 1891.

Sir John A. MacDonald was a member of the Conservative Party.

The Prime Minister is the highest power in Canadian government.

The Prime Minister is the leader of the largest party in the House of Commons.

The House of Commons is located in the Parliament buildings in Ottawa.

When an election is over, the leader of the party with the most members elected to the House of Commons becomes the prime minister.

The Prime Minister is very important in many different areas of government.

Some things the Prime Minister is responsible for are:

- Deciding on and making changes to the Cabinet Ministers.
- Telling the Governor General to call an election when he or she decides it's time.
- Telling the Governor General to announce the names for new judges and senators.
- Working with all the provinces and their premiers.
- Representing Canada in international meetings and conferences.
- Keeping Canadians informed on the country's goals and concerns.
- Acting as the leader of caucus in Parliament.

These are just some of the many responsibilities of the Prime Minister.



The Prime Minister has staff to help him with all the responsibilities.

The Prime Minister has help from his special aides.

The Prime Minister tries his best to hear and meet the needs of his fellow Canadians and run a country that we can be proud of.

"The Prime Minister" Comprehension Questions

1. Who was Canada's first prime minister?
2. After an election, how is it determined who will become prime minister?
3. When it is time for another election, who does the Prime Minister tell to announce the election?
4. The Prime Minister is the leader of which party in the House of Commons?

The information for the following story is from *Made in Canada: economics for Canadians, Canada Today* by Angus L. Scully, and the following Internet sites accessed 10/29/01:

<http://cgii.gc.ca/p-NS-e.html>

http://www.gov.ns.ca/gov_index.asp

<http://www.gov.ns.ca/legislature/>

Words to Preview

federal
situations
environment
territories
agriculture

House of Assembly
Technology and Science
Secretariat
executive
legislature

judiciary
Members of the Legislative Assembly
supreme
candidate

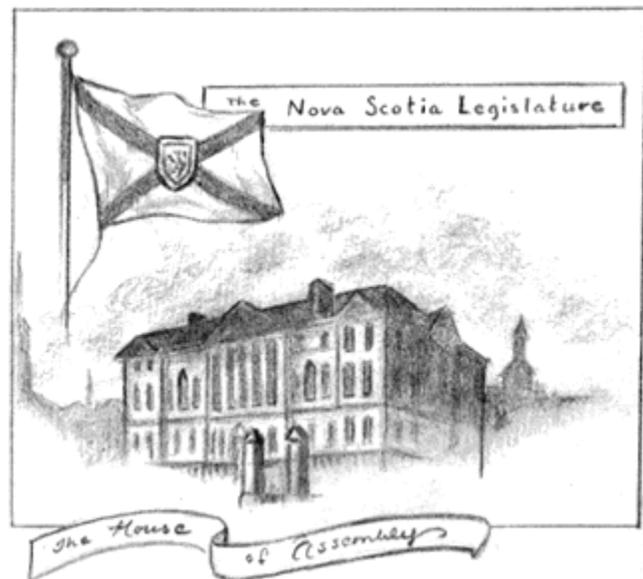
Provincial Governments

In 1867, the Canadian federal government realized its provinces were different in their needs and wants. Canadian provinces wanted to have their own power in certain situations. So the federal government gave the provinces the right to pass their own laws in some areas.

Canada is made up of ten provinces and two territories. Each province is run by a provincial government. This government deals with issues within its province. In Nova Scotia, fifty-two people sit as members of government in the House of Assembly from across the province. The House of Assembly makes up the provincial government that operates the province.

There are several departments in provincial governments. Every department covers the entire province. Here are some of the departments presently in the Nova Scotia provincial government.

1. *Agriculture and Fisheries*
2. *Community Services*
3. *Education*
4. *Finance*
5. *Health*
6. *Tourism and Culture*
7. *Transportation and Public Works*
8. *Justice*
9. *Natural Resources*



Territories do not have provincial governments. The federal government makes the final decisions on their political needs and wants. But territories do have local governments for towns and cities.

The provincial government system is very similar to the federal government's. It is divided into three branches. The branches are the executive, the legislature, and the judiciary. The executive includes the premier and the cabinet.

The legislature is made up of the people elected to fill the fifty-two seats in the House of Assembly. These fifty-two people are called MLAs, which means Members of the Legislative Assembly.

The judiciary branch in a provincial government is the law-making branch, and oversees the Courts. Every province has a Supreme Court or something similar to it.

In Nova Scotia, an election is held every four years. In an election, it is determined who and what political parties will fill the seats in the House of Assembly.

The ridings or constituencies in a province are represented by MLAs. A riding is an area or location. The voters vote for a candidate who represents a political party in their riding. The person who wins in the election will take his or her seat in the House of Assembly. Seats are positions held in the House of Assembly.

The voters usually pick their candidate depending on the political party they are representing. People tend to support the political party that shares the same beliefs and concerns as they do. For some people, it is a family tradition to support a particular political party. Others may support different parties if they agree with what the party is supporting this term.

Now in Nova Scotia, there are three political parties operating in the House of Assembly. They are the Progressive Conservatives (PC), the New Democratic Party (NDP), and the Liberal Party (Lib).

The provincial government is run by the winning political party. The political party that wins the most seats in the election has the most power in decision making for the province. The remaining seats go to the people who represented other political parties and won those seats. These members are called the Opposition.

"Provincial Governments" Comprehension Questions

1. Why were provincial governments formed?
2. Before 1867, were the provinces and territories in Canada run by provincial governments?
3. Name three departments in the Nova Scotia provincial government.
4. Give the names of the three branches in the provincial government.
5. How many seats are in the House of Assembly in Nova Scotia? What are the names of the people who sit in them?
6. What does MLA stand for?
7. In Nova Scotia, how often is a provincial election held?

Reading Between the Lines

1. Do you think it was a good idea for the federal government to give all the provinces power in making many of their own laws? Why or why not?

"Provincial Governments" Paragraphs

Find the paragraph which tells us the following.

1. Every department covers the entire province. **Page_Paragraph_**
2. Territories have local governments for towns and cities. **Page_Paragraph_**
3. A riding is an area or location. **Page_Paragraph_**
4. In Nova Scotia, there are presently three political parties. **Page_Paragraph_**
5. Canadian provinces wanted to have their own power over certain situations. **Page_Paragraph_**
6. Territories do not have provincial governments. **Page_Paragraph_**
7. In Nova Scotia, an election is held every four years. **Page_Paragraph_**
8. The federal government gave the provinces the right to pass their own laws in these areas. **Page_Paragraph_**
9. Each province is run by a provincial government. **Page_Paragraph_**
10. People tend to support the political party that shares the same beliefs and concerns as they do. **Page_Paragraph_**

Provincial Government^(*)

Each province in Canada is run by a provincial government.

In Nova Scotia, the House of Assembly makes up the provincial government.

There are 52 elected people in the House of Assembly.

These elected people are MLAs.

MLA stands for Members of the Legislative Assembly.

Each MLA represents a riding.

A riding is an area or location.

Each MLA is part of a political party.

Who is your MLA?

What political party is he part of?



1. There are 52 elected people in the _____.
2. Each MLA represents a _____.

* For sources to this article, see [Provincial Governments](#).

The information for the following story is from the following Internet sites accessed 04/15/02 :
http://www.parl.gc.ca/information/about/process/Senate/senatetoday/canada_senators-e.htm
http://www.parl.gc.ca/information/about/process/Senate/senatetoday/in_the_chamber-e.htm

Words to Preview		
Senate	Senators	equity
Privy Council	debating	Judicial Committee
cultures	Parliamentary	

The Senate

An important part of our Canadian Parliament is the Senate. The Senate is a section of Parliament made up of Senators. The Senators have a wide variety of work experience. Some are very experienced politicians, while others have different backgrounds.

Many people with different jobs are a great asset in the Senate. The people in the Senate should range in different cultures, political views, and wide range of job experiences.

The people making up the Senate are appointed to their positions by the Governor General on the advice of the Prime Minister. Today there are 105 Senators. These 105 Senators represent all areas across Canada.

Some provinces have more Senators representing them than other provinces. It depends on the population of the area. For example, Ontario is a heavily populated province so there are more Senators representing them than Prince Edward Island which is less populated.

The Senate is a part of the Federal Government's Legislature. The Senate's responsibilities include making, changing, and removing laws. The Senate's job is to give their approval or disapproval of bills that are first passed by the House of Commons. They spend a lot of time debating. This means they study bills, ask questions, and make sure the bill deserves to be passed. You might think of it as a group of people giving a second opinion.

When the Senators are not inside the chambers of Parliament, they are busy doing other things. They are busy talking to different organizations and people so they are aware of the concerns of the public.

Senators also attend different Parliamentary meetings around the world. They may discuss trade, economics, human rights, or security. These meetings help to keep friendly ties with other countries, and it gives experience and knowledge to the Senators.

To become a Senator, you must be a Canadian citizen who is thirty years or older. You must live in the province that you will represent as a Senator. You must own \$4000.00 of land equity in your province. Equity means your fair share. Also, you must have a personal net worth of \$4000.00.

Today, the amount of \$4000.00 seems to be very little, but when the law was made in 1867, it was a lot of money. If that amount was changed to present standards, the amount would be at least \$60,000.00. Parliament did not think that amount was realistic and wanted a wide range of Canadians in the Senate with many points of views, not just the Canadians who made the most money.

First Woman in the Senate

An important part of Canadian history concerning the Senate was in 1930. Canada's first woman was appointed to the Senate, Cairine Wilson. This almost didn't happen. Five determined ladies fought against a ruling made in 1928. These women were Henrietta Muir Edwards, Nellie McClung, Louise McKinney, Emily Murphy, and Irene Parlby.

This ruling said that no woman would be eligible to become a senator. The rule stated women were not considered "persons" under the British North America Act that governed people being appointed to Senate.

In 1929, the five ladies convinced the Judicial Committee of the Privy Council to change that ruling. At that time, the Judicial Committee of the Privy Council was Canada's highest court. As a result, Cairine Wilson did get appointed to the Senate in 1930.



"The Senate" Comprehension Questions

1. Do all Senators have a background in politics?
2. How do Senators get their position on the Senate?
3. Are there the same amount of Senators for every province and territory? Why or why not?
4. What are the main responsibilities of the Senate in the Federal Government's Legislature?
5. Name the five things listed in the story that are needed in order to become a Senator.
6. Who was the first woman Senator? Name the five ladies who helped her accomplish her seat in the Senate.

Reading Between the Lines

1. In the story it tells us how some of the qualifications of becoming a Senator have not changed. Do you think the qualifications of owning land worth \$4000.00 and having a net worth of \$4000.00 should be updated to today's standards? Why or why not?

"The Senate" Past Tense

Put the following sentences in the past tense.

Example: The Senate is an important part of our Canadian Parliament.
The Senate was an important part of our Canadian Parliament.

1. The people in the Senate have different cultures and backgrounds.

2. The Governor General appoints people to the Senate.

3. There are 105 Senators in the Senate.

4. Ontario is a heavily populated province in Canada.

5. The Senators are very busy talking to different people and organizations.

6. Parliamentary meetings keep friendly ties with other countries.

7. The House of Commons passes bills.

Senators^(*)

The Senate is part of Parliament.

There are 105 Senators in the Senate.

The Senators represent different provinces.

Some provinces have more Senators than others.

Senators do many things.

The Senators study bills in Parliament.

Bills can become laws.

The Senators make sure the bill deserves to be passed into a law.

Senators talk to the public and go to meetings around the world.



1. There are _____ Senators in the Senate.
2. The Senators study _____ in Parliament.

* For sources to this article, see [The Senate](#).

Answer Key

"What is Economics?" Comprehension Questions

1. Economics is the study of how people spend their money on their wants and needs.
2. Physical wants and psychological wants.
3. Food / clothing / a place to live.
4. Our psychological wants are the things we want but don't need.
5. Goods and services are things we buy. Goods are physical things we need or want. Some goods are food, cars, or clothes. Services are things we pay for that we can't touch. Some services are paying to see a movie, to get a massage, or to get you car cleaned.

"What is Economics?" Multiple Choice

1. c) need
2. a) clothing
3. c) a new car
4. b) a new TV
5. c) touch
6. d) paying to get you car cleaned
7. a) more jobs

"Bank of Canada and Exchange Rates" Cartoon

- b) The US dollar is worth more than the Canadian dollar.

"Bank of Canada and Exchange Rates" Comprehension Questions

1. No.
2. It provides services to the government, other banks, and financial institutions. It also issues bank notes and advises the government.
3. No. If the Bank printed more money, there would be more money in circulation. This would make people want to spend more. This would only be a short-term increase. After a while, the demand for goods and services would be higher than the supply. When demand is higher than supply, prices increase. In the end, printing more money would not help our economy.

4. The exchange rate means how much the Canadian dollar is worth in other countries. You can find the rates in the newspaper.
5. The rate is affected by the demand for the Canadian dollar. When people invest in our country, the demand for Canadian dollars increases.
6.
 - a. \$1.60
 - b. \$1.00 US = \$1.60 Canadian so $6.00 \times 1.60 = \$9.60$ Canadian
 - c. \$1.00 US = \$1.60 Canadian so \$10.00 US is equal to \$16.00 Canadian. The bill was \$8.00 Canadian so the tourist would get \$8.00 Canadian in change.

"What is Filing for Bankruptcy?"

Comprehension Questions

1. Bankruptcy is a legal proceeding provided to a person to cope with his debt so he may be "set free" and start "fresh."
2. Insolvent means you are unable to pay your bills because you do not have enough money.
3. Yes.
4. Consolidating your debts means combining them all into one loan with one monthly payment.
5. The provinces.
6. No.
7. An automatic discharge.

"What is Filing for Bankruptcy?"

A Bit of This and That

1. c) it's
2. b) consolidate
3. c) option
4. c) sad
5. a) big
6. b) a
7. b) may
8. a) bile / mile / pile / tile
8. b) rank / sank / tank / yank
8. c) bow / cow / how / mow / now / row / sow / tow

"A Family Budget"

Comprehension Questions

1. A budget is a plan on how to spend your money.
2. House payment.
3. Yes.
4. An installment plan is a way of getting an item and paying for it each month for a certain amount of time.
5. Food / clothing / medical / car expenses / cable T.V. / telephone / taxes / electricity and heating.

6. Finishing their new home and children.

"How to Write a Cheque" Comprehension Questions

1. The bank.
2. The chequing account of the person who wrote the cheque.
3. Take out/remove.
4. Valid.
5. A signature.
6. To say the cheque is not acceptable.
7. Writing a cheque for an amount greater than what you have in the bank.

"How to Write a Cheque" Missing Vowels

che <u>q</u> ue	ca <u>s</u> h	f <u>u</u> nds/f <u>i</u> nds
va <u>i</u> d	si <u>g</u> n	bo <u>u</u> nce
acc <u>o</u> unt	vo <u>i</u> d	tr <u>u</u> st
ba <u>n</u> k	nu <u>m</u> ber	reco <u>r</u> d
statem <u>e</u> nt	amou <u>n</u> t	su <u>m</u>

"How to Write a Cheque" Spelling

1. write
2. legal
3. account
4. money
5. cheque
6. customer
7. number
8. bounce

"Using Credit Cards Wisely" Comprehension Questions

1. It authorizes people to charge goods or services they want or need and be billed later.
2. Master Card / American Express / Visa / Sears.
3. The bank and some companies.
4. You do not pay interest.
5. Tell the credit card company right away.

"Using Credit Cards Wisely" Consonant Blends

sp <u>en</u> d	sh <u>ou</u> ld	cr <u>ed</u> it	th <u>ei</u> r
ca <u>sh</u>	th <u>is</u>	ch <u>ar</u> ge	mon <u>th</u>
th <u>in</u> gs	tr <u>ac</u> k	sh <u>ow</u> s	st <u>ol</u> en
pl <u>ac</u> e	lo <u>st</u>	ch <u>an</u> ce	sh <u>o</u> p

"What is a Debit Card?" Comprehension Questions

1. Subtract, take away, or deduct.
2. Your bank account.
3. Check card.
4. Yes.
5. Yes.

"What is a Debit Card?" Fill in the Blanks

1. subtract
2. later
3. check
4. easy / convenient
5. plastic

"What is a Debit Card?" b, p, g, d

debit
card
bank

spend
gas
credit

people
places
obtain

carrying
business
plastic

"What is a Debit Card?" -ing ending

1. subtracting
2. deducting
3. accounting

4. banking
5. spending
6. obtaining

7. checking
8. accepting
9. displaying

10. cashing
11. traveling
12. carrying

"Depreciation" Comprehension Questions

1. Trucks / machines / office equipment / farming equipment.
2. They wear out.
3. Land / homes.
4. Keeping it well-maintained.

"Depreciation" Antonyms

1. little
2. buy
3. loses
4. begins
5. work
6. less
7. increase

"The Great Depression Story" Comprehension Questions Part I

1. 1929.
2. Economists.
3. One of the factors that caused the Great Depression was because of the unequal distribution of money during the 1920's. The economy was greatly weakened by the Stock Market crash of October 24, 1929. Some banks had invested in the stock market. This great fall in stock market prices caused the banks to fail. Also, people who had borrowed from the banks could not repay the money because they had lost money in the stock market. There had been an increase in interest rates and tax rates. The first World War also had an affect on the economy. The United States had lent money to many countries in Europe. Because of the war, they could not pay back their debt.

Part II

4. Many farmers in western Canada could not re-pay the large loans on their land and farming equipment. As a result, many farms went bankrupt. As if times were not hard enough for the Canadians, farmers in the prairies watched their fields and crops dry up and die. High winds blew away the top soil. These great dust blizzards were called "dust bowls." Soon grasshoppers arrived and ate the remaining crops that had survived.
5. The Canadian men felt the foreigners were taking jobs away from them.
6. These "lucky" country people lived off the products of their farms. They had eggs, milk, vegetables, and butter. They were happy to have their chickens and bacon and eggs. Wheat was ground into flour. Food was plentiful on the farms.
7. Coats / nails.
8. Barn dancing.

PART III

9. The purposes of the New Deal policies were to help fight the depression by providing relief for those in need, providing jobs, and encouraging business.
10. Prime Minister W.L. MacKenzie King.
11. 1938.

"The Great Depression Story" Present Tense

1. People suffer everywhere.
2. Some economists believe the government is responsible.
3. It is a worldwide depression.
4. Farmers feel helpless.
5. They cannot feed their families.
6. Many people live in the country.
7. Many people still find good times.
8. It brings the families together.

"Sarah's Business Dream" Comprehension Questions

1. Risk taker, hard worker, motivated, confident they will succeed.
2. There is only one owner and operator.
3. How her new salon would be different.
4. Yes.
5. Electricity and products / loan payment / advertising / phone / licenses and registration/increase in property taxes / business insurance. The highest were all \$100 per month. They were electricity and products, loan payment, and advertising.
6. $\$1800 \div 20 = 90$ haircuts
7. \$1,400 would be the gross pay. The difference is \$400.
8. $\$397 \times 12 = \$4,764$.

"Sarah's Business Dream" -er and -est endings

- | | |
|-------------------------------|-------------------------------|
| 1. hard / harder / hardest | 5. happy / happier / happiest |
| 2. small / smaller / smallest | 6. close / closer / closest |
| 3. quick / quicker / quickest | 7. big / bigger / biggest |
| 4. new / newer / newest | |

"The Industrial Revolution and its Effects" Comprehension Questions

1. The Industrial Revolution was the beginning of the use of machines to make and manufacture goods. The Industrial Revolution started in England in the 18th century.
2. A cottage industry is work done in the homes of the workers.
3. Near rivers and streams.
4. Hot, noisy, dark, and crowded.
5. There were more workers.

6. English laws had forbidden the sale of English machines to Americans and inventors and craftsmen were forbidden to settle in the United States.
7. 1860.

"The Industrial Revolution and its Effects"

Interrogative Sentences

Here are some possible answers:

1. Where did the Industrial Revolution start?
2. Were the factories hot and dark?
3. Who started a factory in Rhode Island?
4. Where were the first factories built?
5. What was one of the main industries?
6. Who were forbidden to settle in the United States?
7. Were the employers becoming rich?
8. Were the employees paid poor wages?
9. Who moved from villages to cities?

"Inflation and Deflation"

Comprehension Questions

1. Inflation is an increase in the general prices of items.
2. - When people buy a lot of goods, the demand gets greater. At times, the demand is too big and there are not enough goods. This makes the prices go up. - Sometimes the cost of producing an item rises, so the price rises too.
3. It shows the general increase in prices from year to year.
4. $114.2 \div 104.1 = 1.0970$ $1.0970 \times 100 = 109.7022$ $109.7022 - 100 = 9.7\%$
5. Lenders increase the interest rates since they are repaid with money that is worth less as time goes by.
6. Deflation.

"Inflation and Deflation"

Percentages

- | | | | |
|----|----|---------|---|
| 1. | B) | \$1.50 | $\$10.00 \times 15\% = \1.50 |
| 2. | D) | 84¢ | $70¢ \times 20\% = 14¢$ $70¢ + 14¢ = 84¢$ |
| 3. | D) | \$2.55 | $\$3.00 \times 15\% = 45¢$ $\$3.00 - 45¢ = \2.55 |
| 4. | A) | \$12.00 | $\$15.00 \times 20\% = \3.00 $\$15.00 - \$3.00 = \$12.00$ |
| 5. | A) | \$7.00 | $\$10.00 \times 30\% = \3.00 $\$10.00 - \$3.00 = \$7.00$ |
| 6. | B) | 50% | |
| 7. | C) | \$48.75 | $\$75 \times 35\% = \26.25 $\$75.00 - \$26.25 = \$48.75$ |

"Do you need Insurance?" Comprehension Questions

1. Brokers / agents / direct sellers / group plans.
2. Direct sellers.
3. It is bought in large amounts.
4. To make sure their families have money if they die unexpectedly.
5. Medical expenses outside of Canada while traveling.
6. Homes are big investments and cost a lot of money. It would be very scary to still have a mortgage on a home destroyed by fire!

"Do you need Insurance?" Hard and Soft "C"

Hard "c" - cover, Canada, company, can, car, cost, call, care
Soft "c" - centre, certain, insurance, peace

"Do you need Insurance?" "M" or "N"

<u>n</u> eed	insur <u>n</u> ce	<u>m</u> ain
ag <u>n</u> t	com <u>n</u> pany	<u>o</u> nly
simil <u>n</u> ar	cent <u>n</u> tre	fund
<u>m</u> oney	am <u>n</u> ount	loan
ban <u>n</u> k	can	term
certain	pay <u>n</u> ment	<u>m</u> edical

"The Loan" Comprehension Questions

1. Fixed-rate loan, variable-rate loan, and a line of credit.
2. A protected loan means you have life and disability coverage on the loan. If you die, the loan would be paid off. If you became disabled, the insurance would cover the loan for a maximum of 60 months, if you remained disabled that long.
3. 12.5%, \$1749.39.
4. 9%, \$1230.
5. A line of credit is a type of variable-rate loan. The interest rates on a line of credit can change - go up or down - but the rate is lower. You can use your credit line for any big purchase.

"The Loan" Pronouns

- | | | |
|---------|---------|----------|
| 1. She | 5. them | 9. It |
| 2. They | 6. they | 10. She |
| 3. It | 7. He | 11. They |
| 4. He | 8. It | |

"What is Marketing?" Comprehension Questions

1. A market is a place where buyers and sellers meet in order to exchange goods and services.
2. To help their sales.
3. They are products you would normally buy.
4. The supermarkets want to make a good impression as soon as you enter.
5. So you have to pass by many products to get to the milk.
6. Computers and scanners.

"The History of Money" Comprehension Questions

1. They bartered or traded their services.
2. Copper / iron / silver / gold.
3. People couldn't decide which goods or services had the most value.
4. Cattle, grains, salt, small stones, colored beads, sharks' teeth, shells, feathers, braids of hair, animal skins, tobacco, stone wheels.
5. Many people did not accept the new bills at face value and kept their coins.

"The History of Money" True or False

- | | | |
|----------|----------|----------|
| 1. True | 4. True | 7. False |
| 2. True | 5. False | 8. True |
| 3. False | 6. False | 9. True |

"Money Well Spent" Exercise

- 1.a) Wants and costs: Cotton candy, price not given; popcorn, 5¢; Cracker Jacks, 10¢; three-flavor ice cream, 5¢; fudge stick, 5¢; peppermints, 3 for 1¢.
- 1.b) 5 fudge sticks.
2. Ann.
3. County fair.

"Money Well Spent" Adjectives

1. It was a warm, sunny day in August.
2. I had been awaiting this special day.
3. My father had a mysterious look on his face.
4. I gazed at this shiny, new coin.
5. I slipped my precious piece of silver into my pocket.
6. My best friend showed me the nice, little ring.
7. What was that little, square chocolate something on a stick?
8. I was not disappointed when I licked that delicious frozen fudge for the first time.
9. "These are called fudge sticks," the lovely sales lady said with a smile.
10. It was a tasty box of popcorn.

"Monopoly and Oligopoly" Discussion Exercise

- | | | |
|--------------|--------------|--------------|
| 1. Monopoly | 5. Monopoly | 8. Monopoly |
| 2. Oligopoly | 6. Oligopoly | 9. Oligopoly |
| 3. Oligopoly | 7. Monopoly | 10. Monopoly |
| 4. Monopoly | | |

"Mutual Funds" Comprehension Questions

1. It is a large sum of money which has been pooled or gathered together by thousands of investors.
2. 1/1,000,000th.
3. Newspapers.
4. Fund managers.
5. Europe.
6. Mutual funds.

"Mutual Funds" Homonyms

1. (there, their) There are always risks when people invest their money.
2. (sum, some) Some people invest a very large sum of money.
3. (buy, bye) Thousands of Canadians buy stocks and bonds.
4. (to, too, two) Two of my friends invested in the stock market so I did too. We hope to make a profit.
5. (in, inn) People invest in mutual funds.
6. (week, weak) Mutual fund prices are quoted every day, not every week.
7. (know, no) No, I do not know how hard my money will work for me.

"Natural Resources in Canada" Comprehension Questions

1. Minerals / forests / soils / water / wildlife.
2. No.
3. Smooth ground, good drainage, long seasons of sunshine with average rainfall.
4. Yes.
5. Forests cover nearly half of Canada.
6. British Columbia / Ontario / Quebec / Atlantic Provinces.
7. Nearly 500 years.
8. Aluminum / asbestos / coal / copper / gold / iron ore / lead / nickel / potash / salt / zinc.

"Natural Resources in Canada" Syllables

resources 3, world 1, country 2, aluminum 4, rock 1, sunshine 2, elements 3, growing 2, vegetables 4, gold 1, industry 3, softwoods 2, coal 1, Canadian 4, minerals 3.

"Natural Resources in Canada" Vowels

- | | | | |
|------------------------------|------------------------------|-----------------------------|-----------------------------|
| 1. <u>l</u> and/ <u>e</u> nd | 5. <u>f</u> ruits | 9. <u>s</u> ize | 13. <u>s</u> treams |
| 2. <u>f</u> ert <u>i</u> le | 6. <u>c</u> oun <u>t</u> ry | 10. <u>y</u> ears | 14. <u>p</u> ot <u>a</u> sh |
| 3. <u>c</u> ro <u>p</u> s | 7. <u>a</u> rea | 11. <u>b</u> ar <u>l</u> ey | |
| 4. <u>u</u> se <u>f</u> ul | 8. <u>v</u> al <u>u</u> able | 12. <u>q</u> u <u>o</u> tas | |

"Real Estate" Comprehension Questions

1. You have to find out how much your personal budget will allow you to make for payments.
2. House insurance / Home Owner's Tax / Maintenance (repairs and upkeep).
3. Making monthly payments and never owning anything in the end.
4. Probably the biggest advantage in buying a house is you will own your house and property after all your payments have been made.

"Real Estate" Hard and Soft "C"

comes, consider, can, basic, cable, quick, committed, vehicle, vacations, because

"Real Estate" Antonyms

1. biggest
2. right
3. first
4. least
5. all

"What is an RRSP?" Questions

1. RRSP - Registered Retirement Savings Plan.
2. People use RRSPs to save money for their retirement.
3. No, as long as the money remains in the RRSP.
4. No, you are only allowed to put a certain amount of your income every year in an RRSP.
5. Yes.

"Sarah's Investments" Comprehension Questions

1. Common shares and preferred shares. You have voting rights with common shares.
2. On the stock market.
3. Bondholders are paid back before shareholders if the company goes out of business.
4. Government bonds / Canada Savings bonds / corporate bonds. The government and companies issue bonds.

"Sarah's Investments" Rhyming

we - be, fee, he, key, me, see, tea, etc.
not - cot, dot, got, hot, lot, knot, pot, etc.
took - book, cook, look, etc.
bad - dad, lad, mad, sad, pad, fad, etc.

"The Wise Shopper"

Comprehension Questions

1. To protect the health of the consumer.
2. It tells you about their contents.
3. Usually it does not.
4. Yes.
5. Grade AA, A, B, and C. The best quality are AA and A.
6. They are at their best quality and best value.

"International Trade"

Comprehension Questions

1. products / forestry products / machinery and equipment / automotive / apparel and footwear.
2. Exports are goods that Canada produces and sends to other countries. Agricultural and fishing products / wheat / natural gas / forestry products / chemicals / plastics / fertilizers / truck and motor vehicles.
3. Sometimes a country can produce goods cheaper than another country.
4. When a country can produce goods cheaper than another country, they have an absolute advantage.
5. One of these government restrictions is a protective tariff. Tariffs are taxes put on imports to make the price higher for the goods. Since the prices are increased, the demand is lessened. Import quotas are another type of restriction. When an import quota is in place, only a certain amount of the product is allowed in the country. Another type of restriction is an embargo. An embargo is a ban on certain imports and exports.
6. One term of this agreement was that all tariffs be removed from imports between the two countries.

"International Trade"

Reading Pie Charts

1. Year 2000.
2. 422,558.7 (in millions)
3. 363,281.3 (in millions)
4. Yes. Canada exports more than it imports.
5. United States / European Union / Japan (and other countries)
6. United States.
7. Japan.
8. United States, Japan, and EU countries.

"Wages in Canada" Comprehension Questions

1. Minimum wage is the least amount of money that an employer can pay an employee per hour.
2. When the demand for a certain occupation is high, their wages can be high.
3. There are very few ball players that are good enough to become professionals.
4. Their wages would probably increase.

"Wages in Canada" Reading Tables

1. British Columbia.
2. Nova Scotia.
3. October 1, 2001.
4. Newfoundland.
5. B.C. - \$8.00, Newfoundland - \$6.00, $8 - 6 = \$2.00$
6. Manitoba.
7. Alberta and New Brunswick - \$5.90 Newfoundland, P.E.I., and Saskatchewan - \$6.00 Northwest Territories, Nunavut, and Quebec - \$7.00
8. Opinion question.

"World Economic Systems" Comprehension Questions

1. 1. Free-enterprise or capitalism 2. Mixed economy (socialism and democratic socialism) 3. Communism
2. Free-enterprise or capitalism.
3. Socialism and democratic socialism
4. Mixed economy - democratic socialism
5. A communist government controls and owns all of its businesses. There are very few businesses they do not control. The government decides on wages and how many goods and services are to be provided. People have very little control on government business. The Communist Party decides on all the important government rules and policies.

"World Economic Systems" True or False

- | | | |
|----------|----------|----------|
| 1. false | 5. true | 8. false |
| 2. true | 6. false | 9. true |
| 3. false | 7. true | 10. true |
| 4. true | | |

"Business of a Lobster Fisherman" Comprehension Questions

1. No, because the price of lobsters fluctuates.
2. Supply and demand.
3. Sellers - lobster fishermen. Buyers - people who are buying lobsters, food companies, shoppers in a grocery store.
4. Equilibrium in this story is the balance of supply and demand with goods and services.

"Business of a Lobster Fisherman" Fill in the Blanks

- | | | |
|----------------|------------|--------------|
| 1. ready | 5. forgets | 9. consumers |
| 2. estimate | 6. sellers | 10. demand |
| 3. expensive | 7. drops | 11. safe |
| 4. equilibrium | 8. crew | 12. supply |

"Our Tax Dollars" Comprehension Questions

1. Food / gasoline / services.
2. Income tax is the tax a person or business pays on net income.
3. The cost of World War I was around 600 million dollars and Canada was running low on money, so the government needed a way to create revenue for the country.
4. Sir Thomas White. July 25, 1917. Minister of Finance.
5. HST stands for Harmonized Sales Tax. Nova Scotia, New Brunswick, Newfoundland.
6. PST - Provincial Sales Tax GST - Goods and Services Tax

"Our Tax Dollars" Select the Correct Word

- | | | |
|---------------|-------------|--------------|
| 1. taxed | 5. relies | 8. combined |
| 2. collected | 6. finances | 9. placed |
| 3. government | 7. running | 10. complain |
| 4. made | | |

"Unemployment in Canada" Comprehension Questions

1. Statistics Canada calculates the official unemployment figures through labour force surveys.
2. In Canada, if a person is over the age of fifteen and without work but seeking employment or temporarily laid off, he is considered unemployed.
3. Discouraged workers are people who believe there are no jobs for them and have stopped looking for work.

4. Seasonal unemployment: Some people lose their jobs due to the changes of the seasons. Frictional unemployment: Some workers are out of work for a short time due to changing jobs. Structural unemployment: People also lose their jobs due to changes in demand, new technology, a drop in natural resources, and changes in foreign trade. Cyclical unemployment: Cyclical unemployment is due to changes in economic activity. The business cycles are affected by the highs and lows of the economy.
5. When our economy experiences lows, there is high unemployment.

"Unemployment in Canada" Comprehension Exercise

- | | | | |
|------------------|------------------|------------------|----------------|
| 1. b) frictional | 2. c) structural | 3. d) cyclical | 4. a) seasonal |
| 5. c) structural | 6. a) seasonal | 7. b) frictional | |

"Canadian Labour Unions" Comprehension Questions

1. They fought for shorter work days, pensions, health insurance, job security, good wages, and better work conditions.
2. A labour or trade union is an organization of workers.
3. Craft unions.
4. Printers / shoemakers / bakers / coopers / masons /tailors.
5. They were stopped with physical force.

"Canadian Labour Unions" Reading Between the Lines

1. A cooper is a person who makes or repairs barrels.

"Canadian Labour Unions" Substitutions

Here are some possible answers:

- | | | | |
|------------|------------|--------------|--------------|
| 1. bad | 4. bosses | 7. increased | 10. concerns |
| 2. erected | 5. arrange | 8. years ago | 11. joined |
| 3. big | 6. started | 9. pay | |

"How a Bill becomes Law" Comprehension Questions

1. Parliament.
2. Statute.
3. Bill.
4. Cabinet minister.

5. Caucus is the meeting that all the House of Commons and the Senate party members have, usually weekly, to discuss problems and policies.
6. 1st reading - introduction of the bill.
2nd reading - members examine details of the bill and have debates. The committee of the whole house examines the bill, with a discussion that is less formal and relaxed. Sometimes an expert opinion is needed from outside of Parliament; a standing committee arranges this meeting. Amendments can be made during this reading.
3rd reading - bill is passed by the House of Commons or Senate.
7. Governor General.

"How a Bill becomes Law" Sequencing

1. 7	5. 10	9. 6
2. 4	6. 2	10. 11
3. 8	7. 5	11. 3
4. 1	8. 9	

"Canada's Confederation" Comprehension Questions

1. British North America.
2. Confederation means the joining of the colonies in British North America to create a new country, Canada.
3. Britain and France.
4. Aboriginal Nations.
5. British, French, Aboriginals. The war ended in 1763 and the British won the war.
6. The thirteen colonies went to war with the British in 1775 because they felt they were not treated fairly. The thirteen colonies won the war and their independence.
7. Nova Scotia, New Brunswick, Ontario, and Quebec.

"Canada's Confederation" Select the Correct Word

1. create	4. consider	7. joined
2. living	5. economy	8. products
3. fairly	6. disagreeing	9. territories

"The Canadian Constitution" Comprehension Questions

1. The Canadian Constitution is a framework of the rules and regulations of the government.
2. Agreements or unwritten laws.

3. It is not written anywhere that the party with the majority of seats in the House of Commons forms the government. / It is not written anywhere that the Prime Minister of Canada is the leader of the party that wins the majority of seats.
4. Constitutional law.
5. The Charter of Rights.
6. Canadians have freedom of religion, belief, and opinion. / This includes freedom of the press. / Canadians have the right to enter and leave Canada. / Canadians are innocent until proven guilty. / Every Canadian is equal before the law. / Canadians cannot be discriminated against based on their color, sex, race, age, of physical or mental disabilities before the law.

"The Canadian Constitution"

Syllables

constitution	4	majority	4
regulations	4	laws	1
government	3	Canada	3
written	2	rights	1
rules	1	freedom	2
procedures	3	opinion	3
binding	2	legal	2

"Elections in Canada"

Comprehension Questions

1. Politicians are held responsible and are forced to do their jobs well or they will be replaced in the next election.
2. 18 years old / a Canadian citizen / on voter's list.
3. Women / Inuit people.
4. They vote for people representing the same point of view and morals or they vote for the political party they have always remained loyal to. For some people it's a family tradition.
5. The civil servant in charge of organizing an election.
6. Returning officers are responsible for the election in their districts. They divide their districts into voting stations, and they keep a list of all the people who have a right to vote in their districts.
7. A nomination meeting is held in each riding. Political parties decide who will represent their party in the election.

"Elections in Canada"

Spelling

- | | |
|-------------------------|------------------------|
| 1. elect, job | 7. advised, Parliament |
| 2. qualifies, should | 8. returning, officers |
| 3. groups, represented | 9. people, have |
| 4. Canadians, candidate | 10. money, half |
| 5. certain, political | 11. station, oversee |
| 6. Prime, election | 12. please, right |

"Canada's Expenses" Comprehension Questions

1. A government expenditure is an expense paid by the government, usually for goods and services.
2. The three levels of government in Canada are federal, provincial, and municipal.
3. Old Age Security benefits / Unemployment Insurance benefits / veterans' benefits / Canada Assistance Plan / family allowances / guaranteed income supplements.
4. Both the federal and provincial governments provide funding, but the Health Care system is administered by the provincial government.
5. No, the provincial government provides most of the money used for Nova Scotia's roads, highways, and bridges.
6. The provincial government sets a percent of the municipal tax rate which is to be used for education. The municipal government collects the tax through the municipal residents' annual property tax.
7. The RCMP receives funding by both the federal and municipal governments.

"Federal Parliamentary Government" Comprehension Questions

1. The Canadian Federal Government makes guidelines and laws for the entire country.
2. Social services / job training / natural resources / health care.
3. Constituencies. There are 301 electoral districts.
4. It depends on the province's population. Higher population - more electoral districts. Small population - fewer electoral districts
5. A seat in the House of Commons is a person representing an electoral district within Canada.
6. Official Opposition.
7. The cabinet ministers are people chosen from the already elected House of Commons. They are the head of assigned departments. E.g. Justice, external affairs, finance, and trade. The Prime Minister appoints them.
8. The monarchy holds no power in decision or rule making.

"Federal Parliamentary Government" Syllables

1.	<i>follow</i>	2	9.	<i>Minister</i>	3
2.	<i>government</i>	3	10.	<i>trade</i>	1
3.	<i>responsible</i>	4	11.	<i>cabinet</i>	3
4.	<i>departments</i>	3	12.	<i>monarch</i>	2
5.	<i>provincial</i>	3	13.	<i>external</i>	3
6.	<i>candidates</i>	3	14.	<i>senate</i>	2
7.	<i>Quebec</i>	2	15.	<i>bill</i>	1
8.	<i>Ontario</i>	4			

"Canada's Governor General" Comprehension Questions

1. Britain.
2. The monarch / Queen - Head of State of Britain and Canada
3. The Governor General's duties in Parliament are to open and end each session of Parliament. / She is responsible for swearing in important government officials such as the Prime Minister and cabinet members. / She reads The Speech from the Throne, and gives Royal Assent to a bill that has been passed by Parliament so that it will become law.
4. The Governor General's duty to the Canadian Forces is Commander-in-Chief. This means she visits troops and military bases across Canada and abroad, giving words of praise and encouragement, and she takes part in the Canadian Forces' ceremonies.
5. The Order of Canada is the highest honor that is given to Canadian citizens for their achievements.
6. The Governor General is appointed by the Queen on the advice of the Prime Minister.

"Canada's Governor General" Spelling

- | | | |
|---------------|---------------|------------------|
| 1. Governor | 4. position | 7. communication |
| 2. Queen | 5. recognized | 8. encourages |
| 3. Parliament | 6. ceremonies | |

"Canada's Governor General" Past tense

1. The position showed respect.
2. She gave approval to acts.
3. Duties included traveling.
4. She had the job.
5. People risked their own lives.
6. She helped Canada.
7. She visited many places.

"History of Parliament Hill" Comprehension Questions

1. Upper Canada, Lower Canada.
2. Upper Canada - Ontario, Lower Canada - Quebec.
3. Ottawa.
4. \$1,750,720.
5. Blocks are the names of the Parliament buildings. The names of the blocks are The Centre Block, East Block, and West Block.

6. A fire started in the Parliamentary Reading Room, in The Centre Block, and destroyed the building except for the Parliamentary Library, and the north-west wing.
7. Victoria Memorial Museum.

"History of Parliament Hill"

Where, Who, What, When, Why

- | | | |
|---------------------|----------|----------|
| 1. When, Why | 2. Who | 3. Where |
| 4. Where, When, Why | 5. What | 6. Who |
| 7. Why, When | 8. What | 9. where |
| 10. Why, When | 11. What | 12. why |

"The Lieutenant Governor"

Comprehension Questions

1. Crown / Queen.
2. Governor General on the advice of the Prime Minister.
3. Federal political party in power.
4. Give Royal Assent.
5. Deserving citizens in the province who are outstanding in their accomplishments.

"The Lieutenant Governor"

Fill in the Blank

- | | | |
|----------------|-------------|-----------------|
| 1. appointment | 5. powerful | 8. possible |
| 2. resembles | 6. duties | 9. enforcing |
| 3. different | 7. feel | 10. responsible |
| 4. given | | |

"Members of the Legislative Assembly"

Comprehension Questions

1. Member of the Legislative Assembly.
2. Provincial government.
3. Nova Scotia has 52 MLAs.
4. Any Canadian citizen or British subject that has reached the age of 19 and older.
5. PC - Progressive Conservative, Lib - Liberal Party, NDP - New Democratic Party.

"Members of Parliament" Comprehension Questions

1. Member of Parliament.
2. A riding or constituency.
3. They are elected.
4. In the House of Commons.
5. Progressive Conservative Party, Liberal Party, New Democratic Party, Canadian Alliance Party.

"Our Municipal Government" Comprehension Questions

1. Local government.
2. A district made up of a community or communities. It is controlled by council.
3. Councillors are responsible for the best interests of the district. They take requests or concerns from the residents to municipal meetings for discussion. They are in charge of making decisions regarding municipal services and the spending of municipal money.
4. Local school system / fire departments / sewers / local roads / garbage collection / police.
5. Your property is assessed and your tax bill is based on the value of your property. This tax is called local property tax.

"Our Municipal Government" Root Words

- | | | | |
|-------------|------------|-------------|--------------|
| 1. set | 2. control | 3. small | 4. assign |
| 5. area | 6. smile | 7. most | 8. municipal |
| 9. improve | 10. accept | 11. discuss | 12. run |
| 13. address | 14. voice | | |

"The Premier" Comprehension Questions

1. James Boyle Uniacke.
2. He served 27 consecutive years as premier - longest time in Nova Scotia's history.
3. The *Nova Scotian*.
4. Education / health and welfare / transportation / utilities / planning and zoning of land.

"The Prime Minister" Comprehension Questions

1. Sir John A. MacDonald.
2. The leader of the party with the most members elected to the House of Commons becomes prime minister.
3. The Governor General.
4. The largest party.

"Provincial Governments" Comprehension Questions

1. The federal government realized provinces were different in their needs and wants. Provinces wanted to have their own power in certain situations.
2. No.
3. Agriculture and Fisheries / Community Services / Education / Finance / Health / Tourism and Culture / Transportation and Public Works / Justice / Natural Resources.
4. Executive, legislature, judiciary.
5. 52, MLAs.
6. Members of the Legislative Assembly.
7. Every 4 years.

"Provincial Governments" Paragraphs

- | | | | |
|----|--------|-----|--------|
| 1. | Answer | 6. | Answer |
| 2. | Answer | 7. | Answer |
| 3. | Answer | 8. | Answer |
| 4. | Answer | 9. | Answer |
| 5. | Answer | 10. | Answer |

"The Senate" Comprehension Questions

1. No.
2. Senators are appointed by the Governor General on the advice of the Prime Minister.
3. No, there are not the same amounts of Senators for every province and territory because the amount of Senators appointed to a province depends on the province's population. A more populated area would have more appointed Senators than a less populated province.
4. Senator responsibilities include the making, changing, and removing of laws. Also to approve or disapprove bills that have been already passed by the House of Commons. They debate these bills. This means they study the bills, ask questions about them, and make sure the bill deserves to be passed to become law.

5. A Canadian citizen / must be thirty years or older / you must live in the province you will represent as a Senator / you must own \$4000.00 in equity in land in your province / you must have a personal net worth of \$4000.00.
6. The first woman Senator was Cairine Wilson. The ladies who helped her accomplish her seat in the Senate were, Henrietta Muir Edwards, Nellie McClung, Louise McKinney, Emily Murphy, and Irene Parlby.

"The Senate"
Past Tense

1. The people in the Senate had different cultures and backgrounds.
2. The Governor General appointed people to the Senate.
3. There were 105 Senators in the Senate.
4. Ontario was a heavily populated province in Canada.
5. The Senators were busy talking to different people and organizations.
6. Parliamentary meetings kept friendly ties with other countries.
7. The House of Commons passed bills.

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