LIFEPAC®

HISTORY & GEOGRAPHY

STUDENT BOOK

12th Grade | Unit 10

Alpha Omega
PUBLICATIONS

HISTORY & GEOGRAPHY 1210
GEOGRAPHY

LIFEPAC Test is located in the center of the booklet. Please remove before starting the unit.

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Geography and Review

Objectives

Read these objectives. The objectives tell you what you will be able to do when you have successfully completed this LIFEPAC®. When you have finished this LIFEPAC, you should be able to:

1. Explain what the euro is and how it affects the European economy.
2. Name the primary financial centers of the world and where they are located.
3. Explain some helpful hints in the area of international travel.
4. Identify the states in the U.S. and name their capitals.
5. Explain the implications of America's trading neighbors, Mexico and Canada.
6. Explain the history of Israel as a nation and its ties with the U.S.
7. Name some of Christianity's heroes and give a brief summary of their lives.

Survey the LIFEPAC. Ask yourself some questions about this study and write your questions here.

1. EURO AND INTERNATIONAL FINANCE

Section Objectives

Review these objectives. When you have completed this section, you should be able to:

1. Explain what the euro is and how it affects the European economy.
2. Name the primary financial centers of the world and where they are located.

Vocabulary

Study these words to enhance your learning success in this section.

Austria .... A country located south of Germany and the Czech Republic; capital city is Vienna.

Cyprus .... An island nation of 1,170,000 dependent on the tourism industry.

Belgium .... A nation along the North Sea whose capital city is Brussels.

Finland .... A republic located on the Scandinavian Peninsula whose capital city is Helsinki.

France .... Has a population of nearly 65 million people; its capital city is Paris.

Germany .... A federal republic of 82 million people; Berlin is the capital city.

Greece .... Country located on the Aegean Sea due west of Turkey; nation's capital is Athens.

Ireland .... Capital city is Dublin; located in the north Atlantic Ocean.

Italy .... A "boot-shaped" country of 60 million people; capital city is Rome.

Luxembourg .... One of the founding members of the EU as well as its smallest member; capital city is Luxembourg City.

Malta .... This group of islands has few natural resources, and its capital city is Valletta.

Netherlands .... Located between the North Sea and Germany; national capital is Amsterdam.

Portugal .... Located next to Spain; population of over 10 million; capital city is Lisbon.

Slovakia .... The capital of this country is Bratislava and is a nation of over 5 million people.

Slovenia .... Country with a population of over 2 million and a well-educated work force.

Spain .... A country of 46 million; located just south of France; capital is Madrid.

Note: *All vocabulary words in this LIFEPAC appear in* **boldface** *print the first time they are used. If you are not sure of the meaning when you are reading, study the definitions given.*

THE WORLD OF THE EURO

| 19 of the 28 member states of the European Union: Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Portugal, Slovakia, Slovenia, and Spain

European Union finance ministers announced "E-Day"—January 1, 2002. That day marked the official introduction of seven different bank notes and eight coins in euro, the unit of currency which became common among a dozen European countries.

Why bother with the euro? Aren't francs good enough for **France**? Don't the Germans want to keep their financial independence by keeping the mark? Many nations in Europe felt the need for more stability for their economy. Concerns with wild fluctuations in the worth of their country's money led some nations to join in the effort for a unified unit of currency. Other nations wanted to strengthen themselves in the world trade market, and being part of a powerful economic bloc seemed like a wise choice. The number of nations joining together grew through the years, and the euro has become a reality. The introduction of the euro has helped construct a single financial market of the European Union (EU). Although the change to the euro actually began its initial steps in January of 1999, not all of the 11 European countries made the change, nor were the changes complete. The official conversion took place in 2002.

The euro has successfully stabilized exchange rates. One of the easiest ways to explain the European economic situation when it had diverse currencies is by examining a model here in America. Pretend that every state had their own currency. In Rhode Island, the standard unit of currency was a "red." In Pennsylvania, a "pine" was the main unit. In Florida you would get a "shell." Whenever you would travel, you would need to remember that your money must be exchanged across every state border. Besides finding out that your "reds" were not as strong as "shells," you discover that exchange fees were costing you money. Trade and travel would become troublesome because of the exchange that would be needed for 50 different states. If you can imagine that scenario, you can understand why the United States has the dollar as the national standard. This was the thinking behind the incorporation of the euro: unify the money unit across the continent and eliminate fluctuations between the currencies of the EMU (European Monetary Union) countries. Now, importing and exporting companies within the EMU area enjoy safer business dealings since they no longer have to face exchange rate risks.

Even vacation traveling within the EU (European Union) no longer has exchange-rate problems. Before the euro, considerable time and expense was spent when a tourist crossed the borders within what is now the European Union. Often, he would exchange money as much as four or five times a day. In many cases, he could end up losing as much as 50% of the value of the original amount—without having spent anything! Eliminating border exchanges has relieved the traveler of this problem.

The consumer can compare markets more easily. A shopper can compare prices between countries if there are no complicated rate calculations to be made. For instance, if the euro is the standard currency, comparisons between the prices of furniture in Greece and France can be seen at a moment's glance without having to figure out which country has a stronger monetary unit at the moment. The market becomes more "transparent," encouraging competition in the consumer's favor.

The corporate world eliminates a lot of extra paperwork. International businesses find the bookkeeping of different currencies costs their companies money. The euro has simplified the work of the bookkeepers, resulting in savings for the businesses.

The euro may partially replace the dollar in the sole position as accounting unit in world trade. Previously, European companies were dependent upon the U.S. dollar as the standard unit for accounting in trade. Now, the European economy will become less dependent upon the uncertainties of exchange rate variances against the dollar. The European economy will slowly grow independent of the dollar, as they use the euro as their own standard. Furthermore, the new euro money market will be more streamlined and powerful than the combined European markets by themselves, which will attract many investors. Many businesses which have regularly invested in the U.S. dollar will be re-evaluating to consider whether they are wiser to invest in the euro. The independent European Central Bank will work to keep inflation as low as possible within the EMU countries, assisting in trade.

Originally, on January 1, 1999, there were 15 European Union (EU) countries with 11 that were part of euroland. Euroland is the nickname for the countries that joined the European Monetary Union (EMU) in an effort to strengthen their economic well-being. Greece joined the EMU on January 1, 2001, enlarging its membership to 12. These countries agreed to surrender their financial independence and adopt the euro as their currency. As of 2015, there were 19 European Union (EU) member countries that were part of euroland.

The following nations are among the EU countries who are current members of the euro currency movement:

France has a population of nearly 65 million people. France is a founding member of the EU and has a republic type of government, meaning the people are represented in the nation's capital by elected delegates. The French capital is located in the city of Paris. Some of the natural resources of France include coal, iron ore, and bauxite. The country's main religion is Roman Catholicism, with over 85% of French citizens holding claim to the Catholic faith. Approximately 2% of the population professes to be Protestant. Over 7% of French people are Muslim.

Portugal is located next to **Spain** and boasts a population of over 10 million people. Portugal is located on the Iberian Peninsula. The capital is Lisbon and the main religion of Portugal is Roman Catholicism, with about 1% claiming the Protestant faith. The main industry products include textiles and cork products. Portugal's main food crops are livestock and seafood. The country's government is called a parliamentary democracy.

Ireland has a population of over 4 million people, and its capital city is **Dublin**. Located in the north Atlantic Ocean, Ireland joined the EU in 1973. Ireland's economy is quite strong, benefiting from international trade and enjoying the growth of industries such as textiles, clothing, and food products. Ireland's largest trading partner, the United Kingdom, has not adopted the euro. Ireland has two languages interspersed within its population: Irish (also known as Gaelic) and English. More than 90% of the country is Roman Catholic, and about 3% of the people are of the Anglican faith. Ireland is a republic.

Spain is a country of over 45 million people located just south of France. Its national capital is Madrid and its government is known as a parliamentary monarchy, having both a king and a president. Spain joined the EU in 1986 and relies heavily upon the success of the euro. Its industries include textiles, apparel, and machine tools. Natural resources include coal, lignite, iron ore, and copper. The nation is 94% Roman Catholic.

Luxembourg is a tiny country of less than half a million people that is squeezed in between **Germany**, France, and **Belgium**. It is a founding member of the EU as well as its smallest member. The country's capital city is **Luxembourg City**, and its government is run as a constitutional monarchy, having a Grand Duke who appoints a prime minister and vice prime minister. Luxembourg probably enjoys the EU's healthiest economy per person due to its powerful banking industry. Over 87% of the population is Roman Catholic with the Protestant and Jewish faiths at 3%. Luxembourg's exports include finished steel products, chemicals, and rubber products.

Greece is a country of over 11 million people, located on the Aegean Sea due west of Turkey. The nation's capital city is Athens, and its government is a parliamentary republic, having rejected the monarchy in 1974. Greek Orthodox is by far the main religion, with over 98% of the people claiming the faith. There are many economic problems facing this EMU member. Large budget deficits and high unemployment are among the many financial challenges facing Greece.

Italy, the easily recognizable "boot-shaped" country, is one of the founding members of the European Union. Over 60 million people live on this peninsula nation whose capital city is Rome. **Italy** has a republic form of government, and its industries include machinery, iron, steel, and tourism. Italy struggles with organized crime, political corruption, and high unemployment. Another problem is that people in northern Italy have a higher standard of living, along with better technological resources than those in the south. Nearly 90% of the people claim to be Roman Catholic.

The Netherlands lies nestled between the North Sea and Germany. Its national capital is Amsterdam, and its government is a constitutional monarchy, with King Willem-Alexander appointing vice prime ministers. The nation is composed of over 16 million people, of whom a third claim to be Roman Catholic. Protestants make up 20% of the population, and over 30% claim no religious affiliation at all. The Netherlands was a founding member of the EU and one of its most solid financially. The country's industries include metal products and electrical machinery, but their agricultural exports rank third in the world. The Dutch government has invested a significant amount into the creation and stability of the euro and believes it will see a great benefit from the results.

Austria squeezes 8 million people into an area a little smaller than the state of Maine. The national capital of the federal republic of Austria is Vienna, with a history of being home to more classical music composers than any other city in the world. Austria, a member of the European Union since 1995, enjoys being considered the crossroads of Europe. Due to a well-structured economy, the nation has a high standard of living. Austria's economy is closely coordinated with other EU member countries, especially with Germany. More than 75% of Austrians are Roman Catholic, with the second largest group, 5% of the population, claiming to be Protestant.

Germany is one of the larger countries of the EU, with 82 million people within its borders. Germany, whose capital city is Berlin, has the largest economy of the EU nations. Germany is the second most populous of the EU nations. Germany's religions are more diverse than most of the European Union members: over 28% of the country claims no religious affiliation, while almost 34% of the people call themselves Protestant, and another 34% are Roman Catholic.

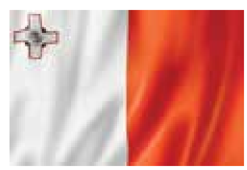
Finland has a population of over 5 million citizens. Finland's capital city is Helsinki. Finland has one of the highest per capital incomes among the nations in Western Europe. The nation produces and exports many manufactured goods, including wood, metals, telecommunication parts, and electronics. Unlike most European countries, Finland's main religion is Evangelical Lutheran. Over 82% of the country claims the Lutheran faith.

Belgium, with a population of 10.4 million people, is home to the European Commission. It is located north of France and south of the Netherlands. Belgium has few natural resources. The nation imports large amounts of natural resources in order to manufacture goods. Over 75% of the population claim to be Roman Catholics. The government is federal parliamentary democracy under a constitutional monarchy, meaning there is a king but also a prime minister and other elected officials. The national capital is Brussels, and the country has three official languages: Dutch, French, and German.

Slovakia was part of the former Czechoslovakia and became an independent nation in 1993. The country is located in Central Europe. The nation is a republic with its capital Bratislava. Over 5 million people live in this country, which is 69% Roman Catholic and 11% Protestant. The nation's leading products involve the automobile and electronic industries.

Slovenia is another new European nation receiving its independence in 1991. It was previously a part of Yugoslavia. The nation has over 2 million people, and its capital city is Ljubljana. Slovenia has an excellent infrastructure and a well-educated workforce. Industries important to Slovenia are the manufacturing of car parts, electronics, and chemical products. Fifty-seven percent of the population of Slovenia is Roman Catholic and 2% are Muslim.

Cyprus is a Mediterranean island located south of Turkey. This island nation, whose capital is Nicosia, has a population of 1,700,000 people. Tourism is essential for the success of the economy of Cyprus. This makes times of economic downturn difficult because people put off their travel plans. Another important industry in the area is that of financial services. The nation is 78% Greek Orthodox and 18% Muslim.

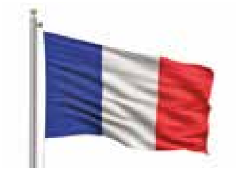


Malta is a group of seven islands located south of Italy and in the Mediterranean Sea. The capital city of this republic is Valletta. About a half a million people live in Malta. The nation has few natural resources and depends on foreign trade and tourism. Ninety-eight percent of the county is Roman Catholic.

Lithuania is one of the three Baltic states. This country with a population of almost 3 million people adopted the euro on January 1, 2015. Lithuania has been classified as having one of the fastest growing economies in the EU with a heavy emphasis on biotechnology. Lithuania is a democratic country with a semi-presidential system.

Although Denmark, Sweden, and the United Kingdom are members of the European Union, they are not "euro members." Euros, however, are accepted by the UK, Sweden, and Denmark, as well as the entire world. The UK voted in 2016 to leave the EU. This is scheduled to be finalized in 2019.

Fill in the blanks.

1.01  This flag is from the nation of ____ .

1.2 Originally, there were _________ European Union (EU) countries and _________ were part of euroland. As of 2015 there were _________ countries that were part of euroland.

1.3 Ireland has a(n) ________________________ form of government.

Choose the right words that give reasons for the benefits of the euro.

1.4 The euro has helped __________________________ exchange rates. Travelers within the EU no longer have exchange-rate _______________________ . The consumer can compare _______________________ more easily.

The corporate world has eliminated a lot of extra ________________________________ .

Fill in the blanks.

1.5 Over _________ % of the country of Germany claims no religious affiliation, while almost _________ % of the people call themselves Protestant, and just under _________ % are Roman Catholic.

1.6 Concerns with wild ___________________________________ in the worth of their country's money led some European nations to join in the effort for a unified unit of currency.

1.7 Austria squeezes 8 million people into an area a little smaller than the state of __________________ .

1.8  This is the flag of ____ .

1.9 European Union finance ministers announced that "E-Day" would be on January 1 in the year _______________ .

1.10  This is the flag of ____ .

1.11 In _______________________ , 98% of the population professes to be Greek Orthodox.

1.12 Now _______________________ and _______________________ companies within the EMU area will enjoy safer business dealings since they no longer have to face exchange rate risks.

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