

**ISTITUTO TECNICO**  
**“CARLO CATTANEO”**  
San Miniato (PI)

**5 B AMMINISTRAZIONE,  
FINANZA E  
MARKETING**

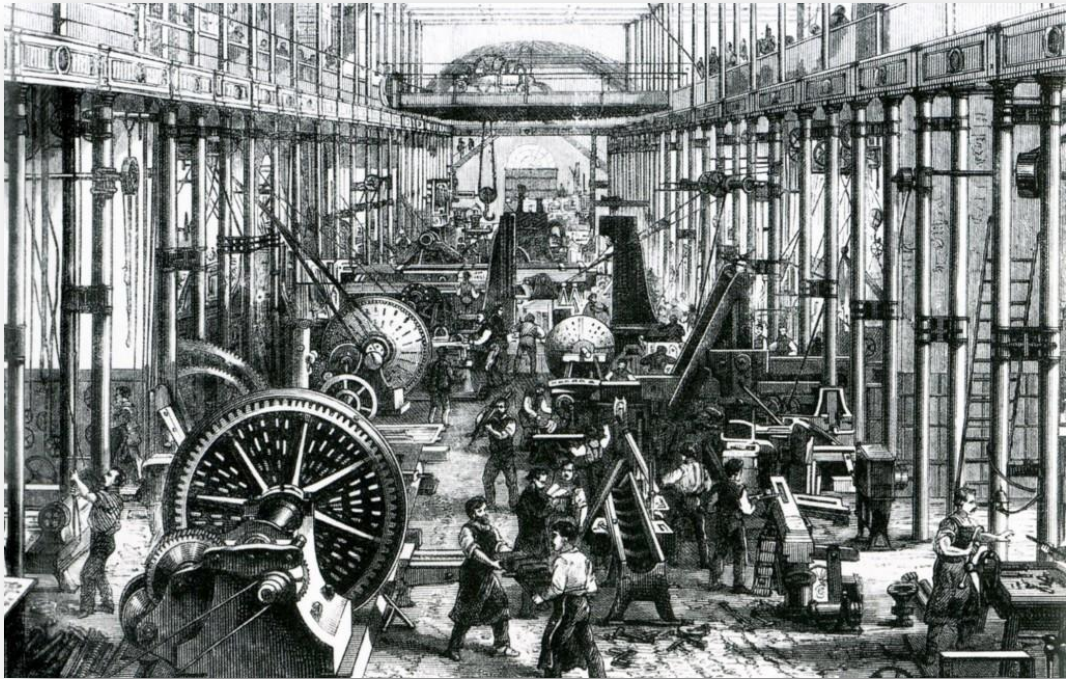
**INGLESE**

## BRITISH HISTORY

### THE INDUSTRIAL REVOLUTION

The **first stage of the Industrial Revolution** took place in the early 18<sup>th</sup> century. In earlier times, people made products by hand and worked at home. This took quite a long time and the cost of goods was usually high. The cotton industry was an important part of the British economy, but it took a long time to make cotton goods.

Businessmen imported raw cotton from Asia and North America and looked for faster ways of making the cloth. In 1733 John Kay invented the flying shuttle, which cut cotton production time by half. Other inventions, such as the spinning jenny (1770) and the power loom (1785), followed and people began to buy machines, build factories and make cotton products more quickly and cheaply.



Factories were built in the coal and iron regions of the North of England, the Midlands and South Wales. In 1769 James Watt invented the steam engine and transport became faster.

The **second stage of the Industrial Revolution** took place in the 1850s. The main inventions were the electric light, the light bulb, the telephone, the telegraph and the radio.

The Industrial Revolution had a great effect on people's lives: some people became very rich ;other people's lives got worse. The new factories employed women and children, who worked long hours in unhealthy conditions for very low wages. The Industrial Revolution was responsible for an increase in trade and wealth, but it also created many health problems and pollution.

## QUEEN VICTORIA

Queen Victoria was Britain's longest-serving sovereign. She ruled for 64 years. She ascended the throne in 1837 and she died in 1901. Her father was the fourth son of George III; she became Queen because her three uncles had no heirs.

She became Queen at the age of 18; she took her duties seriously and worked closely with her Prime Ministers. After her marriage to Prince Albert of Saxe-Coburg and Gotha in 1840, she relied very heavily on his advice. Queen Victoria and Albert had nine children and a happy marriage (Albert died in 1861).

During her reign the monarchy became a symbolic institution as it is today. Queen Victoria was the very first constitutional Queen.

Britain became more democratic: Parliament gave the right to vote to 60% of all British men. Education became free and compulsory from the age of five to the age of twelve (1870). Schools were built all over the country.

The Victorian Age was a period of great colonial expansion. Britain founded colonies in Africa and India. Queen Victoria was named Empress of India in 1876. New inventions such as the electric light, the light bulb, the telephone, the telegraph and the radio were developed.

When Queen Victoria died in 1901, Britain was one of the richest countries in the world.



## THE 20<sup>th</sup> CENTURY and THE 21<sup>st</sup> CENTURY

### THE FIRST WORLD WAR (1914-1918)

At the beginning of the twentieth century, there was a lot of friction between Germany and other European powers, especially Britain.

**The First World War** broke out in 1914 because Archduke Francis Ferdinand of Austria was assassinated by a Serbian nationalist in Sarajevo in June 1914. Austria-Hungary declared war on Serbia and Russia mobilised its army to defend Serbia. Germany then declared war on Russia and France, Russia's ally. When Germany invaded Belgium to attack France, Britain entered the war. Europe organised itself into two camps: The Central Powers (Austria-Hungary, Germany and Turkey) and the Allies (France, Great Britain, Italy (1915), Japan and Russia).

Russia left the war in 1917 because of the October Revolution in Russia. The USA entered the war in 1917 because German submarines attacked American ships.

After four years (1918) the Allies succeeded in defeating the Central Powers. The armistice was signed on 11 November 1918. The Peace Treaty was made in Versailles in 1919.

## THE 1920s AND THE 1930s

### Ireland

With the end of the First World War the Irish Question rose again and in 1921 Ireland was divided into two parts: Ulster, which remained part of the UK, and the Irish Free State, later called Eire.

### The Great Depression

Hard times followed the end of the First World War for Britain's economy. There was the decline of the old industries like coal, cotton, iron and shipbuilding. Workers lost their jobs and Trade Unions organized strikes.

A period of **Great Depression** started in Europe and in the USA, which culminated in the **Wall Street Crash** in October 1929.

In 1929 the Labour Party won the British general elections and faced the problems of unemployment.

The worldwide economic depression and unemployment combined with some international factors, such as the creation of the first Socialist State after the Russian Revolution of 1917 and the rise of Fascism in Italy (1922) and Nazism in Germany (1933), shifted the political attitudes of many intellectuals and artists to the left in the 1930s. In 1936 the **Spanish Civil War** broke out and many of them went to Spain to fight on the side of the Republicans against General Franco, the symbol of dictatorship, who was allied with Italy and Germany.

Women over the age of 21 were granted the right to vote in 1928.



### THE SECOND WORLD WAR (1939-1945)

In 1939, when Hitler invaded Poland, the UK and France declared war on Germany to defend Poland. This was the beginning of **the Second World War**. The war eventually spread to include almost the whole world.

In 1940 Germany conquered France and most of Europe but lost the Battle of Britain (Under the leadership of Sir Winston Churchill, Prime Minister, the pilots of the Royal Air Force won the Battle of Britain against German planes-the German Luftwaffe), so it was unable to invade the UK. Russia came in when Hitler attacked Russia in 1941. The USA entered the war when Japan bombed its naval base at Pearl Harbour in Hawaii in 1941. Germany, Italy and Japan were known as the Axis Powers and the UK, the USA, France and Russia were known as the Allies.

The war in Europe came to an end with the defeat of Nazi Germany in May 1945. The war in the Pacific came to an end in August 1945 when the USA dropped atomic bombs on two Japanese cities: Hiroshima and Nagasaki. An armistice was signed on September 2<sup>nd</sup>, 1945.

## THE LAST SEVENTY YEARS

After the Second World War, the Labour Party governed Britain and created the **Welfare State**, a social security system to protect the poor and the needy, guaranteeing a home, medical care, food and education for everyone. The Labour Party nationalised many industries. The industries, which served the population, came under state control. These industries included the Bank of England, coal and iron mining, steel production, electricity and transport.

The UNO was set up in 1945 and the NATO was set up in 1949. In 1947 India and Pakistan became independent and in the 1960s most African colonies became independent, too. (Now Britain has only two colonies: Gibraltar and the Falklands)

In 1952 George VI died and his daughter, Elizabeth II, became Queen.

In 1973 Britain joined the EEC (1957), which became the EU in 1992. In 1979 the Conservative leader, Margaret Thatcher, became Britain's first woman Prime Minister. Margaret Thatcher governed Britain for 11 years. Under Margaret Thatcher, the government privatised the nationalised industries (They reduced the role of the State) and favoured a free market economy.

The Conservative Party kept control of the government until 1997.

In 1991 Britain took part in the **Gulf War**. In 1997 Tony Blair, leader of the Labour Party, became Prime Minister. Tony Blair did not join his European partners when in January 1999 they officially adopted the Euro as a common currency.

In 2001 Tony Blair was re-elected. A few months after his victory (**11 September 2001**) he was confronted with the tragedy of the attack on the Twin Towers of the World Trade Center in New York and the Pentagon in Washington. He did not hesitate for a second: he sided with the USA and it was war against Afghanistan, the Taliban and Osama Bin Laden.

2002 was an important year for the Queen. She lost her mother, Elizabeth, and her sister, Margaret, and she celebrated her Golden Jubilee (50 years of reign).

In March 2003 the UK joined the military campaign against Iraq (the **Iraq War**).

In 2005 Tony Blair was re-elected. Gordon Brown became Prime Minister in 2007. He belonged to the Labour Party. David Cameron, leader of the Conservative Party, is the present Prime Minister. He was elected in 2010. He was re-elected in 2015.

In 2012 Elizabeth II celebrated her Diamond Jubilee (60 years of reign) and Britain hosted the Olympic Games. Prince George, the Royal baby and heir to the throne was born in July 2013. He is Prince William and Kate Middleton's son. Their daughter, Charlotte Elizabeth Diana, was born in 2015. Queen Elizabeth II has now reigned for 64 years, breaking the record for Britain's longest-serving sovereign.

A referendum took place in June 2016 and 52% voted in favour of leaving the European Union. David Cameron, who called the referendum and campaigned for Britain to remain in the EU, resigned on July 13.



## **BRITISH HISTORY**

### **QUESTIONS**

#### **THE INDUSTRIAL REVOLUTION**

- 1) When did the first stage of the Industrial Revolution take place?
- 2) When did John Kay invent the flying shuttle? Why was this invention important?
- 3) When did James Watt invent the steam engine? Why was this invention important?
- 4) What were the main inventions?
- 5) When did the second stage of the Industrial Revolution take place? What were the main inventions ?

#### **QUEEN VICTORIA**

- 1) When did Queen Victoria ascend the throne? When did she die?
- 2) How long did she reign?
- 3) Why was Queen Victoria's reign significant in British history?
- 4) Where were the main colonies set up?
- 5) What were the main inventions during this period?
- 6) When was Queen Victoria named Empress of India?

#### **THE 20<sup>th</sup> CENTURY and THE 21<sup>st</sup> CENTURY**

- 1) When did the First World War break out and for what reason?
- 2) When did Russia retire from the war?
- 3) Why did the USA enter the war in 1917?
- 4) How long did the war last?
- 5) When were the Central Powers defeated?
- 6) When was the armistice signed? When and where was the Peace Treaty made?
- 7) What happened in Britain in the 1920s and 1930s?
- 8) When did Germany invade Poland?
- 9) What did France and the UK do to defend Poland?
- 10) When did the USA and Russia enter the war? Why?
- 11) When and how did the war come to an end in Europe and in the Pacific?
- 12) Which political party did the British vote into government after the Second World War?
- 13) What did the Labour Party create?
- 14) When did India become independent?
- 15) When did Elizabeth II become Queen?
- 16) When did Britain join the EEC?
- 17) When did Margaret Thatcher become Prime Minister? How long did she govern Britain?  
Which political party did she belong to?
- 18) When did Tony Blair become Prime Minister? Which political party did he belong to?
- 19) Why was 2002 an important year for the Queen?
- 20) When did Gordon Brown become Prime Minister? Which political party did he belong to?
- 21) When did David Cameron become Prime Minister? Which political party does he belong to?
- 21) Who is the present Prime Minister?

## INTERNATIONAL ORGANIZATIONS THE UNO AND THE NATO

### A) THE UNO - THE UNITED NATIONS ORGANIZATION

- 1) What does UNO stand for? \_\_\_\_\_
- 2) When was the UNO set up?(1945) \_\_\_\_\_
- 3) How many countries is it made up of today?(193)\_\_\_\_\_
- 4) What are the five permanent members of its Security Council?(The USA, Russia, Britain ,France and China) \_\_\_\_\_  
\_\_\_\_\_
- 5) Why was the UNO set up? It was set up to promote world peace and cooperation between nations.

### B) THE NATO - NORTH ATLANTIC TREATY ORGANIZATION

- 1) What does NATO stand for?\_\_\_\_\_
- 2) When was the NATO set up? (1949)\_\_\_\_\_
- 3) How many countries is it made up of today?(28)\_\_\_\_\_

List some of them: The USA, Britain, France, Canada, Belgium, Germany, Spain, Denmark, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Greece, Turkey,...

- 5) Why was the NATO set up? It was set up to defend any member state from acts of aggression.(It is a military alliance)



## AMERICAN HISTORY

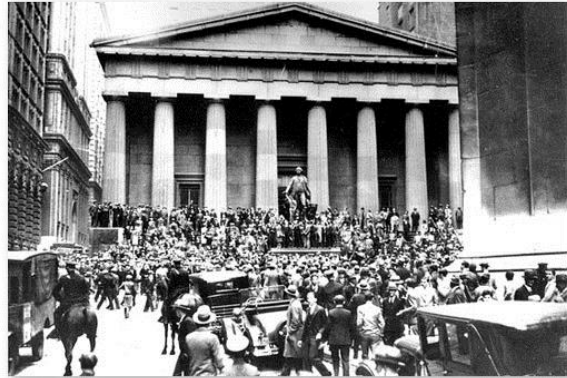
### 1. THE FIRST WORLD WAR

(vedi anche BRITISH HISTORY)

America became involved in the **First World War** (1914-1918) in April 1917. The country entered the war on the Allied side when German submarines attacked American ships. With the American help, the war quickly came to an end in October 1918.

### 2. THE WALL STREET CRASH, THE GREAT DEPRESSION AND THE NEW DEAL

In the USA the 1920s was a period of great prosperity. General prosperity came to a sudden end in 1929 because there was a massive crash on the stock market, the **Wall Street Crash**. This financial disaster was followed by years of economic depression –**the Great Depression**. By 1932 about 12 million people were out of work. Franklin Delano Roosevelt (1933-1945) became president in 1933 and introduced **the New Deal**, a package of social and economic reforms, in order to revive the American economy and put people back to work.



### 3. THE SECOND WORLD WAR

(vedi anche BRITISH HISTORY)

In 1939 Europe went to war again. At first the Americans did not want to get involved in another European conflict. However, in 1941, the Japanese attack on Pearl Harbour, Hawaii precipitated their decision and the Americans joined the Allies. **The Second World War** came to an end in August 1945 when the USA dropped two atomic bombs on Hiroshima and Nagasaki bringing the war with Japan to an end.



### 4. THE UNO AND THE NATO

(vedi anche altra fotocopia)

The **UNO** was set up in 1945 to promote world peace and cooperation between nations. The **NATO** was set up in 1949 to defend any member state from acts of aggression. (It created a defensive and political alliance of European states, Canada and the USA.)



## 5. THE COLD WAR (1945-1990)

After 1945 attitudes changed. America was stronger than any other nation, economically and militarily. It saw itself as the leader of the "free world" and was determined to combat the growing threat of Communism and the Soviet Union. A war-tired Europe provided the ideal ground for Communist expansion. In order to prevent this growth, in 1948 President H. Truman (1945-1953) set up the **Marshall Plan**, which gave food and resources to European countries to keep them away from Communism. By 1952 the Plan had worked. Europe was back on its feet again economically and tied politically to the USA.

The 1950s was a decade of rivalry between the USA and the Soviet Union. The conflict and tension between these two nations was known as the **Cold War** ( a period of great political tension between the USA and the Soviet Union.).The Cold War pushed the USA to become involved in conflicts with other countries to gain political control against Communism and the Soviet Union.

From 1950 to 1953 the USA fought successfully to prevent Communist North Korea from taking over South Korea.(the **Korean War** had broken out when Communist North Korea had invaded South Korea.)

In 1961 John F. Kennedy supported **the Bay of Pigs** invasion of Cuba by exiles to end Fidel Castro's communist regime. The invasion failed. In 1962 the Soviets placed nuclear missiles on the island of Cuba, their new ally-, just a few miles from the US coast. There were fears of nuclear war but President Kennedy (1960-1963) persuaded them to remove the weapons. John F. Kennedy was assassinated in Dallas, Texas, in 1963.

The USA became involved in Vietnam because the Americans wanted to prevent Communist North Vietnam from taking over South Vietnam.(North Vietnam was controlled by a Communist regime, under Ho Chi Minh, while South Vietnam was under a democratic government. The war had broken out when Ho Chi Minh had invaded South Vietnam in an attempt to unify the country.)The Americans left Vietnam in 1973 but the war really ended in 1975 when South Vietnam fell under the control of the North Vietnamese and North Vietnam reunited the country. (**The Vietnam War** (1964-1975) ).

In 1987 the American President Ronald Reagan and the Soviet leader Mikhail Gorbachev signed a peace treaty agreeing to destroy all their nuclear missiles.

The Cold War ended in the early 1990s with the collapse of Communism. It had lasted over 40 years.

## 6.THE 1990s AND THE EARLY 2000s

In 1991, President George Bush led a NATO attack against the Iraqi forces that had invaded Kuwait in order to gain control of their oil fields. The resulting military operation was successful.(**The Gulf War**)

On **11 September 2001** the Pentagon in Washington and the Twin Towers of the World Trade Center in New York were attacked. A month later, with the support and help of the NATO Allies, war was declared against Afghanistan, the Taliban and Osama Bin Laden, the man accused of organising the September 11 attacks. Eventually, the Taliban were defeated. Osama Bin Laden was executed in 2011.



In 2003 the USA and its Allies launched a devastating series of air attacks on Baghdad and Iraq designed to force Iraq to submit (**The Iraq War**).It was believed that Saddam Hussein had links to Al Qaeda, the terrorist group responsible for the attacks on the Twin Towers and he was also amassing an arsenal of weapons of mass destruction to launch an attack on the West. The war ended successfully for the USA and its Allies, but the weapons of mass destruction were not found. Saddam Hussein was captured alive in December 2003. He was executed in December 2006. In 2004 **George W. Bush** (2000-2008) was re-elected President. **Barack Obama** is the 44<sup>th</sup> and current President of the USA and is the first African American to hold the office. He was elected President in 2008 and he was re-elected in 2012.He was awarded the Noble Prize in 2009. **Donald Trump** was elected President of the USA in 2017.He belongs to the Republican Party.



## AMERICAN HISTORY

### QUESTIONS

- 1) When and why did the USA enter the First World War? When did the Allies defeat the Central Powers?
- 2) Which countries did the Allies include?
- 3) Which countries were the Central Powers made up of?
- 4) Who was the President of the USA during this period? (W. Wilson- 1913-1921)
- 5) Why were the 1920s an important period for the USA?
- 6) When and why did general prosperity come to an end?
- 7) What was the Wall Street Crash followed by?
- 8) When did Franklin D. Roosevelt become president?
- 9) What did he introduce in order to revive the American economy?
- 10) What was the New Deal?
- 11) When and why did the USA enter the Second World War?
- 12) Who was the President of the USA in 1941?
- 13) When and how did the war come to an end in the Pacific?
- 14) Who was the President of the USA in 1945? (H. Truman)
- 15) Who was the British Prime Minister from 1940 to 1945? (W. Churchill)
- 16) When was the UNO set up? Why?
- 17) When was the NATO set up? Why?
- 18) Which country was the richest and most powerful country in the world after the Second World War?
- 19) What did the USA want to combat?
- 20) What did President Truman do to prevent Communist expansion?
- 21) Why were food and resources given to European countries?
- 22) When did the Cold War begin?
- 23) What was the Cold War?
- 24) What was the USA's contribution to the Korean War?
- 25) Why did the Korean War break out?
- 26) Why is the Bay of Pigs considered one of the "most serious crises" of the Cold War?
- 27) When and where was J. F. Kennedy assassinated?
- 28) Why did the USA become involved in Vietnam?
- 29) When did the Americans leave Vietnam? When did the war really end?
- 30) When and how did the Cold War come to end?
- 31) When did the Gulf War break out and for what reason?
- 32) What happened on 11 September 2001? Who was Osama Bin Laden?
- 33) When was he executed?
- 34) What happened in 2003?
- 35) When was Saddam Hussein captured? When was he executed?
- 36) When was George W. Bush re-elected?
- 37) When was B. Obama elected?
- 38) Who is the present President of the USA?

## THE EUROPEAN UNION

### Complete the sentences using these words and phrases:




1957, 9th May, The Ode to Joy, a circle of 12 stars on a blue background, Slovenia, 19 member states, formed, 11, monetary, Euro, political union, economic community, European Union, signed, 1992, Maastricht, UK, Ireland, Denmark, European Economic Community, Rome, European, France, Italy, Germany, Luxemburg, Netherlands, 28 independent European states, 600 million citizens who speak 24 different languages, political and economic, foreign policy, single economic market, movement of people, goods and services, 2002, Euro, 1973.

1. The European Union is a group of 28 independent European states with about 600 million citizens who speak 24 different languages. It is a political and economic organization with headquarters in Brussels. The members of the EU work together in many areas including trade, agriculture and foreign policy. The states of the EU form a single economic market with no barriers against the free movement of people, goods and services, the most powerful trading block in the world.
2. In 1957 the Treaty of Rome was signed by the six European powers of Italy, France, West Germany, Belgium, Luxemburg, and the Netherlands. By this treaty they established the EEC, European Economic Community, with the aim of facilitating trade between the member countries.
3. The UK, Ireland and Denmark joined the EEC in 1973.
4. The Maastricht Treaty was signed in 1992. The EEC was now to be known as the EU (European Union) and it developed from a mere economic community into a political union. (the EEC adopted the name EU in 1993). This treaty also introduced European citizenship.
5. On January 1<sup>st</sup>, 1999, 11 countries (all except the UK, Greece, Sweden and Denmark) formed an economic and monetary union (EMU) and started using a single currency- the euro. (Greece adopted the Euro in 2000).
6. Euro notes and coins came into circulation on 1<sup>st</sup> January 2002. The Euro has been adopted in 19 member states of the EU. (the UK, Sweden and Denmark did not join). In 2007 Slovenia adopted the Euro. Malta and Cyprus joined it in 2008. Slovakia joined it in 2009. Estonia joined it in 2011. Latvia joined it in 2014 and Lithuania joined it in 2015. A few Eastern European Countries are not ready to adopt the euro because they do not meet the economic requirements stipulated by the EU (page 287)
7. The euro is issued by the European Central Bank (ECB) in Frankfurt (Germany).
8. A draft of the Constitution of the EU was prepared in Belgium in 2001 and the Constitutional Treaty was signed in Rome in 2004.
9. The Treaty of Lisbon was signed in Lisbon in 2007. (It became effective in 2009). It is a document which contains a common set of rules relating to the EU, gives the EU legal personality and creates a permanent EU President. (page 291)
10. The current EU Member States are: Austria, Belgium, Bulgaria, Croatia, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, The Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and the United Kingdom.
11. The flag of the EU consists of a circle of 12 stars on a blue background.
12. The EU anthem is "Ode to Joy". Europe Day is on 9th May.

The **Eurozone** is an economic and monetary union (EMU) of 19 European Union (EU) member states which have adopted the euro (€) as their common currency. The Eurozone currently consists of Austria, Belgium, Cyprus(2008), Estonia(2011), Finland, France, Germany, Greece, Ireland, Italy, Latvia(2014),Lithuania(2015), Luxembourg, Malta, the Netherlands, Portugal, Slovakia, Slovenia, and Spain.

**Brexit:** For the time being, the United Kingdom remains a full member of the EU and rights and obligations continue to fully apply in and to the UK.

**Member states of the EU (year of entry)**

|   |   |
|---|---|
| <ul style="list-style-type: none"> <li> <u>Austria</u> (1995)</li> <li> <u>Belgium</u> (1952)</li> <li> <u>Bulgaria</u> (2007)</li> <li> <u>Croatia</u>(2013)</li> <li> <u>Cyprus</u> (2004)</li> <li> <u>Czech Republic</u> (2004)</li> <li> <u>Denmark</u> (1973)</li> <li> <u>Estonia</u> (2004)</li> <li> <u>Finland</u> (1995)</li> <li> <u>France</u> (1952)</li> <li> <u>Germany</u> (1952)</li> <li> <u>Greece</u> (1981)</li> <li> <u>Hungary</u> (2004)</li> <li> <u>Ireland</u> (1973)</li> </ul> | <ul style="list-style-type: none"> <li> <u>Italy</u> (1952)</li> <li> <u>Latvia</u> (2004)</li> <li> <u>Lithuania</u> (2004)</li> <li> <u>Luxembourg</u> (1952)</li> <li> <u>Malta</u> (2004)</li> <li> <u>Netherlands</u> (1952)</li> <li> <u>Poland</u> (2004)</li> <li> <u>Portugal</u> (1986)</li> <li> <u>Romania</u> (2007)</li> <li> <u>Slovakia</u> (2004)</li> <li> <u>Slovenia</u> (2004)</li> <li> <u>Spain</u> (1986)</li> <li> <u>Sweden</u> (1995)</li> <li> <u>United Kingdom</u> (1973)</li> </ul> |
|---|---|

## QUESTIONS

- 1- What does EEC stand for?
- 2- When was the EEC established?
- 3- How many countries formed the EEC?
- 4- What was the original aim of the six founder members?
- 5- When the EU was officially established?
- 6- When did the UK and Ireland join the EEC?
- 7- How many countries is the EU made up of today? List them.
- 8- When did eleven EU countries form an economic and monetary union and start using a single currency- the euro?
- 9- Why was the Maastricht Treaty important?
- 10- When did euro notes and coins come into circulation?



# GOVERNMENT AND POLITICS

## THE UK GOVERNMENT

The United Kingdom is a parliamentary democracy\*<sup>1</sup> and a constitutional monarchy\*<sup>2</sup>.

\*<sup>1</sup>the country is governed by its people and their representatives.

\*<sup>2</sup>the Head of State is a Queen or a King who has limited power only and can reign only with the support of Parliament.

## THE CONSTITUTION

The Constitution is not a single document and most of it is not even written down. (Some parts come from documents as ancient as the Magna Carta (1215), or from Laws passed by Parliament or are judgements given in courts. The British Constitution is very flexible. It can be modified at any time by an act of Parliament or by the people's acceptance of new usages).

## THE MONARCH

**-Fill in the blanks with these words: Church, England, State, Commonwealth, Armed Forces, Prime Minister, unity, does not rule, reigns, ministers, Government, Commander-in-Chief.**

The Queen is:

- the Head of State and a symbol of national unity;
- the temporal Head of the Church of England (Though the real authority lies in the hands of the Archbishop of Canterbury);
- the Head of the Commonwealth (the English Monarch is still Head of State of a few of its members (e.g. Australia));
- the Commander-in-Chief of the Armed Forces (war or peace are officially declared only when Parliament has made such decision);
- the Head of the legal system... etc.

The Queen also

- gives her approval before a Government is formed;
- appoints the Prime Minister, who is the leader of the majority party;
- appoints the ministers of the Government (but, in fact, they have been chosen by the people in an election);
- gives royal assent by signing all laws before they can take effect;
- summons and dissolves Parliament, acting on the advice of the Government....



In conclusion it can be said that in Britain the Monarch reigns but does not rule. The functions of the Monarch are formal and symbolic.

## THE PRIME MINISTER

The Prime Minister is the Head of Government and the leader of the majority party. He is appointed by the Queen, but he is chosen by his party members. The Prime Minister makes laws and controls the financial and foreign affairs of the country. He chooses members of his political party to help him govern. These are called Cabinet Ministers and they are responsible for all government decisions.



## THE HOUSES OF PARLIAMENT

**Parliament** is composed of two Houses: the House of Lords and the House of Commons.

-**The House of Lords** consists of about 700 non-elected members who belong to one of these groups: Spiritual Lords, Law Lords, Hereditary Peers, and Life Peers. This House has revision function. It can make amendments to bills but it cannot reject them. It can only delay them for a year. The President of the House of Lords is the Lord Chancellor.

-**The House of Commons** consists of 650 members who are elected by the people at general elections. The House of Commons has legislative function. The MPs (Members of Parliament) decide on new laws. The President of the House of Commons is the Speaker. Both Houses are situated in the Palace of Westminster (the Houses of Parliament) in London.





## THE ELECTORAL SYSTEM IN THE UK

Complete the sentences with the following words: Queen, minority, Cabinet, elections, leader, Government, majority, Prime Minister, 650, people, candidate, every 5 years, majority, 650, proportional, political, candidates, votes, about 60, 20-25.

The British electoral system is based on a majority system. There is no proportional representation in Britain. General elections are held every 5 years, but they may be held earlier if the Government decides to. All adults over 18 are called to the polls and vote by secret ballot.

The House of Commons has 650 members. These MPs (Members of Parliament) are elected in the following way: Britain is divided into 650 constituencies. In each constituency the different political parties propose their candidates. The people vote and the candidate who wins most votes becomes MP (Member of Parliament).

When the results of the elections are known, the Queen calls the leader of the party which has gained the majority of votes and asks him/her to form a Government.

There are about 60 Ministers and 20-25 of them are chosen to form the Cabinet, a restricted committee headed by the Prime Minister and responsible for all government decisions. The largest minority party forms the Opposition ( Her Majesty' s Opposition).

## POLITICAL PARTIES

The two main political parties which dominate British political life are the Conservative Party and the Labour Party. Other political parties in the Commons include the Liberal Democrats. Nowadays the Labour Party is centre-left and the Conservative Party is centre-right. The Liberal Democrats are centre-left .Other political parties are the Green Party and The United Kingdom Independence Party (UKIP) (Its objective is to withdraw Britain from the EU).

## QUESTIONS

1. Does Britain have a written constitution?
2. What is the most important authority in Britain?
3. What are the functions and duties of the Queen?
4. Who is the present Queen?
5. What is Parliament composed of?
6. How many members are there in the House of Lords? Who is the President of the House of Lords? Are the members of this House elected by the people? What is the main function of this House?
7. How many MPs are there in the House of Commons? Who elects them? Who is the President of this House? What is the function of this House?
8. How often are general elections held?
9. Which party forms the Government after the elections? Who becomes Prime Minister? Which party forms the Opposition?
10. How are the MPs elected? How many MPs can be elected in each constituency?
11. Who appoints the Prime Minister?
12. Who appoints the other ministers? Who chooses them?
13. What is the Cabinet?
14. How many ministers is it composed of?
15. What is the Cabinet responsible for?
16. Who is it presided over?
17. Who is the present Prime Minister?
18. How long has he been Prime Minister? Which political party does he belong to?
19. What are the main political parties in Britain?

## BANKING

Banking is one of the main branches of commerce. Banks offer private clients, businessmen and companies a wide range of services and provide firms with financial services and methods of payment for home trade and international trade.



### THE BRITISH BANKING SYSTEM

The British banking system consists of the Bank of England, which is the central bank of the UK, and a variety of high-street banks.

**The Bank of England**, which is located in the City of London, was founded in 1694 and has several important functions. It is banker to the British Government and to other banks, controls the banking and financial system in the UK, regulates the issue of currency, fixes exchange and interest rates and cooperates with other central banks and international institutions.





The main British **high-street banks** are the so-called big four: **HSBC, Barclays, the Lloyds Banking Group (LGB)** and **the Royal Bank of Scotland (RBS)**. They are commercial banks and offer a wide range of services both for individuals and companies. They collect and borrow money from their customers, provide several types of deposit account and current account, send their current account holders a statement of account recording all payments into and from their current account for a given period of time, provide cash cards, credit cards and cheque books, advise customers on investments and other financial matters.

Nowadays banks offer traditional banking services as well as online, telephone, video and mobile banking services and ATMs. There are also Internet-only banks, which operate exclusively online.



## ONLINE BANKING

**Online banking** became popular in the UK in the late 1980s and since then it has evolved considerably. Banks have introduced new and technologically advanced products and services including mobile Apps. Today online banking is one of the most popular ways for people to manage their money.

In the past the term "online banking" referred to the use of a terminal, keyboard and computer monitor to access bank accounts by using a landline telephone. Now the term refers to the electronic payment system which allows bank customers to carry out banking activities and financial transactions through their bank website.

Online banking is very useful because people can use their computers or laptops or even their smart phones to do their banking from home or on the move and they can access services anywhere and at any time.

Customers can check and download their banking statements, check their account balances and transactions, pay bills and transfer money between accounts and internationally. Furthermore, they can buy and sell shares, bonds and other investment products, manage their credit cards and apply for loans and other services.

Most banks also offer **video banking**, which is a method of carrying out banking activities by using a remote video and an audio connection. It allows customers and bank representatives to communicate and connect face-to-face.



Besides they offer **telephone banking**, which is an automated service allowing customers to access their account information and perform transactions over the telephone.



**Mobile banking** has also become very popular today. Most banks provide free secure Apps, which offer the same functions as online banking. Customers can carry out banking activities within seconds by using their smart phones.

Furthermore, most banks have recently started to use the power of social networking and other digital platforms to improve their marketing and reach out to younger, more Web-savvy customers, also called “the Generation C”, or “the Connected Generation”. They rely heavily on technologies, using blogs, forums and an active presence on social networks in order to communicate with customers and introduce them to relevant products.



They also offer **YouTube** videos about the company, **Facebook** pages and the opportunity to contact the bank through **Twitter**. Their active participation in social networks increases loyalty among their existing customers and attracts new ones.

Banks also issue **ATM cards** to enable customers to make payments, withdraw money, deposit cash or cheques and carry out other banking activities 24 hours a day seven days a week. ATMS (Automatic Teller Machines) are computer- controlled machines, which are located near or inside banks, shopping centres, stations, airports and restaurants.



Online Banking has many benefits. It is very flexible because customers can access their accounts from computers, tablets and smart phones and carry out their banking activities at any time without leaving their offices or homes. Besides, banks can reduce their expenses because they can have fewer branches around the country and fewer bank clerks and they can use computerized procedures.



Although the advantages of online banking are significant, there are some disadvantages of this modern means of banking. There is a lack of face-to-face interaction and little opportunity to develop relationships between customers and bank representatives. Besides, online banks are vulnerable to security risks such as hacking, phishing, and viruses.



## THE MAIN BANKS IN THE UNITED KINGDOM

In the United Kingdom the main high-street banks are:

- **HSBC**
- **Barclays**
- **The Lloyds Banking Group**
- **The Royal Bank of Scotland (RBS).**

**HSBC**, which was founded in the 1860s in order to finance trading transactions between Asia and Europe, is one of the largest banking and financial institutions in the world. Today, HSBC is headquartered in London and has around 7,000 offices in 80 countries across Europe, Africa, and Asia, Oceania and America and 60 million customers. It is the fifth largest bank in the world.



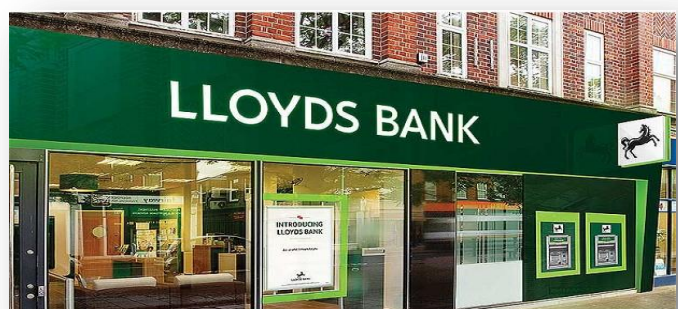
**BARCLAYS**, which was founded in the City of London in 1690, has expanded over the years and now has an extensive global presence in Europe, America, Africa and Asia. Barclays is the second largest bank in the UK and operates about 5,000 offices in England and Wales and abroad.



**THE ROYAL BANK OF SCOTLAND GROUP (RBS)** is third biggest British bank. RBS provides services to over 33 million customers around the world. This includes 24 million in the UK, where it has over 2,000 bank branches.



**LLOYDS BANK**, which is part of **the Lloyds Banking Group**, was founded in the 18<sup>th</sup> century and is the second oldest bank in the United Kingdom. The Group's headquarters is located in the City of London. Lloyds is ranked as the fourth biggest British bank.



# THE STOCK EXCHANGE

## WHAT HAPPENS ON THE STOCK EXCHANGE?

There are four main stock exchanges in the world: New York, London, Tokyo and Frankfurt. The Stock Exchange is the centre where shares and bonds are bought and sold. The capital of a company is divided up into parts, which are called **shares**. In the USA, shares are known as **stocks** and their owners are called **stockholders** (**shareholders** in the UK).

Shares are separate, equal parts into which the capital of a company is divided. Shareholders own part of a company.

There are two main reasons for buying shares. Firstly, the shareholder could make a profit if he sells the shares after their value has risen. Secondly, he could earn a dividend from the company's profits. However, he could risk a loss if the value of the shares goes down. Also, if there are no company profits to be divided, then the shareholder receives nothing.

A **bond** is a document issued by a government or company when borrowing money from the public. The holder of the document is called a **bondholder**. The bondholder can use the document to obtain repayment of the loan, plus a fixed rate of interest.

Shares are separate, equal parts into which the capital of a company is divided. Shareholders own part of a company.



## WHO OPERATES ON THE STOCK EXCHANGE?

An investor cannot buy and sell shares himself. He needs the assistance and advice of an intermediary - a **broker-dealer** who buys and sells shares on behalf of members of the public. Brokers earn a commission for arranging the purchase and sale of shares. There are two main types of dealers who take risks and try to predict what is going to happen on the Stock Market:

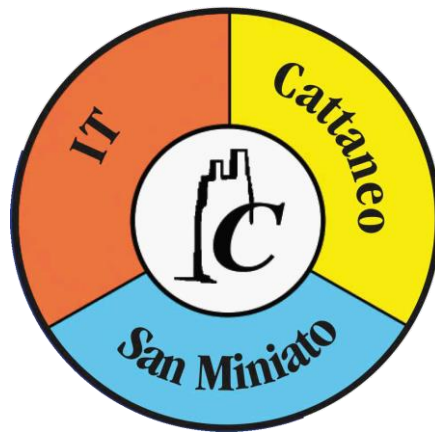
- **Bulls** believe that the value of the shares will rise; therefore they tend to buy so that they can sell them at a later stage at a higher price and make a profit.
- **Bears** expect the prices of shares to fall. Therefore, they sell shares in the hope that their value will drop to a lower price than the one they paid when they bought them.

## QUESTIONS

1. Which are the main Stock Exchanges in the world?
2. Why do people buy shares?
3. What risks do they run?
4. What is bond?
5. Who are brokers?
6. What are the differences between:
  - Stocks and shares?
  - Bulls and bears?
  - Shareholders and bondholders?
7. What are shares?



I brani contenuti nel presente fascicolo sono riassunti di testi contenuti in “Commercial Interest “ e “Online for Business” A.A.V.V., Longman ,“Businesslike,”A.A.V.V.,Juvenilia e “Import/Export Department”A.A.V.V., Principato con integrazioni. Queste dispense sono state realizzate per integrare alcuni argomenti che risultavano incompleti nel libro di testo o per presentare argomenti necessari per collegamenti interdisciplinari.)



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