

The European Union

All questions require at least
THREE sentences on own paper.

PLACES & TERMS

unification the act or result of uniting

alliance an association designed to advance the common interests of members

European Economic Community (EEC) a general alliance of European nations, also called the Common Market

European Union (EU) alliance of 15 nations that replaced the European Community

Steps Toward Unity

What was the EEC?

After World War II, many people in Europe wanted to rebuild the economy and prevent further wars. Some thought that the way to reach these goals was for separate European nations to join together.

In 1951, several nations began the process of **unification**, or uniting together. Those countries were France, Germany, Italy, and the Benelux nations. They signed a treaty that gave control of their coal and steel resources to a common group. That group was the European Coal and Steel Community (ECSC). The countries' leaders thought this **alliance**, or association, would have positive results.

The nations would depend on each other for resources. Because of this, their industries would suffer if they fought again. Each country knew what the other was manufacturing. So no country could prepare for war secretly.

In 1957, a more general alliance was formed. It was the **European Economic Community (EEC)**. It was also known as the Common Market. The EEC

removed trade barriers and set economic goals. It also allowed people to live and work in any member country. Between 1958 and 1968, trade among EEC nations increased four times.

In 1967, the EEC, the ECSC, and another alliance merged to become the European Community (EC). In 1973, the EC began to admit other European nations.

1. How did the EEC affect trade in Europe? _

Answer in at least **THREE SENTENCES** on own paper.

The European Union Today

What is the euro?

In 1993, the **European Union (EU)** replaced the EC. With 15 members, the EU faces several issues. One issue is settling differences between member nations. Two other issues are replacing national *currencies* with a single currency, the euro, and expanding EU membership.

EU members wonder how the union will affect their national economies. For example, workers may move to areas with higher wages. This would cause shifts in population.

Several countries are worried about using the euro. Some feel that they will lose control of interest rates. Others do not want to lose their national identities. Currency is often a symbol of national identity.

But many people believe that the euro has benefits. These include greater business efficiency and increased trade between countries. Banks and credit companies have started using euros to figure money exchanges. By 2002, euros will be used in everyday life.

One complex issue facing the EU is growth. In time, it might expand to 28 countries, with about 475 million people. Running such a large alliance would be hard. Many of the proposed new members are former Communist nations. In general, they are less wealthy and have little practice in democracy.

2. Why are some countries reluctant to adopt the euro?

Answer in at least THREE SENTENCES on own paper.

Primary Sources: The Euro

(page 328–329)

How do people feel about a single currency?

Political Commentary: The United Kingdom is part of the EU. But it has not adopted the euro. A British group expresses concerns about losing control of Britain's economy. It fears having poorer countries empty British banks and losing the benefits of money exchange rates. In addition, it points out that getting ready for the euro has helped to cause joblessness in Germany, France, and Italy. In these countries, the jobless rates are three times as high as in Britain.

Political Cartoon: A political cartoonist shows the leaders of the EU standing on a euro, as if it were a raft. A tattered shirt is the only sail. A small creature on the raft says that this is the steering committee. But no one is steering and everyone points in a different direction. The waves are high. It looks like the raft may sink.

3. What are some of the possible negative effects of the euro?

Answer in at least THREE SENTENCES on own paper.

Primary Sources: Integrating Nations

What are people saying about this?

Speech: Germany is an original member of the EU. One German leader favors letting countries from Central and Eastern Europe into the EU. He claims that the EU is the only way to create stability in Europe.

Political Analysis: Central Europeans remain suspicious of Germany. Adults raised under communism do not understand the way things are done in the West. Also, if the nations of Central Europe join the EU, Germans could buy up much of their land. But joining the EU might make more jobs available to people from Central Europe.

Data: Surveys show that people living in current EU countries disagree about who else should join. Most people wish to see nations such as Norway or Switzerland join. Many oppose membership for former Communist countries and for Turkey.

4. What concerns have people expressed about integrating some countries into the EU?

Answer in at least THREE SENTENCES on own paper.