Government Paper

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***Introduction***

The United States and Canada can be found highly developed and well-established countries and nations of the world. The countries have been found progressing almost all the time when compared with one another. Both of them are politically and economically stable and consistent up to a high extent. The United States and Canada are the nations that have not much high level or rate of unemployment while they have some strong policies on the other hand that mainly include fiscal and foreign policies. In short, this paper is about the comparison of the United States of America and Canada. Specifically, this paper compares both of the governments based on three main variables of governments which are Fiscal Policy, Foreign Policy, and Unemployment. Further, the paper also explains how these governments have impacted or affected each of these variables.

***Foreign Policy***

*United States*

The country known as the United States of America is one of the countries that have a strong foreign policy at hand. The foreign policy of the US is strong because the government of the United States can be found having strong relations with other governments of other countries in the world. The foreign policy is of the US was based on the concept which is “Avoid Entangling Alliances”[[1]](#footnote-1). This statement and words have shaped the entire foreign policy of the US for more than a single century.

The foreign policy of the United States is mainly based on Isolation, where the government works to empower isolation. But the fact behind is the concept of isolation of the US foreign policy had become outdated. Here, the government of the United States was mainly and generally guided by the containment where the policy was to keep communism from spearing beyond the countries that are already under its influence. The foreign policy of the United States is applied to the world divided by the Cold War which is a struggle between the US and the Soviet Union.

*Canada*

Generally, the foreign policy of Canada has largely operated in sync with that of America and Europe with the government of Canada acting as a loyal partner in the dominant western alliances of the day. This has involved the participation on the lined or allied side of both wars where the government and country had been found highly participating in the NATO and United Nations[[2]](#footnote-2). The purpose here, was to defend the democratic capitalist that is caused during the cold war, etc. to contribute to the promotion of global stability and justice in the new era of terrorism and rogue states.

The main themes that define the foreign policy of the Canadian government are Independence, Global Alliance, Economic Interests, and Peach Protection while the foreign policy of the Canadian government is based on the expansion and globalization.

***Fiscal Policy***

*United States*

No one can deny that the United States and its government are the bodies that always put efforts to strengthen its nation all the time. Fiscal policy is an important variable of the government of every country in the world. The fiscal policy of the government of the United States is directed by both entities; executive and legislative branches of the government.

Additionally, the president is somehow relying on the council of different economic councilors and advisors. Like others, the fiscal policy of the government refers to the economic strategy of the country that uses the spending and taxation powers of the government to put influences on the economy of the nation. The fiscal policy of the government of the US is high and almost completely different from the monetary policy of the government. It is so much different because the fiscal policy is set by the government branches and Congress while the monetary policy is set and directed by the central band of the country[[3]](#footnote-3). The fiscal policy of the United States can be found highly based on the economic theories of John Maynard Keynes.

*Canada*

Same like the US, the fiscal policy of Canada is the utilization of the spending and taxation power to manage and control the behavior of the country’s and nation’s economy. The fiscal policy of the Canadian government is to balance the taxation and other associated economic activities that are tended to manage the economic activity and spending levels.

In the Canadian government, the fiscal policy is referred to the actions and strategies of the government to change the number of revenues and composition of these revenues and expenses. This is mainly aimed to control and manage the demand growth in the country’s economy.

Before 1930, most of the economists felt that the swings in the level of the economic activity were highly and largely self-managing and self-correcting. In the country of Canada, this sometimes leads to show an increase in the taxation rate when the economic activity goes low. But very, fortunately, the government entity is relatively small and efficient enough to manage the fiscal policy so that the fiscal policy of the Canadian government has not much and huge effect on the country’s economy. In short, the macroeconomic trends of the economy of Canada confirm the views up to an extent of those who argue for a particular amount of crowding out of the private expenses or expenditures by the spending of the government.

***Unemployment***

*United States*

The unemployment or unemployment rate is the actual and realistic percentage of unemployed individuals or workers in the labor force. In the United States, unemployment has been witnessed increased in the economic rescissions while it can be seen falling in the prosperity periods. Beyond this, the unemployment rate in the country also shown an increase during every war in which the US was involved while a high increase had come to see in World War II.

The highest unemployment rate in the history of the United States was 24.9 percent which was 1933. This rate had come to see in the period of the Great Depression. While on the other side, the lowest rate of unemployment was 1.2 percent in the economic year 1944.

The unemployment rate in the United States has shown different numbers of percentages during different times. This had come to see with such varying numbers because of the activities and involvement of the US government in different activities on the national ad global level[[4]](#footnote-4). For example, the involvement of the government in international politics and other hurting activities and operations like wars[[5]](#footnote-5).

In the United States, the swings in unemployment tend to coincide with the cycle of business of the country that slow growth leads to huge and high unemployment. Naturally, as the GDP of the country declines, businesses and corporations proceed to lay off the workers and as a result, the jobless workers have not much to spend for their economical purposes. This is a cycle of unemployment which is also considered as the result of the link between the economy or economic condition and level and unemployment[[6]](#footnote-6). Furthermore, the revenues of the businesses and industries like during World War II also get decreased when the amount to spend for the jobless individuals goes lower and this further forces the businesses and industries to reduce the costs like after WWII. So, in such cases, the government of the US put every possible effort to develop or design and implement different strategies such as bringing projects and giving jobs to people to manage and decrease the unemployment rate up to the possible extent.

*Canada*

As Canada is a stable and economically well-performing country while the government and political conditions of the country are also stable. Hence, one can state that the unemployment rate of the country is fair enough when compared with some countries like the US.

In the current time, the unemployment rate in Canada has shown an increase up to 5.90 percent in November 2019, from the very previous quarter of the current year. The government of Canada can be found highly involved in managing and decreasing unemployment all the time. Similarly, the government body of Canada works to update and requires it to be updated in such as way (every month) to have updates about the concerns[[7]](#footnote-7). This is done so because the government is able to manage unemployment in a fine and more effective way and manner. Beyond this, the government also develops different strategies and tactics to ensure that there is the lowest possible unemployment in the country.

The number of people or individuals employed in Canada is decreased in almost every industry in the last few months. But it is also a fact that this rate is not much as compared to the increase in the unemployment rate in other countries like America. the individuals employed in the manufacturing industry has decreased by -28,000, -25,000 in the public administration, -11,000 in the foodservice industry, -8,300 in the recreation, information and culture, 5,600 in the warehousing, while a -6,500 decrease has been witnessed in the transportation industry[[8]](#footnote-8). On the other hand, the other industry also has shown a decrease in the number of employed people such as retailing and trade, construction, and banking, financing, and real estate markets and industries.

***How the Government affects the variables***

***Foreign Policy***

*United States*

In the current time, a huge number of Americans think that the statement and words of George Washington are still the wise ones and that the government should look for withdrawal from world affairs whenever the government finds it possible. But the reality and truth is the government and the country of the United States have been found involved in the politics on the international level politics in the 20th century[[9]](#footnote-9). As a result, the foreign policy of the American government takes up a huge and great deal of the time, money, and energy of the government.

*Canada*

In the similar and current time, the foreign policymakers of Canadian government have worked to champion the concept that Canada should always behave programmatically and cautiously in each of its deeds or activities and ensure to stay away from the overly divisive actions that might compromise on the different aspects of the country such as reputation of Canadian government, relationships, and economy, etc.

***Fiscal******Policy***

*United States*

In the executive branch of the government, the two high and even most influential offices belong to the president of the United States and the Secretary of the government's or country's Treasury. In the Legislative Branch, the laws regarding the fiscal policy of the government are passed and the appropriate spending measures for the fiscal policy is designed by the US Congress. In this, the involvement of the deliberation, participation, and approval from both of these houses are mandatory which include Senate and House of Representatives.

*Canada*

The governments like the government of the prudent household worked to ensure the prevention of excessive moment in the prices and desired to properly balance and manage their spending and budgets each year[[10]](#footnote-10).

***Unemployment***

*United States*

In the United States, the government works to decrease the unemployment rate when it reaches 6 percent. The government of the United States put different efforts and work in different manners to reduce the unemployment rate. Hence, some major activities of the US government regarding this concern are;

1. The government uses expansionary monetary policy to lower the funds' rate on the federal level.
2. The government and congress collectively use the fiscal policy to directly create jobs for people by bringing projects when unemployment continues to increases.
3. The government and congress work to stimulate the actual demand by putting efforts to ensure the provision of the extended benefits of the unemployment to the people or public[[11]](#footnote-11).

*Canada*

For the purpose to affect unemployment and its increase in the last months positively and efficiently, the government plans to have different strategies and tactics to reduce it. The government of Canada uses the monetary policy to make sure that the decrease in unemployment has been brought. In this way, the government of the country ensures to decrease rate and decrease the borrowing cost and encourage individuals and groups to spend money they have at hand and motivates them to invest their capital. This increase in the spending and investment by the people or public leads to increase the Gross Domestic Product (GDP) of the country (Canada) and helps to decrease the demand deficient unemployment[[12]](#footnote-12). Further, the government sometimes prefers to reduce the interest rates which further leads to a decrease in the exchange rate and makes the international exports more competitive. So, as a result, the government finds a way to manage and decrease unemployment. Hence, in such a way, the Canadian government affects unemployment and changes (increase/decrease) in it.

**End Notes**

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