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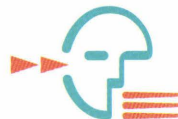
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EUROPE

MAGAZINE OF THE EUROPEAN UNION



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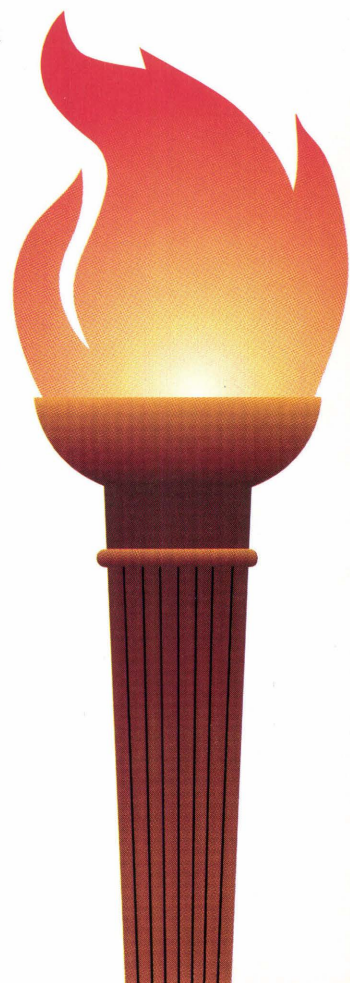
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Letter from the Editor

Europe's best athletes will be going for the gold next month at the Summer Olympic Games in Atlanta. From Finnish javelin throwers to Italian water polo players to Greek weight lifters to Irish runners, many athletes from EU countries appear to be strong medal contenders in key events this summer. Our Capitals correspondents report on the key Olympic contenders from each of the 15 EU countries.

EUROPE also looks at Atlanta, host of the 1996 summer Olympic games, and finds a strong and often unnoticed connection to Europe. We also profile Adidas, the once dominant German-based athletic company, which has a long Olympic tradition.

The telecommunications revolution is spreading across the world, and Europe is one of the hottest markets as telecom firms get ready for deregulation. In an exclusive interview with **Martin Bangemann**, the European commissioner for telecommunications and industrial affairs discusses the European Commission policy on privatization and liberalization of the telecom industry. Bangemann also speaks out on the information superhighway, transatlantic telecom alliances, the internet, and the future of the telecom industry in Europe.

Hans Van Den Broek, the European commissioner for external relations with Central and Eastern European countries and former members of the Soviet Union plus common foreign and security policy, speaks out in another exclusive *EUROPE* interview about the upcoming historic elections scheduled to take place in Russia this month. Commissioner Van Den Broek also discusses enlargement, the EU role in the Middle East, Bosnia, NATO, and a future common foreign policy for the European Union.

EUROPE profiles the leading candidates for president in Russia and presents their views on the key issues in the campaign.

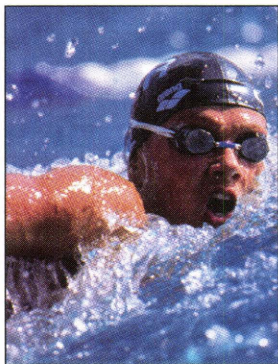
Leif Beck Fallesen, writing from Copenhagen, details the concerns of the Danes and looks at the economic and political situation in the country today.

I hope you are enjoying our newest department, "EU On-line," where we discuss web sites and software pertaining to Europe and other Internet related topics. *EUROPE* looks forward to your comments on this new section. We also welcome suggestions regarding issues and topics concerning the information superhighway and Europe that you would like to see covered in EU On-line.

Next month, look for *EUROPE*'s exclusive interview with Irish Prime Minister John Bruton.



Robert J. Guttman
Editor-in-Chief



German swimmer Franziska van Almsick will compete for the gold this summer in Atlanta.

EUROPE

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Reuters has contributed to news reports in this issue of *EUROPE*.

EYE ON THE EU



Profiling
Personalities and
Developments
Within the
European Union

When I first came to Brussels 16 years ago as bureau chief of the *Economist*, my predecessor, Stephen Milligan, gave me a run-down of the senior officials of the European Community who would be worth cultivating. At the top of the list was Sir Roy Denman, at that time director-general for external relations.

Denman, he said, was a man with his own mind, never afraid of expressing himself with the utmost candor, and with a shrewd judgment of both personalities and policies. I took Milligan at his word, and found Sir Roy an excellent off-the-record guide.

Sir Roy, 72, retired from the Commission in 1989 but remains a towering figure on the Brussels scene. He has now put his vast knowledge to explosive use by producing *Missed Chances: Britain and Europe in the Twentieth Century* (just published in London by Cassell's), a devastating indictment of the whole course of British relations with Western Europe both before and since the creation of the European Community.

There are, of course, individual culprits named, including virtually all of Britain's postwar prime ministers with the exception of Edward Heath.

Some of Denman's historical judgments are contentious. He suggests, for instance, that had the Conservative Party not unexpectedly won the 1970 general election, the United Kingdom would never have become a

member of the EC. The accepted wisdom has always been that had Harold Wilson been reelected he would have negotiated entry on more or less the same terms as were obtained by Edward Heath. Not so, says Denman. President Pompidou would not have agreed to a deal with a Labor-led UK, and even if he had Wilson and Callaghan would have backed off in response to pressure from their own left wing.

Denman makes it clear that more than the individual shortcomings of leaders are to blame. It was the failure of a whole generation of Britons to understand the European mood in the postwar period or to adapt themselves to the prevailing culture on the other side of the English Channel, where meritocrats (like himself) are largely in control of decision-making.

The underlying cause is the British class system.

"Britain," he argues, "never had a serious House-clearing revolution. The royal family, the church, the law, the army, the city, the land-owning class, inherited money and their concentric circles have continued without a radical break for centuries. The result is that Britain has largely become a cozy backwater...."

Denman quotes former secretary of state Dean Acheson, who in 1969 described Britain's refusal to join in negotiating the Schuman Plan as "the great mistake of the postwar period.... Some decisions are critical. This was one. It was not the last chance for Britain to enter Europe, but it was the first wrong choice." Denman goes on to catalogue a long list of later 'missed chances,' concluding: "The last chance will

soon arrive. An inner core in Europe, headed by France and Germany, will form an economic and monetary union.... Britain will be outside, once a world power, now an offshore irrelevance."

Can this fate be avoided? Denman is not very hopeful; he has written off any hope of the present "tired and discredited Conservative government, held prisoners by a group of Europhobe backbenchers." He believes that a new Labor government under Tony Blair would take a more positive attitude to European integration and could perhaps "seize Britain's last chance this century." Never previously known as a Labor supporter, Denman's present conviction is a measure of the desperate pass to which he believes his fellow countrymen have come.

—Dick Leonard

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EU ONLINE

REGIONALLY SPEAKING

The Information Superhighway may span continents and cultures, but until recently non-English speakers might as well have stayed home. Two companies, Accent Worldwide and Netscape, hope to change that.

Accent Worldwide's *Internet With an Accent* for Windows makes

browsing the Web, creating your own homepage or sending e-mail a truly international experience. The program's multilingual browser allows you to decipher 39 languages, from the expected—French, German, and Spanish—to the more unusual, such as Arabic, Slovenian, Swiss German, and Greek. An Arabic page, for example, would look like gibberish on many Web browsers, but one click on Accent's browser and the characters will appear true to the original. The company plans to include Japanese, Chinese, and Korean this month, according to William King, a spokesman for Accent.

Internet with an Accent also provides keyboard templates to type in the above languages. So the Cyrillic alphabet is at your fingertips for e-mailing a friend or colleague in Russia after which you can dash off a letter in Hebrew, providing, of course, you speak those two languages.

A handy, if not potentially dangerous, automatic transla-

tion is available in French, Spanish, German, Italian, and English. King concedes that the translator can't handle technical jargon, but simple, well-written prose. Idioms and slang probably pose quite a challenge as well.

For those who would rather test drive the program before dropping a \$100 for the software can contact Ac-

cent Worldwide at <http://www.accentsoft.com> or download a test version at <http://home.netscape.com>.

PLUG INTO EUROPE

EUROPE magazine joins the electronic newsstand this month with the launching of its homepage on the World Wide Web (<http://www.eurunion.org>).

The site, which piggybacks that of the European Commission's Washington delegation, is cloaked in the bright blue and yellow of the European Union flag. Visitors can take a look at the cover of the current issue and view a sampling of its articles. Background on the magazine—from its humble black-and-white newsletter days to its glossy, four-color current incarnation—and an introduction to its staff can be found.

For those interested in a specific EU country or topic, a calendar of what will appear in future issues also is available on the site. Notice of any upcoming special events and information on how to subscribe to the magazine round out *EUROPE*'s page.

The European Commission Washington delegation's homepage offers an array of EU resources, including information about its member countries and institutions. A visitor to the site can scroll back to the beginnings of the EU as the six member European Coal and Steel Community in 1952. A timeline shows how it

evolved into the 15 member European Union of today.

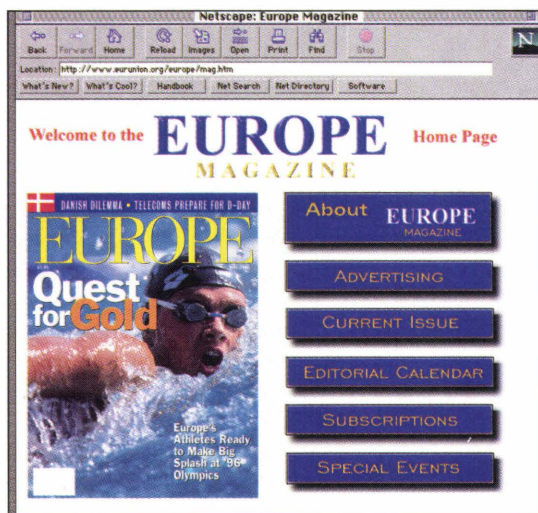
The delegation also outlines its role in the United States and the services it provides. Students and researchers will find hyperlinks to other EU Web sites, as well as a keyword search on those sites. If a minister or commissioner has made a US appearance, his or her remarks likely can be found at the site for a few months thereafter. Even those who want travel or visa information will find addresses of embassies and tourist bureaus in the United States. For cybersurfers who are keyed in to Europe, it's a site worth checking out.

SITE OF THE MONTH: WIMBLEDON

Tennis in the 1990s may be a game of high-tech equipment and television personalities, but each June the best in the world clamor to a club where little has changed in 110 years: all-white attire and gentlemanly behavior prevail. Wimbledon may be steeped in rules and tradition, but it hasn't dropped the ball with respect to Web-crawling tennis fans.

For a daily dose of tournament play from the All England Club call up the official Wimbledon Web site (<http://www.wimbledon.org>). The site features tennis balls floating above a layer of well-manicured virtual grass. Clicking on a tennis ball will serve up the day's scheduled matches, results, the entire draw, and news flashes.

—Christina Barron



Access *EUROPE*'s homepage on the Worldwide Web through the European Commission Delegation's site at <http://www.eurunion.org>.

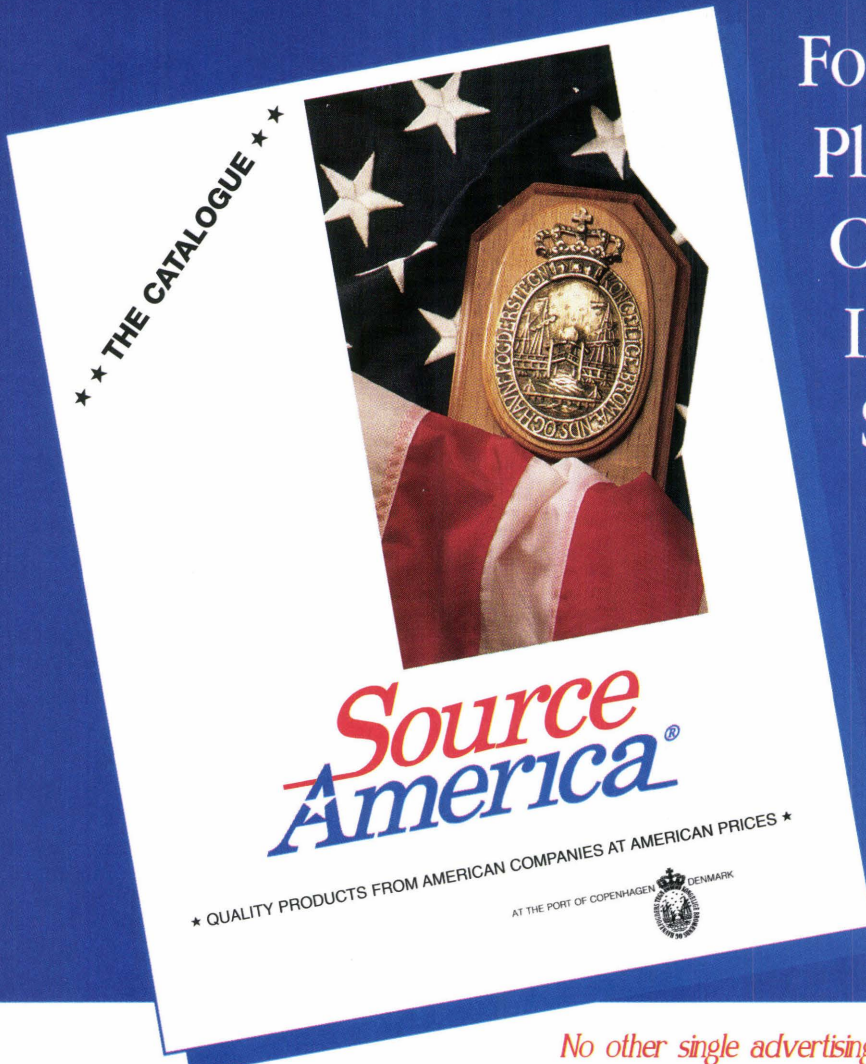
cent's Web site and download a free demo copy (<http://www.accentsoft.com>).

Netscape, maker of the popular *Navigator* Web browser, is thinking globally, though on a smaller scale than the Accent product. Demand from Netscape's overseas customers prompted it to create versions of *Navigator 2.0* browser in French, German, and Japanese for Windows, Macintosh, and XWindows. Native speakers or those interested in brushing up on their language skills can read French, German, or Japanese explanations of the software and then

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DENMARK

A SMALL COUNTRY WITH BIG ADVANTAGES

Size may not be one of them, but there are numerous reasons why foreign companies choose to invest in Denmark. Although it is only one-sixth as large as the United Kingdom, Denmark is still one of Europe's strongest and most stable economies, with one of the lowest rates of inflation in the European Union.

Its economy has flourished because Denmark learned early on not to rely solely on its small domestic market and concentrated on taking advantage of the much larger markets in Central and Southern Europe. It has been very successful in developing an export-based trade structure. Its electronics and pharmaceuticals industries, for example, have export ratios of over 90 percent of total production.

There is no doubt that the competitiveness and cost-effectiveness of the Danish transportation network have been crucial to the success of its export industry. The efficiency of the Danish logistics systems has also played a vital role. Danish customs services, for instance, are so exemplary that their procedures and standards are likely to become the benchmark for the development of a European customs system.

Several international surveys testify to the fact that Denmark now has the most efficient distribution network in Europe, with the shortest lead times and lowest costs.

Denmark's geographical location has been another important factor in its development as a strong trading nation. It controls the Skagerrak, the only seaway between the western North Sea and the eastern Baltic Sea. Due to its strategic position, its ports provide a special link between Europe and the Baltic basin. The expansion of the EU to include Sweden and Finland has further strengthened Denmark's key place in Europe, as has the entrance of Eastern European countries into the European market.

Its efficient infrastructure and central position are just

two excellent reasons for foreign investors to choose Denmark as their European base. Others include the productive and educated Danish labor force, its flexible and stable labor market, and its advantageous tax system.

In Denmark, total labor costs—wages and non-wages combined—are 20 to 30 percent less than in Germany, placing them at a competitive level within Europe. Even better, the average annual changes in labor costs are expected to remain much the same over the next few years.

The Danish labor market is based on consensus between labor unions, employers' federations, and the government. The government, plays only a minor role, as most rules governing the labor market are based on agreements settled through collective bargaining. This means that the principal regulatory framework is particularly flexible and can take into account specific circumstances within individual industrial sectors and individual companies.

A further advantage which Denmark offers foreign investors is one of the most favorable corporate tax regimes in Europe. Not only is the corporate tax rate only 34 percent, but Denmark also provides a unique principle of cross border tax consolidation, which allows firms to consolidate both domestic and foreign subsidiaries.

With all these benefits available, it is not surprising that foreign direct investment in Denmark has continued to climb in recent years, whereas globally it has been declining. The main sectors in which international companies have chosen to invest in Denmark are: call centers (IBM, BM), distribution centers (Massey-Ferguson, Sony), information technology (AT&T, Bell South), as well as biotechnology and pharmaceuticals (SmithKline, Beecham).

Denmark has proven to these firms that when it comes to picking a prime European business location, size is not a big issue.

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Four years after the first Danish referendum on the Maastricht Treaty, rejected by a small majority of the voters, the Danes are still almost evenly split on the issue. There is a justified fear that the Danes might again vote no if they are asked to endorse the outcome of the IGC, the EU's intergovernmental conference that began this spring. Such a vote would leave Denmark in some kind of political and economic vacuum in the European Union. The Danish electorate needs intense and sustained courting by their politicians if this bleak prospect is to be exorcised.

Will Denmark hold another
EU referendum?

Danes Debate Future

By Leif Beck Fallesen

Much depends on the results of the IGC. If a decision to enlarge the EU with a number of East European states turns out to be the only tangible decision of the conference, there may not have to be a referendum. This scenario would be comforting for the government, especially as the opinion polls show growing popular support for enlargement. This reduces the downside risk, even if a referendum is required.

An option that has been dismissed is to have a single referendum on the outcome of the IGC and the future of the Danish reservations on the Maastricht Treaty, primarily the opt-outs on Economic and Monetary Union (EMU) and the Western European Union (WEU). These reservations were the political justification to ask the Danes to reverse their original 1993 no vote to the Maastricht Treaty. All opinion polls show that a majority of Danish voters still support these reservations, and as long as this is the case, there is a broad agreement among the Danish parties supporting the EU that a new referendum including the reservations is much too risky.

This means that Denmark may have not one but two referenda before the end of the century—one on the IGC and one on the EMU question. Theoretically, there may even be a third on Danish membership in the EU. Apart from EU enlargement, the Danish government has fielded demands for stronger EU action on unemployment and environmental issues, a popular stand in Denmark. But this is not without its own risks, as the EU at the European level has only very lim-

ited economic clout and even less influence on labor market policies, thus risking a backlash of disappointment when it turns out that the EU cannot deliver the goods. To completely confuse the matter, the Danish voters are even less prone than the other European voters to favor any major transfer of sovereignty that would give the EU the means to make a truly joint effort.

Danish business and some of the trade unions have views of the future of the EU that differ sharply from the average voter. Polls and public utterances show that a clear majority of Danish businesspeople support the single EU currency as a means not only to help to compete, but also to stimulate growth in the economy in general. The cost of staying out of EMU has long been visible in the financial markets. While long-term interest rates in France and Germany have converged and French rates actually were lower than the German 10 year bond in May, Danish interest rates are at a pre-

mium to the German rates, reflecting the perceived risks of Denmark not entering the hard core of the EMU, planned to begin in 1999. This premise is corroborated by the fact that Denmark may fulfill the economic criteria of EMU membership next year, like Luxembourg and Ireland, while Germany is not likely to do so.

For the past three years the Danish economy has outperformed the EU average in terms of growth rates and in-

come of Danish exporters in their own currency. And the impressive surplus on the Danish balance of payments that the government inherited in 1993 may disappear entirely this year, eliminating hopes of repaying Denmark's foreign debt by the year 2000. Official forecasts assume that growth in Germany and other Danish markets will pick up later this year but almost certainly too late to make any difference to the bottom line for 1996.

eroded electoral support for the Social Democratic Party, now regularly smaller than the main opposition party, the Liberal Party of Uffe Ellemann-Jensen in the opinion polls.

With stronger economic fundamentals, the imperative of welfare reform has not been as obvious in Denmark as in Sweden, Germany, and France. Structural reforms of the labor market have received greater emphasis than the resulting savings. From April 1 this year, young people below the age of 25 are no longer able to claim full unemployment benefits, worth close to \$1,900 per month, and will either have to accept temporary public jobs or initiate some kind of training or study. The majority of the young have done so rather than accept a minimum welfare payment of less than half of the unemployment benefit, which is still the highest in Europe. Critics of the payments say they act as a disincentive, keeping the unemployed uninterested in taking low-paid service sector jobs, and point to them as a reason for the difficulty in recruiting taxi drivers in cities with more than 10 percent of the population officially unemployed.

Training, activating, and upgrading the qualifications of the unemployed above the age of 25 is the main thrust of labor market policy reforms in Denmark. Unlike Sweden, benefit levels and sick pay rules have not changed. But the maximum duration of unemployment benefits have been reduced to five years from seven or nine years earlier, and compulsory training starts after two years. Years ago it was theoretically possible to receive these benefits indefinitely until the public pension age of 67.

The welfare reforms were part of the 1996 budget agreement that the government negotiated with the opposition Conservative Party, which broke ranks with the larger Liberal Party. This may happen again, but a rise in unemployment tends to make welfare reform more difficult to implement. And though elections are not mandatory before 1997, approach of election time gives the deeply divided Social Democratic Party less room for maneuvering. ☹

Leif Beck Fallesen, based in Copenhagen, is a contributing editor for EUROPE and the editor-in-chief of the Børsen.



Prime Minister Poul Nyrup Rasmussen celebrated a Danish yes-vote four years ago, but the government is wary of holding an EU referendum anytime soon.

creases in total employment. Last year GDP growth was a healthy 4.7 percent. Unemployment has dropped by close to 100,000 since its peak, and is now 255,000, though this is largely the result of reducing the supply of labor by various policies, including paid leave. The present discount rate in Denmark is the lowest in 50 years, a reward for the low inflation rate.

These statistics do not tell the full story. Since the second half of 1995, the Danish economy has been slowing down—an inevitable consequence of the recession in Germany, Denmark's most important market. The weak dollar made matters worse, reducing the

A major deterioration in the state of the Danish economy will exacerbate the tensions within the minority government led by Social Democratic Prime Minister Poul Nyrup Rasmussen, including the two non-socialist parties, the Center Democrats and the Radical Liberals, led by the minister of economics, Marianne Jelved, who is a fiscal hard-liner and de facto supporter of Danish membership in EMU as soon as possible. She shares this view with the Social Democratic finance minister, Mr. Mogens Lykketoft, but they face strong opposition from the left wing of the Social Democratic Party. The European and the welfare issues have

EUROPE'S TELECOMMUNICATIONS MARKET IS LIKE A LATE 20TH CENTURY VERSION OF THE CALIFORNIA GOLD RUSH AS HUNDREDS OF COMPANIES TRAMPLE OVER EACH OTHER IN A RACE TO STRIKE IT RICH.

The prize is a slice of a \$150 billion-a-year market that is being thrown open to competition just as it is undergoing a spectacular technological revolution.

D-day is January 1, 1998, when the European Union will throw open its telecoms markets to all comers, finally ending the stranglehold of overstuffed and inefficient state monopolies that were established when the telephone was first introduced to the continent.

European telecommunication is in a state of turmoil as governments privatize their monopolies; newcomers exploit niche markets; and the established operators chase strategic alliances to minimize the impact of competition. Breaking habits of a lifetime, some governments are letting foreign groups buy into their state phone companies in a desperate bid for survival. Singapore Telecom, TeleDanmark, and Ameritech acquired 49.9 percent of Belgacom, Belgium's national telecoms operator, last December.

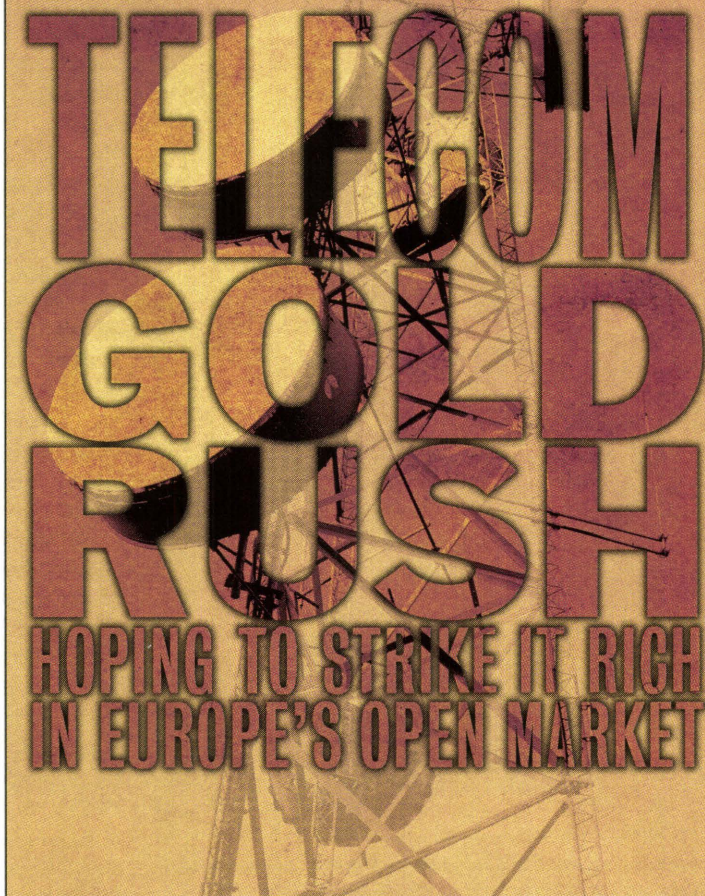
It's open season in the fast-growing European market with banks, cable television networks, gas and electricity utilities, computer manufacturers, even steel firms, bidding to become phone operators.

Most attention is focused on Germany, the biggest market in Europe, where the government is struggling to push legislation through Parliament to deregulate the industry and prepare for the sale of \$10 billion of shares in Deutsche Telekom in Europe, Japan, and the US in November.

Meanwhile, scores of local and foreign companies are jockeying for position to exploit the German market.

France, the bastion of state monopolies, is also preparing for D-day with the French government moving to partially privatize France Telecom and let foreign operators move onto its home turf in the face of bitter opposition from the labor unions.

BY BRUCE BARNARD



Governments across Europe are involved in similar exercises as no country will be spared from competition. The poorer EU countries like Spain, Greece, and Portugal, don't have to open their markets until the beginning of the next century, but the pace of technological change and standardization has made dates irrelevant. Nobody is waiting for January 1998.

The United Kingdom, a 12 year veteran of deregulation, has developed into the world's most open market, with more than 150 companies, from small niche players to giants like AT&T, eroding the market share of British Telecom, the privatized national operator.

It's still an open question whether other EU countries will emulate the British example or protect their monopolies and local private operators from outside competition.

Competition is beginning to flourish in sectors such as mobile communications and data transmission, which the European Commission pried open a few years ago, but basic voice phone services, which account for well more than 90 percent of revenues, won't be freed until 1998. Private companies fear that is sufficient time for the monopolies to switch up the market and freeze out the competition.

With only 30 months to D-day, some governments have not established regulatory regimes to police competition. Private operators are in the dark about how much they will have to pay to hook up to the national networks. And cable television companies fret over the lack of safeguards to stop the monopolies from using their lines to households to dominate the supply of multimedia services.

The European Commission is under intense pressure to browbeat countries into ensuring genuine competition will exist after 1998. So great is the fear that governments will protect their national monopolies that some telecoms ex-

ecutives have suggested the establishment of a European regulator in Brussels.

The Commission intends to spend the run up to D-day making sure all member states set up tough, independent regulatory authorities to avoid drawn out legal battles after 1998 when newcomers would challenge barriers erected to protect the monopolies.

The experience of British Telecom has sent shudders through the work force and management at continental monopolies. Since its privatization in 1984, BT has shed more than 100,000 jobs or 45 percent of its payroll. Morale is said to be at an all time low at Deutsche Telekom following the announcement by chief executive Ron Sommer that he plans to slash the payroll from 213,000 to 170,000 by 2000.

Brussels has been involved in bruising encounters with EU governments that have tried to slow the pace of change. It has cracked down on some blatantly anti-competitive practices. Austria, Belgium, Ireland, Italy, and Spain granted state phone companies free licenses to operate the European standard GSM (Global System for Mobile Communications) networks but forced private companies to pay for theirs.

The European commissioner in charge of competition, Karel Van Miert, says national telephone operators cannot be allowed to form alliances with other companies to expand into new services until their domestic markets have been liberalized. The Commission fears new markets such as global satellite systems and digital interactive television will be sewn up before they are opened to competition.

France and Germany have been forced to liberalize their domestic market for "alternative" networks, such as those provided by utilities and railways, in July 1996 to gain Commission approval for an alliance between Deutsche Telekom and France Telecom and their combined \$4.3 billion acquisition of a 20 percent stake in Sprint.

The Commission called for European telecoms firms to be allowed access to AT&T's network as a condition for approving an alliance between the giant US firm and the national operators of Sweden, Switzerland, Spain, and the Netherlands.

The Commission also blocked a cable television joint venture between Deutsche Telekom, Bertelsmann AG (Ger-

many's biggest media firm), and Kirch Gruppe (a television company), because it would kill off competition in the German market.

"Do not forget that most telephone companies are still monopolies," said Commissioner Van Miert.

But the European monopolies can't afford to take it easy. The investments required to break into the market are getting smaller and the payback times shorter, and dissatisfied customers

will quickly hop to an alternative supplier. More than 70 percent of German companies will move some of their business to new operators, and 50 percent of France Telecom's customers will look elsewhere, according to a recent survey.

But it will be difficult to dislodge the monopolies who start with built-in advantages. Despite the British government's policy of promoting competition in infrastructure and bending the rules in favor of the newcomers since liberalization in 1984, British Telecom has retained 76 percent of the business market and 92 percent of residential customers.

The flurry of alliances has captured the headlines, but they haven't stirred much competition. The West European market generated revenues of nearly \$220 billion last year, but the new alliances are competing in a cross-border market with total revenue of less than \$3 billion.

But that's about to change as the big players get even bigger and forge partnerships with smaller companies to establish bridgeheads in European markets.

The competition from the US has become a lot tougher after two \$50 billion mergers, one between Bell Atlantic and Nynex and another joining SBC Communications and Pacific Telesis.

British Telecom has stolen a march on its continental rivals, beating them to the first transatlantic alliance, via a 20 percent stake in MCI, the second largest US long distance carrier. But its global ambitions suffered a setback in May when it pulled out of a planned merger with Cable & Wireless to create a \$50 billion concern. Nevertheless, it is sure to bound back with another deal before the year is out to keep ahead of the pack. ☹



Much like the wave of gold prospectors who swept into California in search of quick riches, the telecoms industry is attracting its own wave of prospectors.

Bruce Barnard, based in Brussels, is a contributing editor for EUROPE and a correspondent for the Journal of Commerce.

EUROPEAN COMMISSIONER MARTIN BANGEMANN

Martin Bangemann, European Commissioner for Telecommunications and Industrial Affairs, was interviewed in Washington, DC last month by *EUROPE* Editor-in-Chief Robert J. Guttman

Martin Bangemann is a veteran of the European Commission, arriving in Brussels in 1989, following years in the European Parliament and a five year stint as minister of economic affairs in the Federal Republic of Germany.

Bangemann, 61, has been at the center of some of the most important economic developments in the EU, serving as commissioner responsible for the single market up to 1992 and thus in overall charge of creating the ambitious border-free market of 370 million consumers.

Commissioner Bangemann's current portfolio, covering industrial policy and information technology, has again placed him at the heart of the EU's economy. Along with fellow European Commissioner Karel Van Miert, he has played a leading role in the deregulation of the EU's telecommunications industry and is constantly campaigning to ensure Europe does not fall behind the US on the information superhighway.

Mr. Bangemann is an avowed European federalist: His ambition is to travel across the EU armed only with his Heidelberg library card.

What is the European Commission's official position on liberalizing and privatizing telecommunications firms by the end of the century?

We have proposed a date that has been accepted by the Council of Ministers, the first of January 1998, for both the liberalization of services and infrastructure. The Commission is doing everything that is possible to prepare the member states for that date. We are even using the legal instruments that are available to us to prepare the grounds for that date. More and more member states do understand what importance the date has because there is no time to be lost.

Do you think the market is actually speeding up the date with all the telecom firms liberalizing and privatizing?

Yes, first of all, there is an enormous activity among private companies in terms of preparation, in terms of cooperation, even mergers. All this shows that everybody is preparing for that date. And companies that are coming to or those

that are already active in member states that have already liberalized their markets have an advantage because their cooperation in these markets is possible. That is giving them an advantage at least in time. Companies from member states that have not done the necessary liberalization already are hampered by the fact that we cannot allow cooperation or mergers in these cases because a merger or any other form of cooperation would end up increasing the market dominant



Commissioner Bangemann addressing the European Institute in Washington, DC.

position of somebody in a closed market, which of course is not what we have in mind for telecommunications.

I heard you give a speech over here a couple of years ago. You called this a "telecommunications revolution." Do you think there is a revolution going on in telecommunications?

In many forms, you can call it a revolution. First of all, it is something which by the very character of the technology is starting a new age of use of modern technology, which can be compared with the development of electricity, for instance. So yes, there is a technical revolution taking place. It is also a sociological and political revolution. That is the reason why we have said the whole thing is not just the problem of infrastructure where you could speak only of information highways. It is much more a change of our society. We do believe that, as more people are preparing for that and accepting the idea and more governments are giving up public monopolies, it is easier to take advantage of the new system.

What is the EU doing to help Europeans get used to the idea of the information superhighway and get used to the new technologies in telecommunications?

In our working paper, we have defined three main political activities. First, to deregulate, that is to say to put an end to public monopolies and open up the marketplace to private initiative because in terms of financing knowledge and activity, the private initiative is absolutely necessary. But of course you won't have private initiative if there are public monopolies. Secondly, we have to regulate to a certain extent. That may be a little bit controversial, but it is true that in terms of intellectual property rights, for instance, or data protection, or security of information, we have to have new modern regulations, hopefully on a European level, to be prepared also for the global development of that legal framework. And certainly we have to start pilot projects to raise public awareness. We have started working on all three issues, and we are quite well advanced now.

Do you favor transatlantic alliances like BT-MCI and Sprint-Deutsche Telecom-France Telecom?

Yes, we have to have alliances of that kind because it is certain the market will be a global one. Even big national players or European players will not be sufficient to make use of all the possibilities. So the competition is a global one. You have to offer global services, and you have to have the necessary backing for the big amount of money that is necessary. Of course, that is different depending on whether you are operating an infrastructure or whether you are a service provider. Maybe for service providers, the capital needs are not so enormous, which, on the other hand, is an advantage for small and medium-sized firms. As you can see with nearly all the leading companies now, they started three or four years ago as small to medium-sized companies, sometimes with as few as five people, which are now providing



10,000 jobs. There are a lot of possibilities, and in order to make use of them, a good deal of cooperation, even mergers, is necessary.

Can public telecom firms compete in this new marketplace or does everyone have to privatize?

Privatization, as such, is maybe not totally a prerequisite, but competition is. That is to say if there is a public company that is competing and thereby forced to be effective, that's okay with us. We have no prejudice in favor of private companies. On the other hand, all the experiences show that privatization is the best means of very rapidly getting to competitive structures. I believe that whoever wants to keep a public company at any rate has to accept competition. A public monopoly is not very often fit for that new technology. And even if there is competition, I personally believe the impetus, the dynamics of a private company cannot be replaced by anything else.

Are you worried that like what's happening here in the United States, with the Baby Bells now merging together, that there may just be one or two major companies left in the world?

You can often hear the argument that doing away with the public monopoly and creating at the same time private monopolies or dominant market positions is not worthwhile. Since the whole thing is a global market, you have to have a considerable size to be a dominant player. Nobody has that, not even AT&T. If you see that, for instance, the alliance between France Telecom and Deutsche Telecom has roughly the same size as AT&T, you can see that nobody now really has a dominant market position.

Are you concerned that European firms are going to be cut out of any markets, like the US market or the Japanese market or any market?

That depends, of course, on the future regulation of that. We are now negotiating an international agreement about mutually accepted conditions on the different national or regional markets. We hope that the spirit in which the US and also the European Union has made their proposals will prevail so that we are not hampered by international barriers which are unnecessary.

Do you think that with the open market, and you said it was a global market, that European firms could be forced out? Is that a concern in the European Commission?

No. We are competitive. Maybe in software production we are not as good as we could be, but we have no real concern that we could lose out totally against the Americans or the Japanese.

Do you think that the Europeans are keeping up with the information revolution? Are the Europeans using computers as much as Americans and Japanese?

No, the percentage of personal computers used in America averages nearly double that of the European Union, but

WE HOPE THAT THE SPIRIT IN WHICH THE US AND ALSO THE EUROPEAN UNION HAS MADE THEIR PROPOSALS WILL PREVAIL SO THAT WE ARE NOT HAMPERED BY INTERNATIONAL BARRIERS WHICH ARE UNNECESSARY.

you do have EU member states which have figures quite near to those of America. By and large, a personal computer is not always a sign that you are a member of the information society. A personal computer can have a very restricted use. But it is true that we have to fight with a certain fear of new technologies in Europe, much more than in the US and in Japan. That is part of our European heritage, but that you can't change.

What about trying to keep children away from on-line pornography and things like that, what kinds of developments has Europe seen in this area?

That is a nightmare, but it's not a new nightmare because that sort of thing is already available on videotapes or even television programs. This is a problem with which we have to deal in other contexts as well. However, at least on-line there are technical means to keep youngsters away from films and programs propagating pornography and violence. It is much easier to block these sorts of things on-line than it is to restrict access to videotapes or films.

Is the EU planning any more conferences to promote the information revolution or new technology like you had a couple of years ago?

We have a very great public awareness of the whole thing so we are not concerned about a lack of public debate, not at all. We had in mind that this would be the main problem, but that was really not the case. We are now broadly debating everything, including some fields which to my mind are totally unjustified. For instance, many of the cultural critics believe that this again is a new end of European culture and all that, which is of course not true. But we are quite happy that there is such discussion because if people are interested and you don't discuss the issues thoroughly, you may have to live with arguments that are totally wrong.

Moving to another area, most Americans wouldn't put up with unemployment figures like you have in Europe now, 11 percent to 24 percent. Is the European Union doing anything to realistically solve unemployment in Europe?

The European Commission cannot realistically solve the problem. We are not creating jobs. We can create better conditions so that private industry can create jobs, and we have made it abundantly clear what is necessary. Three years ago, we published a white paper on growth, competitiveness, and employment. And one of the most important items in that was the use of modern technology—not only information technology, but also biotechnology. New jobs are created in these fields. And that is Europe's problem. People may be aware of these possibilities, but they are shying away from using them because they have much more hesitance than Americans or Japanese. Therefore, we are not creating jobs that we could have created.

The same is true with the flexibility of labor markets. Europeans, even trade unions in Europe, are slowly realizing what nonsense it was not to be flexible and what damage they did to the labor market and how they created unemployment. The other day there was a statistic showing trade unions are not credible to people any longer because people see that the old-fashioned way in which the unions seem to fight for the interests of workers is totally contrary to the ap-

EUROPE INTERVIEW

proach they should take in the modern environment. So the Commission has made proposals. We are doing what we can do. Telecommunications and biotechnology are two examples. Without the Commission and its activity, member states would not be nearly as prepared as they are today for that new possibility. But we are not creating new jobs.

For creating new jobs don't you need entrepreneurs?

Yes, you need private people who want to do that, are ready to do that, and for that you need an environment that promotes such efforts. And we are trying to create that environment as far as we are responsible for it.

A number of German companies are building facilities in the US and elsewhere outside of Germany. Is that negative for Germany?

Yes and no. You can look at it from a national perspective and say these jobs are not created in Germany. But I personally believe that the so-called globalization in which we are living will force everybody, at least the big companies, to be present in any market that is of some importance. As you have Opel, or General Motors, and Ford in Germany, you have now Mercedes and BMW in the US. That is, to my mind, normal and at least unavoidable.

What do you hope to see when the intergovernmental conference (IGC) is over? What do you hope to see come out of it?

We have made clear what we believe is necessary. We have to have more majority voting. Also in some new fields of policy for instance, everything that is a so-called "third pillar" of the cooperation in legal and internal matters, policy and police and so on, should be voted by the majority. We have to have a better participation by the European Parliament. We have to reshape the Commission and Parliament in order to be ready for enlargement. These are the main objectives. Of course, you can add some other things, but I personally believe we should concentrate on that.

And do you think this will be beneficial, or should American businesspeople be worried about this?

No, not worried about it, but they should be prepared for it. I got the impression today of that discussion with the pharmaceutical industry in the US that they are well aware of the possibility. Of course, nobody can tell you now or give you a guarantee about that, but there is a good possibility for that, and I have the impression that as the date approaches, the conditions will improve.

Is there such a thing as Europe? Does such a concept exist?

We have been working on that for nearly 40 years.

But if you asked average Germans, would they say they're German or European, or both?

Both. There is not such a European type that is a European without coming from a national background and culture that is also European. I would say if somebody said, "I am a European and nothing else," he wouldn't be a European. Because a European is always somebody who at the same time has a very close connection to a national culture. ☺

The number of cell phones in Europe alone will rise from 7.2 million in 1994 to 21.4 million units in 1999.

Europe is locked in a fierce battle with the United States for supremacy in the savagely competitive global market for telecommunications equipment.

Europe is more than holding its own, providing 5 of the top 10 companies in the world rankings with France's Alcatel beating out American Telegraph and Telephone (AT&T) for the top spot.

But market conditions are changing so fast that companies like Nokia of Finland, the German Siemens group, and LM Ericsson of Sweden, can no longer be assured of retaining their rankings.

The deregulation of the European telecoms equipment markets in 1988 has forced the lumbering state-owned monopolies to seek better deals from their national suppliers. The cozy relationships between Deutsche Telekom and Siemens and between France Telecom and Alcatel are a thing of the past: These days price counts.

Siemens has 40 percent of the German market, the third largest in the world, but now it faces competitors that didn't stand a chance of getting contracts from Deutsche Telekom just five years ago.

Technology is moving at such a rapid pace that rival companies can easily grab market share with new products. Sixty percent of Ericsson's revenues come from products that didn't exist three years ago. That's why the company plows back more than 20 percent of its revenues into research and development.

The Europeans now face a much stiffer challenge from AT&T since it split into three separate companies—services, equipment, and computing—last September. Before the breakup, AT&T Network Systems Group was losing customers to the regional Bell operating companies in the US, and the European telecoms monopolies were reluctant to buy equipment from a company whose telephone arm was moving into their home markets.

Size matters more these days, putting smaller firms like Nokia at a disadvantage. Big companies have more power in developing markets like China, where customers often seek help from equipment suppliers in financing contracts. This was one of the main reasons behind Ericsson's \$1.1 billion share issue last August—the biggest ever in Sweden.

The European companies are confronting the American firms like AT&T and Motorola as equals. Ericsson, a part of the Wallenberg family empire, is the world's biggest supplier of mobile telephone infrastructure, with some 40 percent of the world's 60 million mobile phone subscribers connected to its systems. AT&T is a poor second with only 10 percent of the market. Ericsson is also the world's third largest supplier of mobile handsets.

Nokia is the second largest manufacturer of mobile handsets after Motorola, with 20 percent of the market.

Siemens is one of the world's top three makers of telephones, producing more than 8 million units a year. Acquisitions that include Nixdorf, the German computer firm, and Rolm, bought from IBM in the



NORDIC DUO CHALLENGES GIANTS

By Bruce Barnard

late 1980s, have made it the world's largest manufacturer of telephone systems after AT&T and Northern Telecom.

Alcatel is still holding down the overall number one spot as the largest maker of telecommunications equipment. It is pulling out all the stops to catch up in mobile telephony.

Nokia and Ericsson remain the star performers steadily notching up double-digit growth in revenues and profits. But the days of spiraling share prices—Nokia's share grew by 20 times since 1992—are drawing to a close as the competition heats up.

But the two companies, who together control a third of the \$17 billion-a-year mobile telephone market, can still look forward to double-digit growth. The number of handsets in Europe alone will rise from 7.2 million in 1994 to 21.4 million units in 1999, a compound growth rate of 21.9 percent, according to Dataquest, a British consultancy.

Worldwide, the number of subscribers is forecast to rise from 60 million in 1995 to 350 million by the turn of the century.

The Nordic duo are rushing to keep pace with this spectacular growth. Ericsson moved 8,000 workers from its public communications division into mobile telephones, and Nokia is boosting production in the US, the world's biggest market.

The companies got a head start on their rivals because they were able to exploit the first international cellular network set up by Finland, Norway, Sweden, and Denmark in 1981. And many other countries that established mobile systems opted for the Nordic standard expanding the captive market for Nokia and Ericsson.

Europe also scored an unexpected success with its GSM (Groupe Speciale Mobile) standard, which has been adopted by many Asian, Middle Eastern, and East European countries and India. The lack of a clear US standard and the success of GSM outside the US also persuaded some smaller American operators to back the European standard.

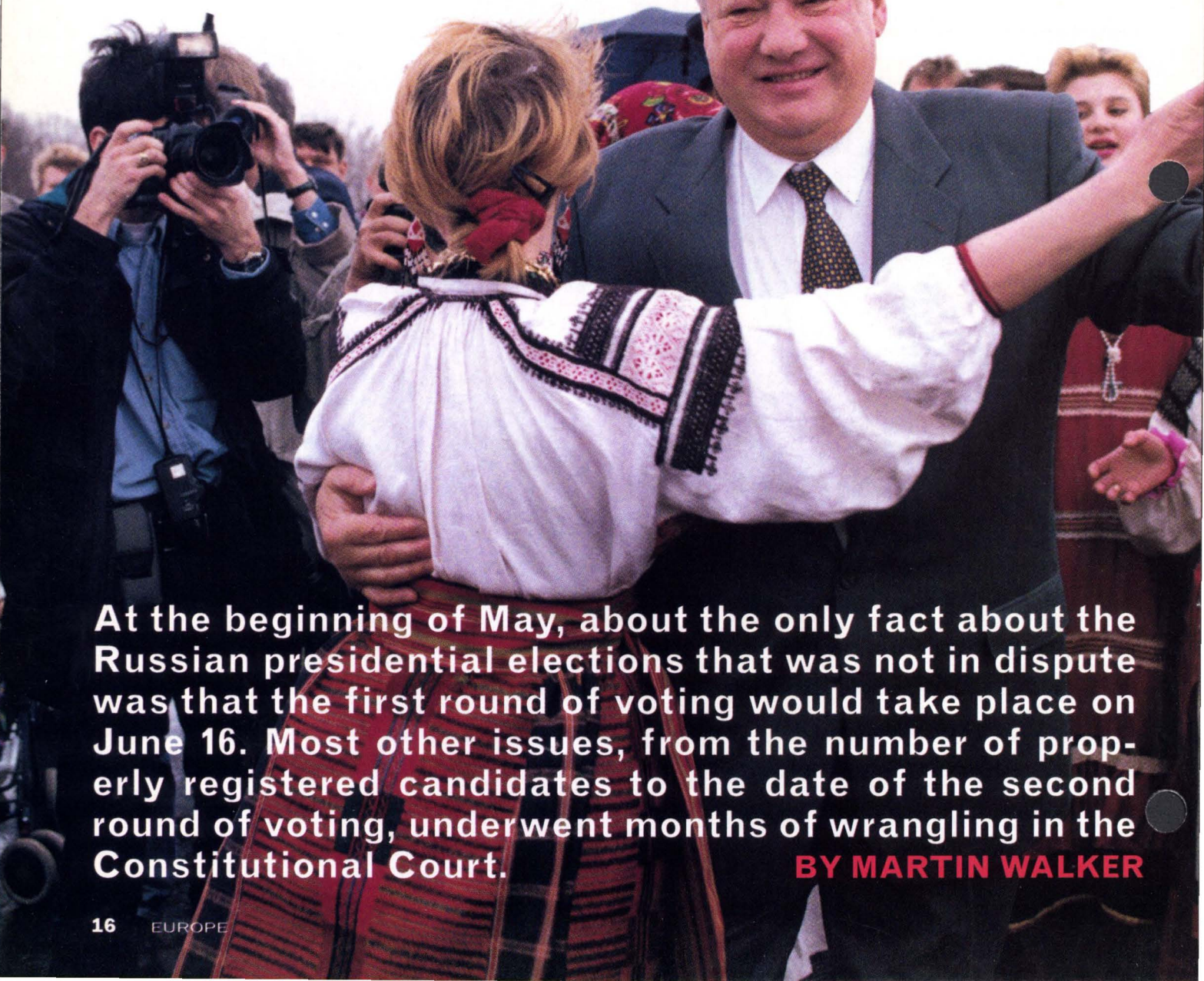
But Nokia and Ericsson suffered a setback last year when Sprint chose a US standard, CDMA, for a wireless communications network.

Worse, Japanese mobile phone companies may also decide later in the year to use the US standard. The Japanese manufacturers also intend to grab a larger slice of the handset market with offerings like the slimline NEC unit featured in *Goldeneye*, the latest James Bond movie.

Then the Nordic duo will really have a fight on their hands. But both reckon they are nimble enough to stay ahead of the pack. ☺

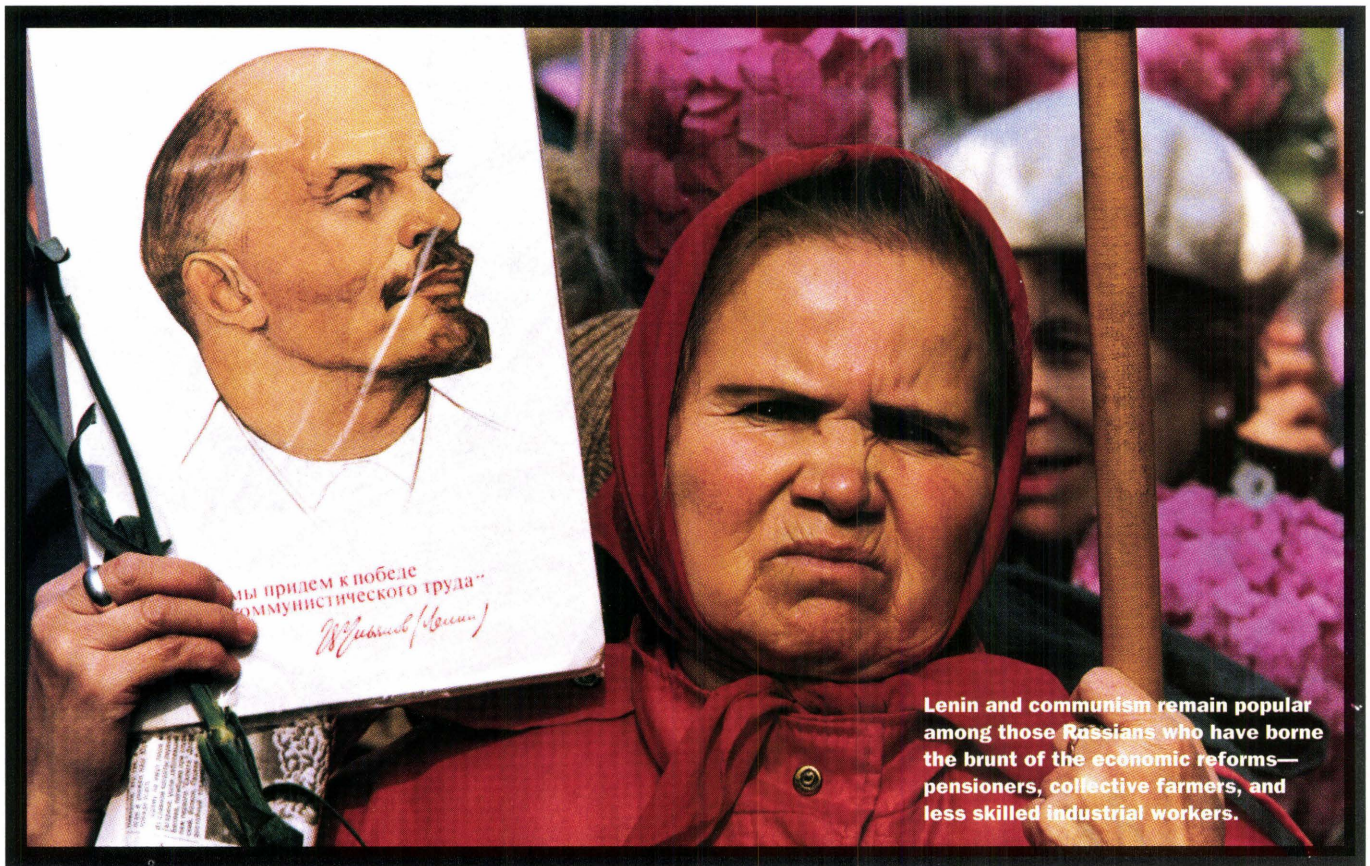
NIYET TO? COMMUNISTS!

Russia holds crucial elections



At the beginning of May, about the only fact about the Russian presidential elections that was not in dispute was that the first round of voting would take place on June 16. Most other issues, from the number of properly registered candidates to the date of the second round of voting, underwent months of wrangling in the Constitutional Court.

BY MARTIN WALKER



Lenin and communism remain popular among those Russians who have borne the brunt of the economic reforms—pensioners, collective farmers, and less skilled industrial workers.

Until President Boris Yeltsin began to climb steadily in the opinion polls with the end of winter, some of his rivals openly speculated that the government might seek excuses to delay the elections if Yeltsin seemed likely to lose it. The international community, from President Bill Clinton to Germany's Chancellor Helmut Kohl, from the European Union to the International Monetary Fund, have all made it clear that their continued cooperation would be at risk if Russia's progress toward democracy were seen to falter.

There are five serious candidates, two less serious ones, and at least four others. One woman candidate, Galina Starovoitova, is still appealing to have her name placed on the ballot.

If one candidate wins more than 50 percent of the vote on the first round of voting, he is elected. This is reckoned to be unlikely, so then a runoff follows on July 7.

The opinion polls suggest that Gennady Zyuganov, of the Reformed Communist Party, will get the most votes in the first round, closely followed by President Yeltsin. But the polls are not reliable, and opinion is fickle, and much will depend on the voting turnout. In the Duma elections in December, turnout was 65 percent, sharply higher than expected.

A runoff election between Yeltsin and Zyuganov would be a hard-fought battle, with the important prize being the endorsement of the eliminated candidates and their parties. A crucial role will be played by the provincial governors, whose

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power and autonomy have been strengthened under President Yeltsin, and might be at risk from a centralizing Communist President in the Kremlin. There has therefore been widespread concern about ballot-stuffing on Yeltsin's behalf, and the polls will now be monitored by an army of observers, both Russian and international.

THE CANDIDATES

President Boris Yeltsin is seeking reelection, with the claim that his economic reforms and privatization are finally starting to work. He has the discreet but fervent support of the US, the Europeans, and the Chinese, who have all boosted his prestige with summits, trade pacts, and easy credit terms. They have also muted their criticism of Russian tactics in the war in Chechnya. Domestically, Yeltsin's rise in the opinion polls has been matched by a rise in the Moscow stock market, and the new banks and major business groups will ensure that his campaign is lavishly funded. For what they are worth, most polls suggested that Yeltsin had around 10 percent support at the end of February, rising to 20 percent support in April. But most of that

new support came from voters who said they had previously supported candidates other than the communist, Zyuganov.

Gennady Zyuganov claims to be a communist so reformed that he is almost a social democrat, assuring the World Economic Forum at Davos this year that he believes

in "free enterprise and privatization, with a humane social safety net." For Russian consumption, a series of books and pamphlets issued in his name are critical of "the influence of the Jewish diaspora" and praise Joseph Stalin for "harmonizing new realities with ancient Russian tradition." Yeltsin began to catch up with Zyuganov's opinion poll lead when the Communists backed a vote in the Duma that sought to restore the name, and by implication, the territories of the old Soviet Union. Zyuganov is supported by the sturdy remnants of the old party machine and by the surviving plotters of the 1991 coup against Mikhail Gorbachev. His electoral support comes from a vast swathe of those voters who have suffered most from the economic dislocations of reform—pensioners, less skilled industrial workers, and collective farmers.

Vladimir Zhirinovsky remains as outrageously nationalist as ever, although he no longer openly threatens nuclear pollution to bring the Baltic states back under Russian con-

Lebed's prestige, but now he is talking openly of a coalition with the last of the serious candidates, Grigory Yavlinsky.

Grigory Yavlinsky, former deputy prime minister and one of the architects of economic reform, claims to be the democratic opposition to an increasingly corrupt Yeltsin government. Perhaps the single most articulate political performer on Russian television, Yavlinsky gets single-digit figures in the opinion polls, but he appears to be the second choice of most voters. He claims that his own surveys show that he would beat Zyuganov in a second round of voting, while Yeltsin would lose. But Yavlinsky's first round prospects are so poor that he is now exploring the idea of a coalition with Aleksandr Lebed. The inevitable rivalry between the two men would make it inherently unstable, but it could be the vehicle for voters fed up with Yeltsin while wary of Zyuganov's Communists. Whatever happens this year, Yavlinsky remains a man to watch in the future. He has played a very long game to ensure that his Yabloko group in



Communist presidential candidate Gennady Zyuganov at a celebration marking Lenin's birthday.

ZYUGANOV IS SUPPORTED BY THE STURDY REMNANTS OF THE OLD PARTY MACHINE AND BY THE SURVIVING PLOTTERS OF THE 1991 COUP AGAINST MIKHAIL GORBACHEV.

trol. But he has lost the advantage of novelty, and few opinion polls see him winning even 10 percent of the vote. His television ads are the most talked about, with a bored housewife in bed pushing aside her husband while she fantasizes about Zhirinovsky. Assuming that he is knocked out after the first round, Zhirinovsky's endorsement of either remaining candidate could be useful, although he says he despises Communists and Yeltsin alike.

Aleksandr Lebed made his name as the nationalist commander of the 14th army, upholding the interests of the Russian minority in Moldova and noisily helping them establish the autonomous Transdneistr republic. He did so without a civil war, and his television ads like to quote the saying of his devoted troops—"the brains of Einstein and the physique of Schwarzenegger." Brusque and burly, and claiming that only someone as tough as he can bully the Russian bureaucracy into efficiency, he says he is in favor of privatization and economic reform "only if it is honest." Disappointing results for his party in the Duma elections last December undermined

the Duma becomes the best-organized and dominant party of reform.

Mikhail Gorbachev remains far more respected outside Russia than within it, and his candidacy appears destined for humiliation, with no more than 2 or 3 percent of the vote. He offers experience and judgment and international credibility and, like most other candidates, says he favors free market reforms, a strong welfare system, and public investment in new jobs.

Svyacheslav Fyodorov is a prominent and highly respected eye surgeon, with some of the outsider appeal of a Ross Perot. His program is the usual bland mixture of support for free markets and a welfare system. He is also talking of joining a Yavlinsky-Lebed coalition.

The remainder are also-rans. ☹

Martin Walker, a contributing editor for EUROPE and the Washington bureau chief for the Guardian, formerly served as the Guardian's Moscow bureau chief.

EUROPEAN COMMISSIONER

HANS VAN DEN BROEK

Hans Van Den Broek, the European commissioner for external relations with Central and Eastern European countries, former members of the old Soviet Union, Turkey, Cyprus, and Malta plus common foreign and security policy (CFSP), spoke with *EUROPE* Editor-in-Chief Robert J. Guttman about the upcoming elections in Russia, EU enlargement, and Bosnia.

Does it matter to the European Union, who wins the presidential elections in Russia?

Obviously everybody is very interested in the outcome. But let me say that we are, of course, most interested to know that the political and economic transformation reform in Russia will be continued. And in that sense, with all the respect that you may have for President Yeltsin or other candidates, the policy is, of course, in the final analysis, more important than the individual.

Are there any contingency plans if the hard-line Communists were to win in Russia?

We must be prepared for different scenarios. We do expect that if President Yeltsin wins the elections the current line of reform will be continued. At the same time, it is quite clear that if a new Russian president were to reverse the trend of reform that would also have its impact on the relationship between Russia and the European Union and on other partners in the West as well.

Are you somewhat optimistic, looking at the leaders of Poland and other countries where so-called "reformed communists" have come back into power, that former communists can reform themselves and become believers in the free market?

That is certainly true, but the difference is that the communists in Russia have been making announcements and declarations implying significant steps backward—not to say reverses—in the reform process, back to central planning and nationalization as well as reductions in the democratic fabric of the Russian society. Moreover, their policy announced vis-à-vis their own, let's say, geopolitical environment, might cause certain alarm with Russia's neighboring states.

On the other hand, in general the socialist and former



European Commissioner Van Den Broek

communist parties that came back to power in the Central and East European countries have not betrayed the necessity of reform. It is true, however, that in certain cases that process has been slowed down in order to ensure that the sometimes abrupt repercussions of those reforms could be taken care of. That said, there is no other way than to pursue

the course of fundamental changes in the economic structures of the countries concerned, which indeed make painful choices unavoidable.

Can you give any firm dates on when the Czech Republic, Hungary, and Poland will join the EU?

In the first place, the Central and East European countries that have all applied for full membership can rest assured of our firm commitment to continue with the maximum of our effort, motivation, and capabilities in the preparation for full membership. Secondly, it is highly unlikely that all these candidate countries with their different situations would become members on exactly the same date, at the same point of time. Probably by the end of next year, our heads of government will decide that negotiations can start sometime in the beginning of 1998. They will determine at the same time with whom those negotiations will be embarked upon, i.e. whether they will start with all candidates at the same time or rather in different successive groupings.

Again, I want to stress that our pre-accession strategy will be implemented to the full. Through our Europe Agreements, the technical assistance program, and the structured dialogue with those countries, we aim at paving the way for their future accession into the Union, which as far as we are concerned, should materialize as soon as the political and economic con-

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ditions are met. Obviously, this is assuming at the same time that the intergovernmental conference of the 15 member states of the European Union provides for the necessary internal adjustments and reinforcements in the Union. That is a prerequisite to allow enlargement with maybe 12 new member states, without the process of integration being entirely diluted. In this respect, I am optimistic that the European Union will deliver. We consider its enlargement to be of prime importance also from a security and stability point of view in the European continent.

People focus on the Czech Republic, Poland, and Hungary, but isn't it true that the EU promised Malta and Cyprus they would be two of the earlier countries to come in?

Certainly, and when I didn't mention Malta and Cyprus, then that is because the preparations for their accession negotiations are already well advanced. We have already issued as a Commission our opinions on their eligibility and on their progress in the preparation toward membership. I take it for granted that the negotiations with them will start as planned not later than six months after conclusion of the intergovernmental conference.

Turning to another section of the world, is the European Union a

High Representative Carl Bildt and Commissioner Van Den Broek at a recent press conference.



key actor in the Middle East or is the United States the primary negotiator in that troubled part of the world?

The European Union has not only very close relations with the countries in the Middle East, but it has vital interests there, even strategic interests. This has been demonstrated by the very close involvement of the European Union both in the peace process that started in Madrid and even more visibly in the contributions that the European Union has made in the economic, financial, and assistance spheres with all the parties in the peace process. And so without any doubt, the European Union remains very much interested in the developments in the Middle East, as also has been shown recently when the process risked interruption by the very severe and tragic incidents between Israel and Lebanon. I know that some have the feeling that the United States and the European Union do not always see eye to eye as far as solutions in the Middle East are concerned. I don't share that concern. Basically we are on the same track. We are partners—not competitors—in peacemaking. That does not mean that each of us does not have our specific historical links with this region. Those are assets that all of us should exploit for the cause of a lasting and just peace in the Middle East.

How would you say things are going in Bosnia? Does the EU have a policy after American troops are withdrawn before next year's US elections?

Those are complicated questions that can be more easily asked than responded to. Firstly, everyone who has followed the situation in Bosnia and in the Balkans over the past years must be prepared to count his blessings. That is to say that the Dayton Accords have brought the fighting and the appalling bloodshed that lasted for so many years to an end. Yes, the peace is fragile, and after all, you don't deploy a military force of 60,000 troops if stability is already guaranteed. In other words, consolidating the peace requires a tremendous effort, and the European Union, apart from its substantial participation in the peace-keeping effort in IFOR, together with many other countries, is very active in this regard and a prominent presence in the whole of the civil implementation of "Dayton." The European Union shoulders approximately one-third of the reconstruction and rehabilitation funds that have been raised in the two recent donor conferences. Moreover through a continuing humanitarian assistance, the EU accounts for approximately 65–70 percent of the total of the humanitarian aid that has been given to Yugoslavia by the international donor community since the conflict started. Concerning the reconstruction, we coordinate our activities closely with the World Bank, with whom we have developed an excellent cooperation, and we try to support, as much as possible, the High Representative Carl Bildt, who is charged with a heavy responsibility and a tremendously complicated task. First and foremost, the parties themselves have a great responsibility

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in implementing fully and loyally the Dayton Accords. The international community is prepared to underpin the process.

I do feel that the highest priority now should be given to assure that the return of refugees can continue unhindered. Moreover, the pressure has to be stepped up significantly with the parties, but

notably with the Bosnian Serbs regarding their cooperation with the war crimes tribunal. It is unacceptable that people like Radovan Karadzic are still playing a role in the political life of the Bosnian Serb entity. As a result, vital elements of the peace process are being placed at considerable risk. Here I think in particular of the elections that have to be held throughout Bosnia Herzegovina according to the timetable foreseen in Dayton. The establishment of truly democratic structures is crucial for the buildup of a viable civil society.

Do you think that more needs to be done to round up the war criminals?

My answer is unequivocally yes.

WE ARE LOOKING FOR THE MOBILIZATION OF POLITICAL WILL TO DEVELOP A COMMON FOREIGN AND SECURITY POLICY FOR WHICH THE NEED HAS BEEN AMPLY DEMONSTRATED IN THE PAST YEARS...

The EU is talking about having a foreign policy czar, somebody with a face. You have a face; you are a foreign policy person. Aren't you that person already? And why is there this debate?

We're not so much looking for one individual. We are looking for the mobilization of political will to develop a common foreign and security policy for which the need has been amply demonstrated in the past years. I truly hope that the intergovernmental conference is going to provide us with a number of additional instruments. Indeed, the question of decision-making and preparation of decisions in the foreign policy and security fields have to be improved. Certainly, the question of the external representation, the face, the one voice of the European Union, will be on the table as well.

I would like to add one more element here. We note with great satisfaction that the talks between NATO and WEU on their mutual relationship and cooperation are progressing favorably, but also the discussions regarding the establishment of a kind of European pillar in NATO is increasingly taking shape.

I would like to add one more element here. We note with great satisfaction that the talks between NATO and WEU on their mutual relationship and cooperation are progressing favorably, but also the discussions regarding the establishment of a kind of European pillar in NATO is increasingly taking shape.

Looking from the Russians' perspective, if you were sitting in Moscow, would you be concerned about NATO expansion? Do you think that's a threat to Russia?

I understand the Russian preoccupation with this issue, although I am convinced that extension of the alliance will not complicate but rather foster stability in Europe. At the same time, we must continue our intensive dialogue with Russia to persuade them of the peaceful intentions of NATO and work together with them on a European security architecture in which they also have an important role to play. In that respect, of course, also OSCE will remain an important forum and is even likely to gain significance. ☺

THIS SUMMER'S OLYMPIC GAMES are sure to feature intense competition, but it won't be confined to the track, swimming pool, or gym. Sporting goods companies are poised to launch Olympic advertising campaigns featuring the world's best athletes as they gather in Atlanta for the biggest Summer Games ever, with more than 10,000 athletes and 128 countries expected to compete. Some of the ad campaigns will be complex multimedia affairs, while others will be as simple as a pair of shoes laced on just the right feet. No matter the size of the campaign, the principle behind them all is the same: Consumers want to buy what top athletes wear.

adidas

JUMPS BACK INTO THE RACE


BY PETER GWIN

Adi Dassler probably had no idea what he had set in motion. In Berlin just before the start of the 1936 Olympics, as the American track and field team was working out, Dassler introduced himself to sprinter Jesse Owens and asked him to try a pair of Dassler running spikes. He persuaded the sprinter that the soft glove leather would be lighter and more comfortable than that of the spikes he was wearing. Owens wore the spikes all the way into the record books with an unprecedented four gold medals at one of the most dramatic Olympic Games ever. Even though the American sprinter gave the shoes back after the games and was not paid to wear them, Adi Dassler's sporting goods firm had a world famous endorsement.

Jesse Owens, however, wasn't the first athlete Dassler had convinced to wear his shoes. Since 1920, he and his brother Rudolf had been producing special shoes for athletes in their native Herzogenaurach, Germany. Adi was a professionally trained cobbler and an avid athlete. He recognized that shoes more often impeded athletic performance, much less enhanced it. Working on the simple idea that shoes should help the athlete perform better, he began designing and testing running spikes and soccer boots and discussing his idea for comfort and perfor-

Bob Beamon wearing Adidas spikes at the 1968 Mexico City Olympics, where he became the first man to break the 29 foot barrier in the long jump.





mance with athletes and trainers. Rudolf ran the business side of the company, which by 1928 was making 100 pairs of shoes a day. That year Olympic athletes first wore Dassler shoes at the Summer Games in Amsterdam.

Adi Dassler realized that to be credible with consumers of athletic footwear he must be credible with athletes, and there was no better credibility than a world class athlete performing in his shoes, especially when the athlete won four gold medals with the world watching. The Berlin Olympics and Jesse Owens affirmed the guiding principle for what was to become the first major sporting goods empire.

After World War II, the Dassler brothers began a feud that ended their association. Rudolf started his own athletic shoe company, which he named Puma. Adi founded Adidas, a combination of his first and last names, and patented the company's distinctive three stripes, which have graced Adidas shoes ever since. From then on Herzogenaurach was a town divided. "Even today," says one Adidas official, "there are Puma families and Adidas families, Puma shops and Adidas shops."

The family split did not slow down Adi Dassler. During the 1950s, 60s, and 70s, his company grew and increased its product line to include clothing and a range of sports equipment, including tennis rackets and soccer balls. With top athletes from all over the world wearing the brand, Adidas dominated the athletic shoe business. Its dominance was especially evident at the Summer Olympics. Thirty-three world record breakers wore Adidas shoes at the 1956 Melbourne Games, and from the 1960 Rome Games to the 1976 Montreal Games, more than 80 percent of all Olympic athletes wore Adidas.

Adidas' Olympic popularity has as much to do with the smaller sports as the big events. "There are a lot of sports that only have Adidas shoes," says Owen Clemens, who is heading up Adidas' Atlanta headquarters for the 1996 Summer Games. "We are the world's leader in javelin throwing shoes, all 400 pairs a year that are produced. We make rowing shoes that no one ever sees because they're strapped into the boat, but it's part of our total commitment to sports."

In addition to its success with Olympic athletes, Adidas established itself as the premier shoe among soccer players. The company developed several advances in soccer shoe technology, including water resistant soles and screw-in cleats. The 1954 German team won the World Cup wearing Adidas shoes, and every World Cup since has seen a majority of the participants wearing the brand.

The empire that appeared to have no real challengers showed its first signs of weakening when Adi Dassler died in 1978. The company remained family-run until 1987, when Adidas became the target of a succession of buyout schemes. First came French entrepreneur Bernard Tapie, who bought a controlling stake in the company in 1990. Two years later Tapie, facing legal problems in France, was forced to sell his stake. Eventually, Robert Louis-Dreyfus, the former head of the British advertising group Saatchi & Saatchi, along with a group of investors gained control of Adidas.

Meanwhile, Phil Knight's firm Nike, the Beaverton, Oregon, athletic shoe and apparel company, had stormed to the top of the sporting goods world. Back in the 1960s, Phil Knight, himself a runner and an innovator not unlike Adi Dassler, had sought a better shoe for distance runners. Knight's firm grew to dethrone Adidas as the world's leader in athletic shoes in the late 1980s. Nike corporate legend has it that from the beginning Knight had set his sights on toppling Adidas.

Other factors besides the emergence of Nike contributed to Adidas' downfall, not least of which were its high production costs. "We had a large Germany and France based production," says Peter Csanadi, head of Adi-

Adidas soccer shoes and the German national soccer team have been dominant fixtures at the World Cup.



das public relations. "Nike and Reebok had been producing in the Far East for a long time for dirt cheap. We were making high quality shoes but with the highest labor costs on earth." Adidas also faced problems with the four companies that acted as its distributors in the US, the world's biggest sporting goods market.

However, the main problem, company officials agree, was that Adidas had lost its focus on products made for serious athletes. "We tried to diversify too much, and we got into fashion," says Csanadi. The company, he says, forgot the rule that "sports credibility drives fashion."

While Adidas sputtered, Nike modernized and advertised. Its savings on production costs allowed the company to spend its money elsewhere. As Adidas had done, Nike recruited top athletes to endorse its products, but it also promoted them as no one had before. Glitzy television campaigns, such as the one for Air Jordan directed by filmmaker Spike Lee, further defined Nike as a one-of-a-kind sports company. Other companies like Reebok followed similar formulas, and Adidas soon found itself far behind the leaders in the US market.

Once his group took control of Adidas, Louis-Dreyfus made a couple of smart moves. First, he sold Adidas' factories in Europe and moved production to the same cheaper Far East factories that were producing the competitors' shoes. He also bought out a US sports marketing firm founded by two former Nike executives. The firm became the nucleus for Adidas America and took over US marketing, distribution, sales, and design and development of some Adidas product lines.

"The first thing we did was move to the US all product development and design for sports which have American backgrounds and American roots," says Csanadi. "So, now basketball, serious training, women's workout, and adventure products are all developed in America for the world market."

Getting American input was vital to Adidas' understanding of the US market. Said one company official, "For years Adidas running shoes had less cushioning than American running shoes, which was due to the fact that European athletes typically trained on trails that didn't require the cushioning, whereas an American was usually running on asphalt."

At the end of last year, Louis-Dreyfus took Adidas public in a successful share offering on the Frankfurt and Paris stock exchanges. This spring, Adidas made a splash when it signed the overall first pick in the NFL draft, Keyshawn Johnson, to an endorsement contract. The wide receiver, who will play for the New York Jets, will promote a new Adidas cross-training shoe.

So far industry watchers appear pleased with Louis-Dreyfus' leadership and the company's changes. Many analysts

already talk about the Adidas "turnaround."

"What is clear," says Merrill Lynch analyst Edouard De-Boisgelin, "is that management has taken numerous steps to turn the company around, and the numbers indicate that there is some turnaround being made."

Survival is very different from a return to world dominance. Compared with Nike's \$4.8 billion in 1995 worldwide sales, Adidas, with \$2.4 billion worldwide in 1995, has a long way to go to challenge the leader. In fact it ranks fourth in the US footwear market behind Nike,



American sprinter Jesse Owens, wearing Dassler spikes, won an unprecedented four gold medals at the 1936 Berlin Olympics.

Reebok, and Fila. But industry analysts say that not all the companies that make athletic shoes focus specifically on athletes. "Adidas' heritage of innovating and designing performance products makes it the company most closely aligned with Nike," says Martin Kaufmann, footwear editor for *Sportstyle*, an industry magazine. "Other companies have wavered philosophically between fashion and performance, but Adidas and Nike have positioned themselves as companies that make products for the serious athlete."

Certainly there is no event more focused on serious athletes than the Summer Olympics, and Adidas plans to have a major presence at the Atlanta Games. The company bought a row of seven old brick and

timber warehouses directly across from the city's new Olympic park in the heart of downtown. The 100 year old buildings were gutted and reconfigured into a single complex that will serve as the company's Olympic headquarters.

During the Games, the complex, which includes a mini auditorium, kitchen, entertainment facilities, and even sleeping quarters, will serve the Adidas representatives outfitting the 26 national teams it sponsors as well as the other athletes it works with individually. After the Olympics, the company intends to use the facility as its East Coast meeting ground.

Obviously, Adidas won't have the Olympics to themselves. Nike, Reebok, and several other athletic companies are sponsoring hundreds of athletes and planning their own major exhibitions. Other than Nike, which owns a retail outlet in the city, Adidas appears to be the only major sports company that plans to remain in Atlanta after the Games end. "We had been looking for a facility in the southeast to help serve our important accounts here," says Adidas' Clemens. To the city's delight, Adidas has invested around \$5.5 million in the property, which had been something of an eyesore, but Clemens sees it as a bargain. "There are a lot of companies spending the same kind of money to lease a space during (the Olympics) that we are spending to own this."

One can only imagine what Adi Dassler would have thought. ☹

Peter Gwin is EUROPE's managing editor.

Inside

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EU NEWS

G7 LEADERS TO MEET IN LYON

When leaders from the top industrialized countries convene in Lyon June 27–29, their agenda will typically cover a broad range of issues. But this year, the world's richest countries are primarily focused on their own well-being.

Most pressing for the Group of Seven summit—including leaders from the United States, the United Kingdom, Canada, France, Germany, Italy, Japan, and the European Union—is economic weakness in Europe. “There’s no growth to speak of in Germany right now and very little in France,” says Treasury Secretary Robert Rubin, who is troubled by the high unemployment and fiscal austerity in the EU’s major economies.

In the European Union, where 11 percent of the work force is out of a job, “employment is top of the agenda,” concedes Pdraig Flynn, the EU’s commissioner for employment and social affairs. With 18.5 million jobless in Europe, the unemployment rate is twice as high as it is in the US.

After the G7 Detroit jobs summit two years ago and the follow-up meeting this spring in Lille, France, the group’s members are well aware that they can best learn from one another’s mistakes. During his May visit to Washington, Commissioner Flynn stated, “Here in the United States, you hear people saying that growing inequality in the US is simply the price to be paid for choosing to create employment. In Europe, we often hear that rising unemployment is the price to be paid for choosing equality and a strong welfare state. We need something good to report at the June summit.”

That time frame may prove to be too short-term. Job insecurity in the US and perilously high unemployment in Europe only recently spurred the transatlantic partners to sign a memorandum of understanding on labor-related issues. Their working group, set to examine work force training, government financing and regulations, and labor-management cooperation, will be in the broader G7 context. The Brussels and Washington labor experts know this is a long-term proposition.

Leading up to the Lyon meeting the G7 has kept a watchful eye on Japan, looking for evidence that the Japanese government is doing all it can to re-power the

country’s economy. G7 cooperation over the past year has helped to make that a reality.

Through their coordination in the currency markets, the dollar has jumped dramatically compared to last year’s record low against the yen. The development has helped Japan to recover from a four-year recession, but the Asian economy is still troubled.

Washington has taken the lead in pushing for a more activist Japanese government. Tokyo has been approving one major stimulus package after another, and it has pushed interest rates very low. But financing in this once robust economy is crippled by a very troubled banking system.

Of course, the G7 will take up its ongoing concerns, including nuclear safety in the former Soviet Union and preventing another Mexico-style disaster in the developing world. And they have slotted a time to meet with Russian President Boris Yeltsin, should he win the first round of his country’s June elections.

French President and summit host Jacques Chirac hopes to underscore the importance of boosting the living standards for the world’s poor. Toward this end, he has added a new dimension to this year’s meeting. On the final day, World Bank President James Wolfensohn, International Monetary Fund Managing Director Michel Camdessus, World Trade Organization Director-General Renato Ruggiero, and United Nations Secretary-General Boutros Boutros-Ghali will join the G7 and the EU observers to address a host of economic and commercial issues.

All of this packed into a three-day conference for the globe’s most important leaders...in a public park? The French have built a museum of modern art in Lyon’s Parc de la Tete D’Or, where most of the meetings will take place. Contemporary architecture, luncheon in a glorious rose garden, and scenic views of the Rhone will present the G7 leaders with pleasant distractions.

Right next to the museum is a new international center where the official delegations and journalists will be based.

“We wanted to have this summit as informal and as accessible as possible,” says Jean-Christophe Belliard, an official with the French Embassy in Washington who has been shuttling back and forth to Lyon in preparation for

the June meeting. He adds that for the some 4,000 delegates and journalists expected to attend, this promises less limousine gridlock and greater proximity to their work.

For the 1 million residents of Lyon, France's third largest city, it means an opportunity to learn more about the dynamics within the G7. "We will go to Lyon a week before to hold conferences about US-French relations and US-Japanese relations in the local high schools and the universities," says Mr. Belliard.

Soon, Lyon will be known for more than its reputation as one of the gastronomic capitals of the world and the headquarters for Interpol. The G7 will have made its mark.

—Amy Kaslow

AZNAR FORMS SPANISH GOVERNMENT

New Spanish Prime Minister Jose Marie Aznar, nine weeks after his election victory, has begun outlining some of his plans for addressing the country's biggest challenges. Delayed by arduous coalition negotiations that finally resulted in a Popular Party-led government, the prime minister announced that curbing Spain's unemployment rate, the highest in the EU at more than 20 percent, would be his first priority. He said his government would focus on working with the country's trade unions and businesses to reform Spain's labor laws and encourage job growth. Aznar also promised to set Spain's finances in order to prepare the country for the EU single currency in 1999.

Critics say that, even with the prime minister's proposed cuts in public sector spending and his pledge to privatize some state-owned companies, Spain still won't be ready to join the single currency by the deadline, but Aznar's critics have a habit of underestimating him. The prime minister rebounded from two previous election losses to the Socialists to unseat them in this year's elections. Although Aznar's Popular Party took only 39 percent of the vote, he was able to assemble a coalition with three other parties (one Catalan, one Basque, and a small party from the Canary Islands).

Two key appointments in the new government are Finance Minister Rodrigo Rato, who is charged with cutting the public sector deficit from 5.8 percent of GDP last year to 3

percent in 1997, and Foreign Minister Abel Matutes, a former European commissioner, who will provide the new government with a wealth of EU experience.

WAR CRIMES TRIAL BEGINS

The first international trial for war crimes committed in the former Yugoslavia opened in the Hague last month. Dusan Tadic, a Serbian cafe owner and former policeman, stands accused of killing and torturing Muslims.

The UN Security Council created the international court in 1993 to try those accused of committing atrocities during the Balkan conflict. Eleven judges from different countries serve on the international tribunal, which, as of early last month, held indictments for 46 Serbs, 8 Croats, and 3 Muslims.

EU TRADE WITH SOUTH AFRICA

The EU wants a trade deal with South Africa, says European Commission President Jacques Santer. During a three-day visit to the country, Santer addressed a group of Johannesburg businesspeople and said he was optimistic that a trade deal with South Africa as well as the terms of its membership in the Lome Convention would be finalized by year-end.

"Being South Africa's largest trading partner, the EU is keen to address the urgent need for South Africa to obtain improved market access conditions," Santer said. "Our objective is clear: a negotiation of a genuine free trade agreement compatible with the rules of the World Trade Organization which will cover all sectors, agriculture included." Santer, however, indicated that he expected such negotiations to be difficult.

More than a third of all South African imports come from EU countries, and around 40 percent of the country's exports go to EU countries.

EU FORMS PLAN TO AID RUSSIAN REFORMS

Meeting in Brussels, EU member country foreign ministers approved a plan to aid Russia's reform process. The plan includes a variety of actions aimed at keeping the political and economic reforms on track, including speeding up Russian

WHAT THEY SAID

"I am going to be an ordinary prime minister, and that is going to be a revolutionary change."

—Jose Marie Aznar, Spain's new prime minister, commenting on the difference between his style and that of his predecessor, the charismatic Felipe Gonzalez.

"During the cold war, Berlin stood for the defense of freedom. Today, Berlin, as capital of a united Germany, is a symbol of the growing together of our continent into a free, unified Europe."

—Klaus Kinkel, German foreign minister

"History is a capricious lady."

—Mikhail Gorbachev, Russian presidential candidate, discussing how history will judge him.

"The state of Israel embarks today on a new road, a road of hope, a road of unity, a road of security, a road of peace."

—Binyamin Netanyahu, Israel's newly elected prime minister, in victory speech to supporters.

"It's easy to say 'Look at the growing markets in east Asia and in America and in the Commonwealth,' but we have to be realistic. Europe is our backyard. To risk our European trading relationships would be very unwise."

—Sir Colin Marshall, former British Airways chief executive, now head of the Confederation of British Industry, the country's largest employers' lobby.

entry into the World Trade Organization and expanding cultural links between Russia and the EU member countries.

The timing of the plan appears to benefit President Boris Yeltsin, who faces a stiff challenge from Communist Party leader Gennady Zyuganov in Russia's June elections. Officials present at the meeting downplayed such notions. Said one British official, "The objective is not to support Yeltsin; the objective is to support the country."

BOSNIA REMARKS STIR CONTROVERSY

Richard Holbrooke, former assistant secretary of state, has stirred a transatlantic controversy. The chief architect of the Dayton accords editorialized recently in *Time* magazine that "some important European officials are privately writing off Dayton's political provisions and preparing the ground for de facto partition (of Bosnia) next year." Holbrooke continues, "Partition is not inevitable, but the agreements will surely fail if those responsible for carrying them out are not completely committed to them."

European officials attending the recent EU foreign ministers meeting in Brussels said the comments were troubling. The British, French, and Germans, who co-sponsored the peace, especially took issue with Holbrooke's remarks.

Holbrooke's comments also drew fire from his former British negotiating partner. Pauline Neville-Jones, now an advisor to High Representative Carl Bildt, responded that "Europeans are leading the effort to knit the country together again."

The peace process is approaching a difficult phase as the need to hold free elections must be balanced by awaiting the return of refugees to their homes. Some of those familiar with the situation argue that elections held before the return of the refugees could effectively consolidate power with aggressors. Others emphasize the need to take advantage of the current

peace and expedite the process of holding elections and establishing democratic institutions.

AGNELLI DEPARTS, DINI ENTERS

Susanna Agnelli said good-bye to her job as Italy's top diplomat and wished her successor, Lamberto Dini, well.

Appointed 16 months ago as part of an unelected "technocrat" government, Agnelli became Italy's first female foreign minister and brought political savvy and the cache of her famous surname to the post. The 74 year old heir to the Fiat fortune and sister of Fiat chairman Gianni Agnelli said it was time to go. "I'm happy to be giving it up because I can't take it anymore," she said, "although I'm sad at the same time because the job has been very exciting."

Regarding her future plans, Agnelli said, "I've developed very profound convictions about how the world is governed, but I'm not going to tell you because I'm planning to write a book saying what I think about the people who govern the world."

Dini moves from his former position as prime minister to take over the foreign minister's position in newly elected Italian Prime Minister Romano Prodi's cabinet. In her trademark outspoken manner, Agnelli said of Dini's appointment, "He's intelligent, (but) perhaps he doesn't fully realize how tiring it is."

EU-US SUMMIT

Italian Prime Minister Romano Prodi and European Commission President Jacques Santer along with Italian Foreign Minister Lamberto Dini and European Commission Vice President Sir Leon Brittan will visit Washington on June 12 to meet with President Clinton and members of his cabinet. Issues to be discussed include the New Transatlantic Agenda (agreed on at the Madrid Summit last December) and other topics of mutual concern.

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BUSINESS BRIEFS

European business has been engulfed by a wave of mergers in sectors ranging from defense and pharmaceuticals to airlines and telecommunications as companies shore up their defenses against bigger American and Japanese rivals. Among the most prominent recent deals...

British Aerospace and **Matra**, the French Aerospace group, are merging their missile operations, creating Europe's biggest guided weapons group with 6,000 employees and annual revenues of \$1.5 billion. The new company, to be called **Matra BAe Dynamics**, is expected to bid for **Thomson**, the French state-owned electronics group due to be privatized later this year, possibly in partnership with **Daimler Benz** of Germany and **General Electric Company** of Britain.

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AT&T, the largest US telephone company, is merging its European activities with **Unisource**, a consortium of four European telecoms companies, in a bid to challenge the global business services offered by **British Telecom** and the telecoms monopolies of France and Germany.

The new company, AT&T-Unisource Services, will have a payroll of 5,000 and more than \$1 billion in annual revenues. It will be owned 40 percent by AT&T and 60 percent by Unisource—which comprises the national telephone companies of the Netherlands, Sweden, Switzerland, and Spain.

The Unisource partners' national operations will remain independent, but international services will become part of the new group.

The new company is a belated response by AT&T to catch up with other global alliances, notably Concert, the joint venture between British Telecom and **MCI**, and **Global One**, the partnership between **Deutsche Telekom**, **France Telecom**, and **Sprint**.

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Europe's two biggest employment agencies—**Aida** of Switzerland and **Ecco** of France—are joining forces to create a group with a worldwide personnel services network and annual revenues of more than \$6 billion that will rival the world's top recruitment agency, **Manpower** of the US.

The companies say growth will be spurred by labor market deregulation in

leading economies such as Japan and Germany where the new group is already established.

•••

Peter Wallenberg, head of one of Europe's biggest industrial dynasties, resigned from the board of **Skandinaviska Enskilda Banken**, the Swedish bank founded by his great-grandfather, and said he will give up his other directorships in the Wallenberg empire.

Wallenberg, 69, is handing over the reins to his son Jacob, an executive at S-E Banken, and his nephew, Marcus, a director of **Investor**, the family's holding company. Among firms under Wallenberg's control are **Electrolux**, **Asea**, the engineering group, and **SKF**, the ball-bearing manufacturer.

•••

Another famous European firm, **Danone**, the French food group, is also remaining firmly in the family after founder Antoine Riboud, 77, stepped down and handed control to his 44 year old son, Franck.

Franck has worked his way up the managerial ladder at the group which generates 55 percent of its \$15.5 billion annual sales outside France.

•••

Lukoil, Russia's privatized oil company, boosted 1995 pre-tax profits to \$700 million in 1995 from \$200 million the previous year thanks to higher oil prices and a string of acquisitions.

Lukoil, which produced 55.6 million tons of crude, 15 percent of Russia's total output, bought four oil companies last year and is looking for more overseas acquisitions to lessen its dependence on the stagnant Russian market.

•••

Hungary is finally attracting foreign car manufacturers after trailing Poland, the Czech Republic, and even Romania in the race to lure Western investment.

Audi, a division of Germany's Volkswagen, is boosting its planned investment in Hungary by \$83 million to make its plant there the main source for its engines.

Meanwhile, **Suzuki** of Japan has decided to increase its stake in its joint venture **Magyar Suzuki** from 49.9 percent to 77.7 percent. The company, which expects to produce 50,000 cars this year, has around 18 percent of the Hungarian market and also exports a large share of its output.

•••

British Airways has ousted **Singapore Airlines** as the world's most profitable airline even as many of its European rivals are fighting for survival. BA reported a net profit of \$889 million in the year to March 31, up 29.4 percent on the previous year and well ahead of Singapore Airlines' \$769 million profit.

BA's bonanza contrasted with the dire position at many European airlines as they rush to shore up their defenses before the European air transport market is totally deregulated next April.

Air France, which is limping back to profitability with the help of \$4 billion of government subsidies, is facing another crisis, this time at its domestic unit **Air Inter Europe**, which is losing \$2 million a month. Air Inter faces bankruptcy in two years if its workers don't accept a wage freeze, more flexible working practices, and the closure of unprofitable routes, Air France chairman Christian Blanc warned.

Alitalia "might not survive 1996" without tough action to cut costs and inject new capital, according to Domenico Cempella, the recently appointed chairman of Italy's state airline. A program of 3,000 layoffs over five years and a \$1.9 billion capital injection is "the only alternative to bankruptcy," he said.

Sabena, the Belgian carrier, has told unions it wants to cut wages by 15 percent or lay off 1,700 people as part of a plan to trim costs by \$150 million by 1998.

—Bruce Barnard

INSIDE EUROPE

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Reuters contributed to news reports in this issue of *Inside Europe*.

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France Telecom.

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ATLANTA

SOUTHERN ROOTS, EUROPEAN CUSTOMERS

By Sofia Yank Bassman

The adult rocking chairs are still moving to and fro on Pittypat's Porch, a restaurant renowned for Southern cookin' and bourbon-on-the-rocks. Though still an Atlanta institution much like Scarlett and Rhett, the rockers are, in the main, reminders of what was the old sleepy Southern town of Atlanta, the capital of Georgia. Like Miss Scarlett and her dashing beau, however, what they represent is, in large part, gone with the wind.

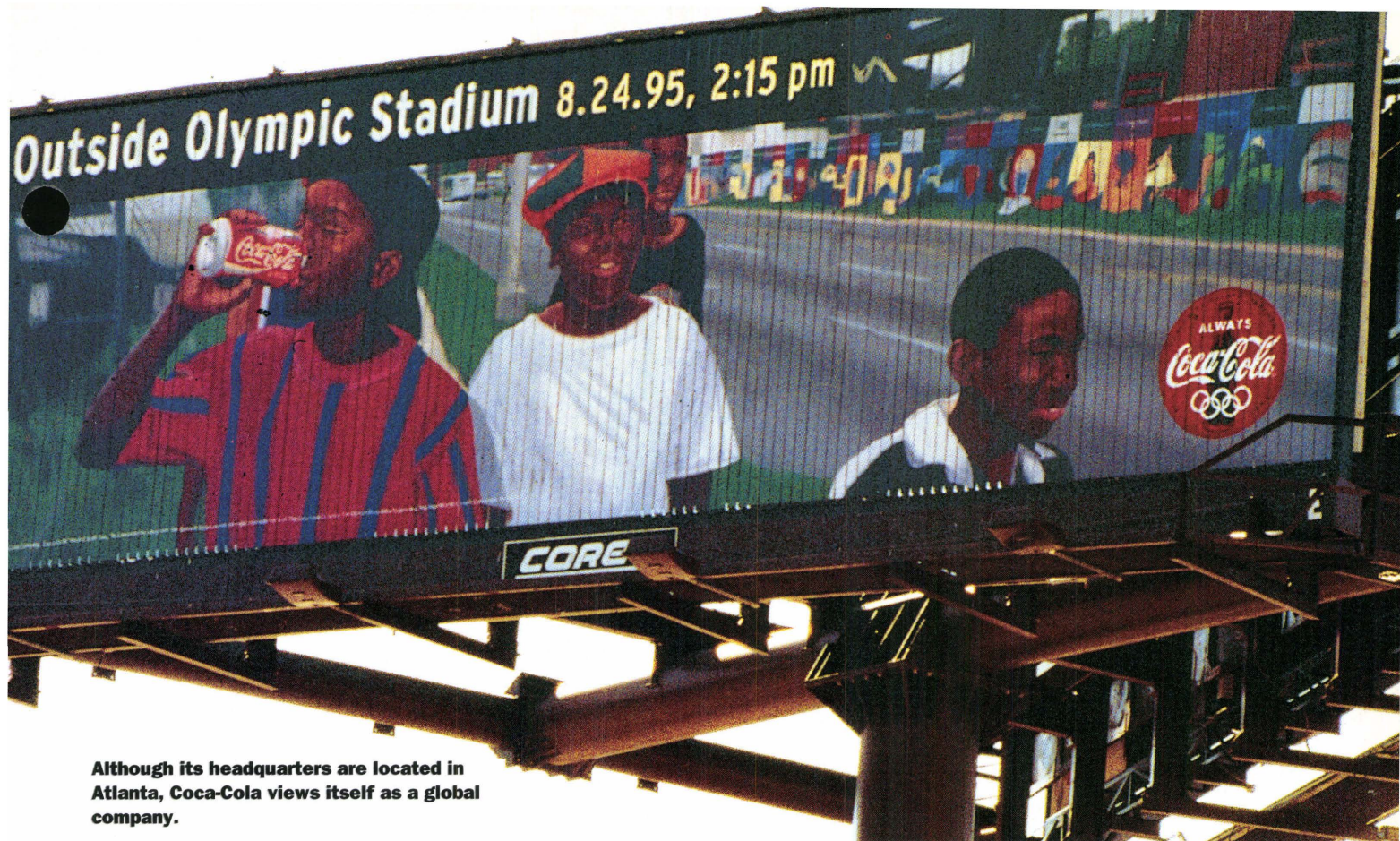
What has evolved since its founding in 1837 and rebuilding in 1864 after General Sherman reduced much of the Confederate town to ashes during the Civil War is a growing international and cosmopolitan city with major ties to Europe, becoming stronger every day.

Bill Crane, director of marketing and communications for the Atlanta Chamber of Commerce, says Europeans are drawn to classic Southern hospitality and the feel of a manageable mid-sized European city. He lists resident consulates, honorary consulates, and chambers of commerce from 14 European countries that have representation in Atlanta. These serve, he says, as "catalysts for addition of trade." Additionally, there are a dozen strategic alliances with bonds to European sister cities in Germany, France, Italy, and the UK that also promote trade with Europe.

The Atlanta skyline has changed dramatically since Sherman visited. Skyscrapers dominate, and a strong European community has emerged in the Dixie of the 1990s. More

Broadcasting from Atlanta's CNN Center, the Cable News Network is said to reach a staggering 100,000,000 households outside of North America.





Although its headquarters are located in Atlanta, Coca-Cola views itself as a global company.

than 700 European companies, from Germany's Siemens to Sweden's Saab to Danish banks and real estate investors, all have corporate offices in Atlanta with more than 200 of these claiming national headquarters in this Southern town.

In the major league of business, the recently released 1995 *Fortune* 500 list of companies and cities, Atlanta boasts fourth place, behind giants New York, Chicago, and Houston, with 11 enterprises included in the top ranks this past year.

United Parcel Service, which tops *Fortune's* Atlanta list as the number one earning company based there, entered the European market in 1988 and has acquired 16 companies across the Atlantic since then. Last June, according to John Flick, international spokesman for UPS, \$1.1 billion was committed to a five year capital investment program in Europe. Mr. Flick sees Atlanta as "the jewel of the South," offering an attractive lifestyle for UPS employees at an affordable price, a major reason so many European companies can be competitive when searching for the best management and personnel.

Coca-Cola likes to think of itself as a "global company based in Atlanta." Since the popular soft drink was invented in 1886, the world has indeed been singing in perfect harmony with Coke, which has a major European presence. To better serve the continuously expanding European market, in 1995 the Greater Europe Group was created by Coke to target 48 countries, including all of the EU. The first year out, there was a 21 percent market share for the group, and total net operating revenues chalked up more than \$6 billion, a lot of Coke, Sprite, and Fanta by anybody's count.

Delta Air Lines, headquartered in Atlanta, bolstered its European connections in 1991, when it bought beleaguered Pan American's well-developed European network of routes. Delta now flies to cities throughout Europe from its hub in Frankfurt, Germany. The airline, which began as a crop dusting

firm in 1925, also flies to Europe from hubs in Atlanta, Cincinnati, Los Angeles, Orlando, New York, and Washington, DC.

Ted Turner's Atlanta-based CNN International reaches a staggering 100,000,000 households outside of North America. CNN International features a program for its European audience called *World News Europe*.

Also, prominent on the Atlanta international scene is the Carter Center, which was founded in 1982 by former President Jimmy Carter and First Lady Rosalynn Carter. The center is a nonprofit, donor-supported organization that brings people and resources together to resolve conflicts, promote peace and human rights, fight disease, hunger, poverty, and oppression. The Carters remain deeply involved in its activities.

Businesspeople and politicians aren't the only Europeans discovering the unique ambiance of Atlanta. Just like the springtime azaleas, tourism has also been blossoming in Atlanta. John Deegan, port director of US Customs in Atlanta, estimates that in fiscal year 1995 about 1.3 million Europeans came to Atlanta through Hartsfield International Airport. These visitors, the lion's share from the UK, come to Atlanta "looking for examples of Southern culture. The Brits are very interested in music—blues, jazz—and the neighborhoods," says Mary Kay Vollrath of the Atlanta Convention and Visitors Bureau.

And now this summer, Atlanta, which competed as hard as any gold medalist for the honors, will host the 1996 Summer Olympics. When the torch, which started its journey in Athens, Greece, before arriving in the US April 27, is lit for the official start of the Games this July, all eyes will have a sharper focus on Atlanta, which promises to uphold its stature as a Southern city of champions. ☺

Sofia Yank Bassman is a Washington writer who can't wait to revisit "The World of Coke" in Atlanta.

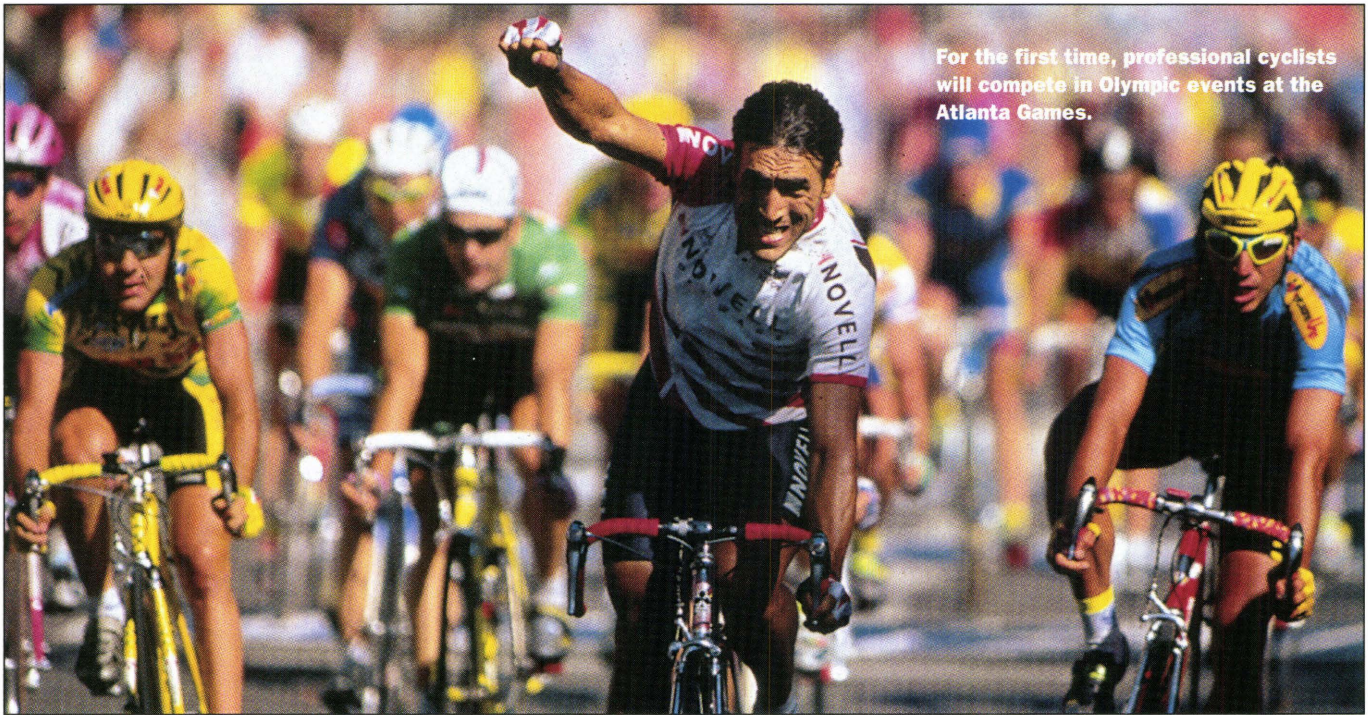
OLYMPICS

THE SPIRIT OF

THE WORLD'S ATHLETES CELEBRATE
THE OLYMPIC CENTENNIAL IN ATLANTA

THE GAMES

BY MIKE MCCORMICK



For the first time, professional cyclists will compete in Olympic events at the Atlanta Games.

Three and a half billion people will watch the athletes' parade and lighting of the Olympic flame in Atlanta's Olympic Stadium on July 19. What they will see during that opening ceremony and the 16 days of competition that follow will certainly be one of the grandest sporting events in world history. Some 10,000 of our planet's finest athletes will be in the limelight, and in their shadow, 10,000 stories of struggle, sacrifice, triumph, and tenacity, and through each story runs a single common thread: the Olympic spirit.

Spirit is what defines the Olympics; spirit is what makes them so powerful; and yet this same spirit is so mysterious that there is no way to really describe it.

In tennis, for example, Olympic spirit has already done what Wimbledon's hallowed traditions never could: It has humbled Andre Agassi. When speaking of his Olympic hopes, the brash, young millionaire from Las Vegas is almost reverent.

"I expect (the 1996 Olympics) to be the greatest two weeks of my life as a professional athlete," Agassi says. "To be one of thousands of athletes coming together for one common purpose to win a medal is quite an honor. To win the gold would mean every bit as much as winning Wimbledon or the US Open."

Tennis, contested in the Olympics from 1896 to 1924, returned as an Olympic event in 1988. Pete Sampras, ranked number one in the world by the Association of Tennis Professionals, is this year's favorite in the men's singles, with Agassi as the top challenger. Austria's Thomas Muster and Spain's Sergi Brugera are outside threats. But, as the courts are hard-surface and not clay, the Europeans are not in their best element.

Germany's Boris Becker and Michael Stich, the 1992

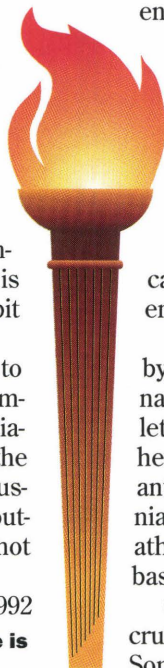
doubles gold medalists, are foregoing the Olympics for personal reasons, so the men's doubles medal most likely will end up with the Netherlands duo of Paul Haarhuis and Jacco Eltingh.

On the women's side, Germany's Steffi Graf, 1988 gold medalist and world number one, is the best bet for the singles. At press time, world co-number one Monica Seles had not yet been selected for the US team due to an appeals process brought on by her lengthy absence from competition.

Spain's Conchita Martinez and Aranxta Sanchez Vicario are favored for the doubles gold, and either could end up with an individual medal.

Tennis' Olympic 64-year estrangement was brought on by its rise as a professional sport at a time when the International Olympic Committee disdained professional athletics. For many years, the purity of amateurism was the heart of Olympic spirit. Eventually, however, the IOC's anti-professional attitude was relaxed. The 1996 Centennial Olympics will see the largest infusion of professional athletes yet, and the showcase "professional" event will be basketball.

On the men's side, America's "Dream Team II" will cruise to the gold medal, followed by Croatia or Brazil. Some traditionalists frown on the "Dream Team II" for



Left: The most noticeable addition to the Atlanta skyline is the new Olympic Stadium (foreground).

being so overwhelmingly professional. But the athletes themselves want the Americans as strong as possible because they all agree the gold should go to the best in the world and none other. Europe put one team in the basketball draw, Greece.

No European team qualified for the women's eight-team draw. Russia, Cuba, and the US will be the top teams.

The other major "professional" Olympic sport will be soccer, and the men's European teams are already mired in controversy.

In past years, the Olympic soccer teams have been limited to include amateur players, age 23 or under. That rule has been relaxed and now permits each team to include professionals, three of whom can be older than 23.

Presently, the European Soccer Federation has ordered its teams not to use the older pros, most of whom would be World Cup heroes. The reason is the ESF still regards the Olympics as a preparation event. The Latin American teams, however, are fielding their top stars. As it stands now, Portugal, Spain, and Italy are practically handing the gold medal to Brazil and the silver to Argentina. In light of a rash of criticism, many expect the ESF to cave and suit up its stars older than 23.

Soccer is making news elsewhere. Women's soccer will make its Olympic debut this year. (In fact, this year 3,700 women, the highest number ever, are expected to compete in the Olympics.) The final will probably come down to a rematch of the 1995 world championship in which Norway defeated the United States. Germany looks good for the bronze.

Another Olympic first will be the appearance of professionals in the cycling events and in the road race, this means a day of bizarrely conflicted emotions, especially for the riders, who are used to competing on the multi-national teams.

"That day, I cannot be working for Lance Armstrong," says Motorola rider Max Sciandri, who, by representing England is squaring off against his friend, teammate, and American medal hopeful Lance Armstrong. "And he can't be working for me," adds Sciandri.

The creed of the pro road racer is to sacrifice himself for the sake of the team. But in the Olympics the road racers will be in an event like none they've ever seen because the teams have only five riders, too few for any one country to control the race. So it will be a 137-mile melee dash for glory fueled by the cyclists' desire to honor—not their sponsors, not their paychecks—but themselves and their countries.

Says Sciandri, "That's the way it should be for the Olympics."

In addition to Armstrong and Sciandri, gold medal favorites are: Belgium's Johan Museeuw, Italy's Franco Bal-

lerini, and Spain's Abraham Olano. Outside of the Olympics these three all race for the same pro team.

Ironically, since the road race is a one-day event, four-time Tour de France winner Miguel Indurain is not a favorite. However, he is expected to ride the 25-mile individual time trial and would be the man to beat.

But enough about the pros, it's the mosaic of sports that make the Olympics so lively. This year there are 271 events in 26 sports. Each one is a competitive drama unto itself.

For individual glory, the sports to follow are track and field, swimming, and weightlifting. Diving and gymnastics

offer a glimpse of human perfection. And what about the combative sports, those one-on-one duels of skilled athletes directly competing against each other? Think of the boxers, the wrestlers, the fencers, the judo combatants, even the table tennis players. Then there are the equestrian events. Is the rider competing against the horse or the other riders? Finally there are the sports of man and his machine against other men and their machines: kayaking, sailing, rowing, archery, and shooting to name a few.

The Olympic spirit bursts forth from these events in all manner of ways, sometimes in a single shout, sometimes in the roar of a crowd. And then again, sometimes it stays very still.

On April 25, at the Shooting World Cup in Atlanta, a Norwegian named Leif Rolland won the relatively unknown event of men's air rifle and became an Olympic favorite. To do so, Rolland, 25, timed

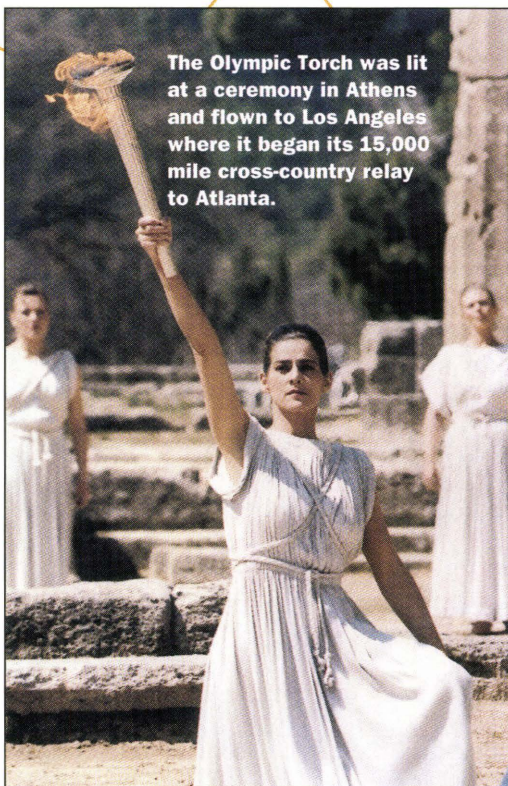
the pulls of his trigger to coincide with the lulls between his heartbeats. From a distance of 10 meters, he scored 697.5 points out of a possible 709 on a target with a bull's eye that measures half a millimeter in diameter.

One of the founding sports of the 1896 Olympics, shooting celebrates neither brawn nor stamina. "What's important is that you are mentally good," says Rolland. "Shooting is up in the head."

And Rolland must be good in the head. He has never been to an Olympics nor even to America before the Shooting World Cup, but he is not afraid. The Olympic veterans on his team have told him what to expect. And this young man, expert in clamping down on his emotions and holding his nerves at bay, has a perspective all his own.

"I am thinking only of making a good competition," says Rolland. "I will do my job and hopefully make a good score. A medal would be great, but you're going to see me smiling, hopefully before and after."

On July 20, the first Olympic medal to be awarded will be in shooting. Let the games begin! ☺



The Olympic Torch was lit at a ceremony in Athens and flown to Los Angeles where it began its 15,000 mile cross-country relay to Atlanta.

Mike McCormick writes about sports for EUROPE.

LILLE BIDS FOR 2004 GAMES

BY ESTER LAUSHWAY

A year ago, when Lille entered the starting gate beside Lyon for the race to become France's candidate to host the 2004 Summer Games, it was a first in modern Olympic history. No two French cities had ever run against each other before, and the odds were definitely in Lyon's favor.

Not only did it have the experience of two previous Olympic bids (in 1920 and 1968), but Lyon also has a reputation as a cultivated city with wonderful food and wine that comes second only to Paris in sophistication.

Lille, on the other hand, is an austere northern city working hard to shake off the impoverished image it acquired when severe cutbacks hit the regional coal, steel, and textile industries. It is determined and hard-working but not the kind of place to which tourists flock in great numbers. So it was to the surprise of many when Lille won out over Lyon last November and was chosen by the French National Olympic Committee as its official candidate for the 2004 Summer Games.

One of the main reasons for its victory was the tremendous wave of popular support which has swept Lille's Olympic bid along from the very start. Its Socialist mayor, Pierre Mauroy, a former prime minister of France, believes that "it is this passion which first seduced the Olympic committee members. As a matter of fact, even our friends from Lyon admitted that although their dossier was very complete, it perhaps did not have enough public support." In the Lille region, on the other hand, 200 volunteers have been working on the city's candidacy since 1993. They have rallied politicians, industrialists, and private citizens to their cause. Just two months after the city officially announced its bid last June, 100,000 people had signed a petition supporting Lille's Olympic dream. When Mayor Mauroy took a vote in favor of the project, the city council passed it unanimously, with total agreement across all party lines.

Lille has also come up with an extremely compact physical layout for the Games. Seventy percent of all the competitions would take place within an 11 mile long Olympic "Arc" curving from the north to the south off the city, with an automated metro providing quick, easy access to all the sites. The water sports would be no more than an hour's drive away on the Atlantic coast and the Olympic village would be right in the heart of Lille, making the athletes the physical as well as the spiritual focal point of the Games.

Cost and location were two other factors in Lille's win over Lyon. In view of the expense of recent Olympics, the International Olympic Committee (IOC) is now on the look-out for reasonably priced bids, and in this category Lille will take some beating. It has submitted a frugal budget of \$1.6 billion, against Lyon's estimate of \$2.3 billion, and plans to recover more than half that sum through television rights and sponsorships.

The modest costs are due in large part to the fact that 14 of the 27 main competition sites exist already, while 5 are currently under construction and only 8 will have to be built from scratch. The Olympic stadium is another example of good financial management. Once the Games are over, 45,000 of its 75,000 seats can be dismantled in modules of 5,000 and used to expand the seating of other stadiums in the region.

Lille's location at the northern tip of France, while lacking the scenic charms of Lyon, makes the most of an

impressive road and rail transport system that could bring a potential 100 million spectators from six different countries. The new high-speed TGV train links it to Brussels, Paris, and London in less than 90 minutes, and Amsterdam, Cologne, and Luxembourg are within a two-hour ride as well.

With the French lap of the race to host the 2004 Summer Games safely behind it, Lille now faces stiff international competition from 10 other Olympic hopefuls. On the European continent, Istanbul, Athens, Rome, Seville, Stockholm, and Saint Petersburg have all declared their candidacy, while further afield the contenders are San Juan, Buenos Aires, Rio de Janeiro, and Cape Town.

What singles Lille out from the rest, according to Mayor Mauroy, is "the popular momentum carrying us along, the youth of our population, its great enthusiasm for playing host to the Games, coupled with the technical and financial thoroughness of our dossier." He sees Lille's candidacy as one "which respects the founding principles of the Olympics and its human ideals."

Next year, on September 5, the host city of the 2004 Summer Olympics will be announced in Lausanne. A French city has not been named since 1924. Eighty years is a long time, and a nice round number. Lille has thrown its heart and soul into trying to make sure that it will also be a lucky number for France. ☺



Lille Mayor Pierre Mauroy and French sprinter Marie-Jose Perec hope Lille will host the 2004 Summer Olympics.

Ester Laushway is EUROPE's Paris correspondent.

OLYMPICS

GOING FOR THE GOLD

1996 OLYMPIC EVENTS,
VENUES, & FAVORITES
BY MIKE MCCORMICK

Marie-Jose Perec is determined to bring the 400 meter gold medal home to France.

The following is **EUROPE's** guide to the 1996 Atlanta Summer Olympic events, venues, and favorites to win.

AQUATICS has four disciplines which are so well-known we will list each as an event.

Diving—Georgia Tech Aquatic Center, eight days, July 26–August 2

Favorites—Russia, China, USA

Europe's Best Bets—Men's Platform, Jan Hempel, Germany; Men's 1m Springboard, Andreas Wels, Germany

Swimming—Georgia Tech Aquatic Center, seven days, July 20–26

Favorites—USA, Australia, UK, Germany

Europe's Best Bets—Men 200m Free, Andrew Clayton, UK; 1,500m Free, Graeme Smith, UK; 4x100m Medley and 4x200m Free, Italy

Synchronized Swimming—Georgia Tech Aquatics Center, two days, July 30, August 2

Favorites—USA, Canada, Russia

Europe's Best Bets—Germany; there are no solo or dual events in the 1996 Olympics.

Water Polo—Georgia Tech Aquatic Center, eight days, July 20–24, July 26–28

Favorites—Hungary, Italy, USA

Europe's Best Bets—Italy, coached by Ratko Rudic, and Spain, led by Manuel Estiarte

ARCHERY—Stone Mountain Park, six days, July 28–August 4

Favorites—Germany, France, S. Korea

Europe's Best Bets—Men's: Jari Lipponen, Finland; Martinus Grove, Norway; Mateo Bisiani, Italy. Women's: Barbara Mensing, Germany

ATHLETICS (Track and Field)—Olympic Stadium, except the Marathon in downtown Atlanta and Race Walk in Summerhill/Grant Park, eight days, July 26–29 and July 31–August 3

Favorites—Sprints, USA; Distance, Kenya, Mozambique, and Algeria; Field Events, Germany, UK, Russia

Europe's Best Bets—Men: 800m, Wilson Kipkeeter, Denmark; Triple Jump, Jonathan Edwards, UK; 400m Hurdles, Stephane Diagana, France; 50k Race Walk, Jesus Garcia, Spain; Shot, Mika Halvar, Finland; Discus, Lars Reidel, Germany; Javelin, Raymond Hoght, Germany
Women: 400m, Marie-Jose Percec, France; 5,000m, Sonia O'Sullivan, Ireland; 10,000m, Fernanda Ribeiro, Portugal; High Jump, Alina Astafel, Germany; Pole Vault, Andrea Moller, Germany; Long Jump, Heike Dreschler, Germany; Shot, Astrid Kumbernuss, Germany; Discus, Mette Bergman, Norway; Heptathlon, Sabine Braun, Germany; Marathon, Uta Pippig, Germany

BADMINTON—Georgia State University, nine days, July 24–August 1

Favorites—Indonesia, China, S. Korea

Europe's Best Bets—Mixed Doubles, Simon Archer/Julie Bradbury, UK and Catrine Bengtsson/Peter Axelsson, Sweden

BASEBALL—Atlanta-Fulton County Stadium, 12 days, July 20–25, July 27–30, August 1–2

Favorites—Cuba, USA

Europe's Best Bets—Italy and the Netherlands, only European squads to qualify for eight-team tournament

BASKETBALL—Georgia Dome/Morehouse College, 16 days, July 20–August 4

Favorites—Men's: USA; Women's: Cuba, Russia, USA

Europe's Best Bet—Greece only European squad to qualify in men's 12-team tournament. No European team qualified for women's eight-team tournament

BOXING—Alexander Memorial Coliseum, 15 days, July 20–28, July 30–August 4

Favorites—Cuba, Bulgaria, Russia, France, Germany

Europe's Best Bets—48 kg, Inom, France; 60kg, Wartelle, France; 67kg, Otto, Germany

CANOE/KAYAK—Slalom, Ocoee Whitewater Center, TN; Sprint, Lake Lanier, GA, nine days, July 27–29 (Slalom), July 30–Aug 4 (Sprint)

Favorites—USA, Canada, Hungary, Germany

Europe's Best Bets—Slalom: Men's Kayak, Oliver Fixx, Germany; Men's Canoe Single, Emmanuel Brugvin, France; Men's Canoe Doubles, Frank Addison/Wilfried Forgues, France; Women's Kayak, Lynne Simpson, UK, Miriam Fox, France. Sprint: Men's 100m Kayak, Beniamino Bonomi, Italy; Men's Canoe Doubles 500m Andreas Dittmer/Gunar Kirchback, Germany; Women's Kayak 500m Susanna Gunnarson, Sweden



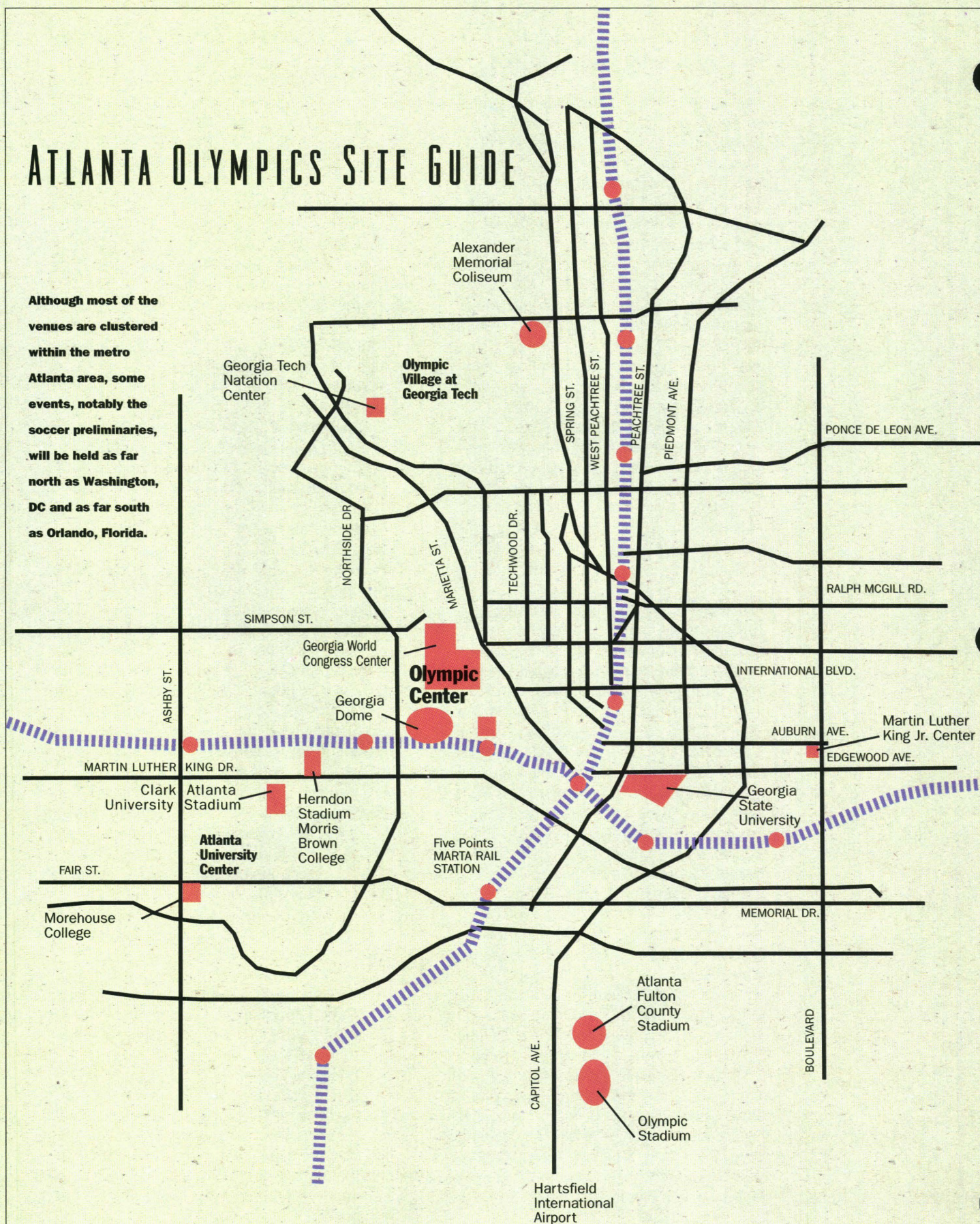
CYCLING—Track events, Stone Mountain Park; Road events, downtown Atlanta; Mountain Bike events, Georgia International Horse Park, eight days, July 30 (Mountain Bike), July 21, 31, and August 3 (Road), and July 24–28 (Track)

Favorites—Italy, France, Australia, USA

Europe's Best Bets—Men's Mountain Bike, Bart Brentjens, Netherlands; Women's Time Trial and 3,000m Pursuit, Jeannie Longo, France; Women's Road Race, Monika Valvik, Norway; Men's Road Race, Max Sciandri, UK or Johan Museeuw, Belgium; Men's Time Trial, Miguel Indurain, Spain

ATLANTA OLYMPICS SITE GUIDE

Although most of the venues are clustered within the metro Atlanta area, some events, notably the soccer preliminaries, will be held as far north as Washington, DC and as far south as Orlando, Florida.



EQUESTRIAN—Georgia International Horse Park, 13 days, July 21–29, July 31–August 1, August 3–4

Favorites—Germany, UK, Ireland, USA

Europe's Best Bets—Dressage, Isabelle Werth, Germany and Anky van Grunsven, Netherlands; Eventing, Mary King Thompson, UK or Lucy Thompson, Ireland; Men's Show Jumping, Michael Whitaker and Nick Skelton, UK; Women's Show Jumping, Alexandra Ledermann, France

FENCING—Georgia World Congress Center, six days, July 20–25

Favorites—Hungary, Russia, Cuba, France, Italy

Europe's Best Bets—Women's Foil, Giovanna Trillini and Valentina Vezzali, Italy; Men's Epee, Eric Srecki and Jean-Michel Henry, France; Women's Epee, Laura Flessel, France

FIELD HOCKEY—Morris Brown College/Clark Atlanta University, 12 days, July 24–August 4

Favorites—Pakistan, Australia, Germany, Spain

Europe's Best Bets—Germany, Spain

GYMNASTICS—Artistic, Georgia Dome; Rhythmic, University of Georgia, 13 days, July 20–25, July 28–30 (Artistic); August 1–4 (Rhythmic)

Favorites—Romania, Russia, China, Germany

Europe's Best Bets—Men's Rings, Yuri Chechi, Italy; Men's Vault, Andrea Mussuchi, Italy; Women's Vault, Elizabeth Valle, Spain; Women's Uneven Bars, Isabelle Severino, France

HANDBALL—Georgia World Congress Center/Georgia Dome, 12 days, July 24–August 4

Favorites—France, Germany, Austria

Europe's Best Bets—Men's, France, led by Jackson Richardson; Women's, Denmark

JUDO—Georgia World Congress Center, seven days, July 20–26

Favorites—Japan, N. Korea, the Netherlands, France

Europe's Best Bets—Men: 65kg, Udo Quellmalz, Germany; Over 95kg, David Douillet, France; Women: 52kg, Marie Claire Restoux, France; Over 72kg, Angélique Seriese, Netherlands

MODERN PENTHALON—multiple sites, one day, July 31

Favorites—Russia, Hungary

Europe's Best Bets—Women's, Eva Fjellerup, Denmark

ROWING—Lake Lanier, eight days, July 21–27

Favorites—Canada, Germany, Italy

Europe's Best Bets—Men's Eight, Germany; Men's Single Scull, Thomas Lange, Germany

SHOOTING—Wolf Creek Shooting Complex, eight days, July 21–27

Favorites—China, Russia, Norway

Europe's Best Bet—Men's Air Rifle, Leif Rolland, Norway

SOCCER—Orlando, FL; Washington, DC; Birmingham, AL; Miami, FL, and the men's and women's finals in Sanford Stadium, Athens, GA, 13 days, July 20–24, July 27–28, July 30–August 3

Favorites—Men: Brazil; Women: Norway

Europe's Best Bets—Men: Portugal, Spain, Italy; Women: Norway, Germany



Heike Dreschler is Germany's favorite in the women's long jump.

SOFTBALL—Golden Park, Columbus, GA, nine days, July 21–27, July 30–31

Favorite—USA

Europe's Best Bet—The Netherlands is the only European country in the eight-team tournament

TABLE TENNIS—Georgia World Congress Center, 10 days, July 23–August 1

Favorites—China, Japan, Belgium

Europe's Best Bet—Men's Individual, Jean Michel Saive, Belgium

TENNIS—Stone Mountain Park, 12 days, July 23–August 3

Favorites—Spain, Germany, USA

Europe's Best Bets—Men's Doubles, Paul Haarhuis/Jacco Eltingh, Netherlands; Women's Singles, Steffi Graf, Germany; Women's Doubles, Conchita Martinez/Aranxta Sanchez Vicario, Spain

VOLLEYBALL—Atlanta Beach (Beach); Omni Coliseum/University of Georgia (Indoor), 16 days, July 20–August 4

Favorites—Women's Indoor, Brazil, Italy, Japan; Men's Beach, USA

Europe's Best Bet—Men's Indoor, Italy, led by Lorenzo Bernardi and Andrea Giani

WEIGHT LIFTING—Georgia World Congress Center, 10 days, July 20–24, July 26–30

Favorites—Bulgaria, Turkey, Russia

Europe's Best Bet—Pyrrhos Dimas, Greece

WRESTLING—Georgia World Congress Center, eight days, July 20–23, July 30–August 2

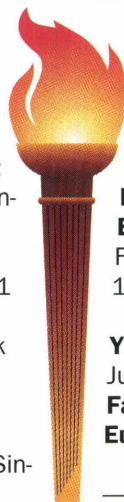
Favorites—Russia, Belarus, Turkey, USA

Europe's Best Bets—Greco-Roman: 74kg, Yvon Reimer, France; 100kg, Mikael Ljungberg, Sweden; Freestyle: 130kg, Sven Thiele, Germany

YACHTING—Wassaw Sound, Savannah, GA, 12 days, July 22–August 2

Favorites—USA, France, UK, Spain, Italy

Europe's Best Bets—Soling, Spain; Tornado, France



—Mike McCormick

CAPITALS



AN OVERVIEW OF
CURRENT AFFAIRS
IN EUROPE'S
CAPITALS



Athletes from all over the world will be converging on Atlanta in July for the 1996 Summer Olympic Games. We asked our correspondents to profile the best Olympic competitors from their countries.

LONDON

JONATHAN EDWARDS

"Sometimes I lie in bed and think, I jump into a sand pit for a living. Am I doing anything worthwhile here? You see doctors in Rwanda and think, they are making a difference, but I am jumping into a sand pit. Who benefits from that?"

He is the world's greatest triple jumper, the first man to hop, step, and jump more than 60 feet, and the most likely winner of a gold medal for the UK in Atlanta.

Jonathan Edwards is no ordinary athlete. He is a devout Christian who for many years refused to compete on Sunday. He is a family man who considers his wife Alison and young sons Samuel and Nathan far more important than all his fame. But he also loves his Mercedes with the personalized number plate.

It was a damp and chilly Sunday in June last year when Edwards suddenly jumped into the history books. With hardly anyone watching this 29 year old journeyman athlete broke the 13 year old British record for the triple jump.

"I was coming back after a virus. I had changed my technique. As I lay on the grass after the big jump, I felt that the nightmare of the illness is over and I will be able to jump well."

That was a massive understatement.

In the following nine weeks Edwards set another five British and three world records. He became the first man to ever triple jump more than 60 feet. On an August evening in Göteborg, he cleared 18.29 meters. No one before him had broken the 18 meter barrier.

Last year Jonathan Edwards triple jumped his way to a world record, one he hopes to break in Atlanta.

BERLIN

FRANZISKA VAN ALMSICK

Germany's aquatic "Lolita" has come of age. Franziska van Almsick, from the former East Berlin, who swam her way into the hearts of eastern and western Germans alike at the 1992 Olympic Games in Barcelona, turned 18 in April



German fans wonder if millionaire swimmer Franziska van Almsick still has the drive to win in Atlanta.

and is now facing the daunting challenge of the 1996 Games in Atlanta. Already she has become the first sports superstar of the united Germany. "Franzi" as she is called by her legions of fans was just 14 when she took the swimming world by storm winning two bronze and two silver medals in Spain. When the German newspapers and magazines went on about her "long legs, pouting mouth, and dark eyes," she confessed she had no idea who this "Lolita" person was. Nor did she see herself as an underage sex symbol.

After Barcelona she won 11 gold medals at the European swimming championships in Sheffield (6) and Vienna (5). In 1993 she was chosen *Swimming World's* International Swimmer of the Year—the youngest athlete ever so honored. However, at the 1994 world championships in Rome she miscalculated the effort required to qualify for the final in the 200 meter freestyle. She finished ninth in

the preliminaries. Only eight make the final. Franzi was in tears, but her teammate Dagmar Hase, the defending 400 meter freestyle Olympic champion, dropped out creating an opening for her. At first Franzi didn't want to swim in the final because people were saying that Dagmar Hase had done her a favor. "I had made a big mistake," she sobbed. She had to make a decision in 30 minutes to swim or not to swim. "Those were the most terrible moments of my life," she explained. "Finally I decided to swim because I had worked so hard for this final." Not only did Franzi win a gold medal, she also swam a world record time of 1:56.78. After the victory all these pent-up emotions exploded in uncontrolled tears. Later she said that the experience in Rome made her sad and miserable. The darling of the nation can quickly become the loser of the nation, she realized.

Franzi has become famous without an Olympic gold medal, but she hopes to change that at this year's Atlanta Olympics. Her good looks, her perfect figure, her easygoing disposition and wit have greatly helped her to attain stardom. At times she likes the glamour of stardom, but often she resents it. "Maybe I'm a star, but on the other side I'm really normal, like other girls." She complains that she cannot go for a stroll in Berlin without being pestered for autographs. "If you feel bothered and react accordingly, people will immediately say 'what a bitch.'" This is why she enjoyed her anonymity in Coral Springs, Florida, where she spent three months learning English. She found her equilibrium there. "In America, I could laugh again. I felt rested, and I had the desire to be among people again."

Franzi appeared on numerous television shows and the covers of German magazines. Her swimming skills were soon translated into a marketing career. With nine endorsement contracts reportedly paying her \$2 million a year, she is a multimillionaire. Critics say that she devotes far too much time to making money and not enough to training for Atlanta. "I cannot simply say," she argues, "go on paying me but leave me alone." She admits, however, that she is afraid of Atlanta "because it is the biggest challenge I ever had. I can achieve a lot, but I can lose a lot. Material things are not at stake. It's my ego." This is the once cheerful, unconcerned child of the Barcelona Olympics. Lolita has grown up.

—Wanda Menke-Gluckert

There was little warning of this magic season when he went unbeaten in 14 international competitions. Indeed, his previous form at the Olympics has been less than inspiring. At Seoul in 1988 he finished twenty-third with a jump of 15.88 meters. Barcelona in 1992 was a disaster, he didn't even qualify for the jump off.

This time will be very different. He is determined to go for the gold in the little appreciated triple jump, which was the first medal event on the program of the first modern Olympics a century ago in 1896.

"An ordinary skinny guy" is how this tall, lean super athlete describes himself. With his gray-splashed hair he exudes familiarity with competition. But what has endeared him to the public here is his grace, charm, and humility.

With a hop, step, and jump he sprang to the attention of a nation until then totally unaware of the science of the triple jump. Last year Edwards was voted male athlete of the year by both the International Amateur Athletic Federation (IAAF) and the European Athletic Association.

Best of all for him he was voted Sports Personality of the Year by the viewers of BBC television. Confirmation of public admiration of his intelligence, wit, and modesty in the face of adulation.

But Edwards is not an innocent abroad. He knows the potential of his achievement. Indeed, even before the miracle summer of 1995 he was earning \$15,000 for every appearance at an athletic event.

"If I win at the Olympics, I will be a millionaire," he says without any embarrassment. "I will try to maximize my earning potential. I have a responsibility to my family to cash in on my success," he says.

At the same time, he makes it clear that he is not driven by the thoughts of millionaire status.

"I'd like to have money to give to Christian organizations, to friends who need it, to family who have provided support when times haven't been so good. I like watches, but I wouldn't spend \$1,500 on a watch when people I know are struggling to pay the mortgage."

Jonathan Edwards is a very great and a very unusual athlete. He has a first class degree in physics, worked in genetic research before becoming a full-time athlete, and recently enrolled in a correspondence course in theology.

Win or lose in Atlanta, he is already a winner in his phenomenal sporting achievements and above all in his demonstration of how to handle success.

—David Lennon

HELSINKI

KIMMO KINNUNEN

Finland's Olympic Team is getting ready for the Atlanta Olympic Games under the slogan "Full Speed Ahead." At press time, however, only a few of Finland's top athletes had been selected for the Olympic team. Most of the rest of the team will be selected on June 10, and the final members will be named after the Kalevan Kisat competition on July 7. All together, the Finnish team will consist of approximately 100 athletes, and officials hope from that number to bring home 10 medals.

In Atlanta, the Finnish Olympic Team's strongest events will most likely be javelin throwing, kayak racing, and swimming. These somewhat lonely and demanding sports in many ways reflect the nature of Finnish people, which might explain why Finns have become successful in them.

Perhaps it comes as a surprise to some that Finland is one of the world's leading javelin throwing nations. Since the 1906 Athens Games when the javelin throw debuted at the Olympic Games, Finns have never placed lower than fifth in an Olympic final. The first Finnish Olympic champion in men's javelin was Julius Saaristo, who received the gold medal in Stockholm in 1912. Since then, Finns have won eight gold, nine silver, and six bronze medals in Olympic competition.

During the past 12 years Finnish performance in the javelin has remained strong and steady. Many well-known Finnish throwers, such as Olympic gold medalists Arto Härkönen (1984), Tapio Korjus (1988), and three world champions Tiina Lillak (1983), Seppo Rätty (1987), and Kimmo Kinnunen (1991), have made javelin throwing one of the most popular sports in Finland. In Atlanta, Kimmo Kinnunen will be competing for a gold medal. He was the world champion in 1991 and is the most promising thrower on the Finnish Olympic team this year.

Kayak racing is another sport that has been strong in Finland. Since 1938, when Maggie Kalka won the world championship title in the ladies' single 600 meter race, Finns have become increasingly competitive. Although the top Olympic prize eluded the Finns for more than 30 years after Thorvald Strömberg won the gold in 1958, kayak racing remained among the most popular sports

in Finland. After Mikko Kolehmainen won the 1992 Olympic gold medal, the popularity of kayak racing shot up again. In Atlanta, Finns are aiming for a gold in both the men's single 500 meter and single 1,000 meter races. Kolehmainen will defend his title in Atlanta.

Unlike the javelin and kayak events, Finnish swimmers do not have a long championship past to spur them on.



Finns hope Kimmo Kinnunen will continue an illustrious Finnish tradition in Olympic javelin throwing.

When Antti Kasvio won a bronze medal in the men's freestyle at the 1992 Barcelona Olympics, he brought Finland its first Olympic medal since 1920.

Jani Sievinen, a promising young star on the Finnish Olympic swimming team, won the men's 200 meter freestyle race at the 1995 European championships in Vienna, Austria. He also won both the 200 meter and the 400 meter individual medleys in Vienna.

Jani Sievinen represents a new generation of Finnish swimmers. He has been swimming since he was four years old. Coached by his father and Karl Ormo, the head coach of the Finnish Swimming Association, Sievinen has taken a new approach to training. His training does not just include vigorous swimming workouts but also video analysis of his strokes. Equipped with this modern training approach, he is getting ready to swim for the gold medal in Atlanta.

—Hanna Tukiainen de Carvalho

PARIS

MARIE-JOSÉ PÉREC

When her long, graceful stride carried her first across the finish line of the 400 meters at the 1992 Summer Games in Barcelona, Marie-José Pérec brought tears of joy to the eyes of French spectators. The tall girl from Guadeloupe had captured an Olympic gold in a sport in which France is not often represented on the winners' podium and set a world record.

Overnight Marie-José became not just France's top star of track and field, but its overall sports idol, the darling of the media, of sponsors, and fans. Every move of the fleetfooted, but painfully shy "gazelle" was observed, every character trait recorded, every instance of her past and present life examined.

Her humble beginnings in a shack in Guadeloupe, living with a grandmother she adores and still calls several times a week, her divorced parents, her older sister and younger brother, the high school gym teacher who thought her stopwatch was broken when the gangly 15 year old sprinted 60 meters in eight seconds—all were grist for the media mill.

Marie-José's elegance, her passion for fashion, made her an exceptionally photogenic athlete, one who could grace the covers of both serious sports and glossy women's magazines. She was even asked to model for Paco Rabanne, and loped self-consciously down the catwalk in a tri-colored leotard, with a replica of her Olympic gold medal slung around her neck (the real one was stored safely in the bank).

By nature an extremely private person, she did not cope well with the glaring spotlight of celebrity. She sometimes did not show up for interviews, and even when she did, her lack of assurance with journalists often came across as arrogance. She reacted aggressively to probing questions, firing back answers that endeared her to nobody. "I like to say what I think and not what people expect," she admitted.

Within a year and a half of her Olympic triumph, almost as much was known about Marie-José's character faults as her immense talent as a runner. The relationship between herself and her coach, Jacques Piasenta, became more and more strained. They were two completely different personality types. He was a strict disciplinarian, who handed out a list of written "command-

ments," which included punctuality, to the athletes he took in hand. She was moody, inclined to indolence, and chronically late for training sessions.

In March 1994, the storm which had been brewing finally broke. At the European indoor track and field championship near Paris, when the runners lined up for the start of the 200 meters, one lane—with the television cameras fixed on it—remained empty. Marie-José had abandoned the race at the last minute, because she did not feel ready and preferred not to run instead of lose. For Piasenta, it was the last straw. He called her a "viper" and a "diva" and announced there and then that he refused to work with her anymore.

Marie-José, too, had had enough. She packed her bags and headed for Los Angeles, for a fresh start with UCLA's top coach John Smith. Smith, who trained Olympic gold medalists Quincy Watts and Kevin Young, is charming, laid-back, with a dry sense of humor and a firm belief in the power of positive thinking. Under his guidance, Marie-José started turning in championship performances again.

In Helsinki, in the summer of 1994, in spite of a fractured toe, she won the European 400 meters title, which made her the triple champion (Olympic, European, and world) of that distance. In 1995, in Göteborg, she ran off with the world title a second time.

She is now preparing for the Atlanta Olympics. "I'm happy," she says. "As a matter of fact, I've never felt so good." The warm climate and relaxed lifestyle of California suit her perfectly. So does the positive, "can-do" attitude she finds typical of Americans. "Americans are convinced they are the best in the world," she says. "Since I've moved to LA, they've convinced me, too, that I am the best."

Next month in Atlanta, the world will see if Americans are right about Marie-José Pérec. If they are, she will be the first French athlete to keep an Olympic title, and the first woman of any country to hold on to the 400 meter gold.

—Ester Laushway

L I S B O N

FERNANDA RIBEIRO

Last summer Portugal's Fernanda Ribeiro set a new 5,000 meter world record and won a gold medal for the 10,000 meters at Göteborg. This summer

she is going for the gold in Atlanta.

The Portuguese, who have virtually given up hope of their male athletes stepping on to the Olympic podium this time round, are banking on the 26 year old Ribeiro and her compatriot Manuela Machado to live up to the legendary Rosa Mota—Portugal's greatest athlete who took an Olympic gold eight years ago.

"My big dream is to be an Olympic champion. It's the only title I'm missing, and I think I'm coming closer and closer to making that dream come true," Ribeiro said before setting off for Brazil for some humidity training. Portuguese athletes are used to high temperatures but not the sticky Atlanta heat, and they are taking no chances.

Ribeiro, who comes from a small town in northern Portugal, began running when she was just nine, encouraged by her father who trained groups of male runners.

"I started because I loved beating the boys," she said. "My mother didn't want me to be an athlete. She thought I was too skinny and that I'd collapse and die. She still refuses to come and see me compete, even at important meets."

Ribeiro took some time to progress from European to world champion, but in July last year she set a new record of 14:36.45 for the 5,000 meters. Three weeks later she took her gold in Göteborg and a silver for the 5,000—just for good measure.

Although she holds her world record in the 5,000, she will run the 10,000 in Atlanta, partly because she is worried about her Irish rival Sonia O'Sullivan.

"I run the 5,000 very well alone. I've proved that by taking the world record, but running against Sonia would make it very difficult. She just gets that extra spurt of speed at the last moment."

Ribeiro recognizes that she will face intense competition from Ethiopian Derartu Tulu and Kenya's Tecla Lorupe. "I'm going to do my very best, but I am just one of many candidates," she says. But like most of Portugal's top female athletes, Ribeiro has a tremendous will to win. Her trainer, João Campos, believes this is why the Portuguese women succeed where their male compatriots fail.

"While the men sometimes get complacent when they reach world class, these

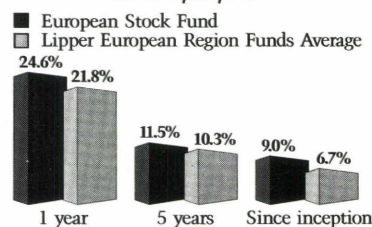
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women have immense ambition and a need to prove themselves," Campos said.
—Samantha McArthur

R O M E

YURI CHECHI & SETTEBELLO

The unmistakable red-haired Yuri Chechi will most likely give Italians the most to cheer about in Atlanta. And even if he doesn't, he will in any case be the greatest Italian gymnast this generation has seen. A ring specialist, he has won every-

been in charge of Settebello since 1990. Until then it was a team with mediocre placings in international meets. Two years later, in 1992, it won the Olympics. Thanks, unquestionably, to Rudic.

As a player and a coach, Rudic has won medals at the last four consecutive Olympics. Before becoming a coach, Rudic played for Yugoslavia's national team until 1980, when the team won the Olympic silver medal. Immediately afterwards, he began coaching and led Yugoslavia to two gold medals in Los Angeles and Seoul. When he resigned in 1988,

lution of the game," he explains. "I want to follow that evolution. Speed is the future of this sport. The young players can learn the new game better."

His players, even if they occasionally grumble, love him despite his endless training sessions. "Work, work, work," he says, "in Yugoslavia we practiced eight and nine hours a day." But the members of Settebello would readily fight for him, literally. In a match with the Hungarian national team, Rudic jumped into the pool in the midst of an altercation. His team raced to his defense.

—Niccolò d'Aquino

D U B L I N

SONIA O'SULLIVAN

Sonia O'Sullivan, women's 5,000 meter world champion, is Ireland's biggest hope for a gold medal at the Atlanta Olympics. It would be the first Irish gold since as far back as Melbourne in 1956 when Ronnie Delaney won the 1,500 meters and immediately fell on his knees to give thanks.

Like Delaney, Sonia O'Sullivan is a product of a sports scholarship to Villanova University outside Philadelphia where she went in 1987 to study accountancy and be coached in track by Marty Stern. But she did not fit in with his punishing training regime and suffered shin splints. She worked out a compromise system during which she also kept in touch with her Irish coach, Sean Kennedy, and showed great promise at the 1990 European championships at Split, where her distinctive long stride and determination marked her at 22 as an athlete to watch.

The following year she had her first international success when she won the 1,500 meters at the World Student Games and set a world indoor record for the 5,000 meters. This made her the first Irish woman to set a world track record. Back in the 1950s the participation of Irish women in athletics was discouraged and even forbidden by the Catholic Church.

Now all that is changed, and the local bishop was among the thousands from her native County Cork to hail Sonia's brilliant race at the world championships in Göteborg last year when she won the 5,000 meters. This victory led to her being named European Athlete of the Year. She was a favorite to be named International Athlete of the Year but took



The Italian water polo team, led by coach Ratko Rudic, is a strong contender for a gold in Atlanta.

thing there is to win except for an Olympic gold medal. An injury kept him away from the Barcelona Olympics of 1992.

But it is more likely that Italian sports fans will have their eyes trained on a swimming pool than on a gymnasium. The Italian national water polo team is capable of generating the same national enthusiasm as the country's beloved soccer team. It has certainly won more titles than Italy's soccer team, taking gold medals at the Barcelona Olympics, the 1994 world championships, and the 1995 European championships.

The team is nicknamed, *Settebello*, which roughly translated in English means "the beautiful seven." It comes from the name of the most important card in *scopa*, an extremely popular Italian card game and was also the name given to Italy's first high-speed train.

One thing for sure, the Italian national water polo team has been cruising at a higher speed than its adversaries for a few years now. The merit goes to a non-Italian trainer. Ratko Rudic, 48 years old, has

received offers worldwide, but he says he chose the Italian team because water polo is such a popular sport in Italy.

In addition to his winning ways, Italians love Rudic for his personality. It is impossible not to notice him poolside with his dark hair and excited gesturing. When he manages to sit down for a few seconds it seems as if he is only re-charging himself for the next leap to his feet.

Bruce Wigo, the executive director of the US water polo team, compares Rudic to former football coach Don Shula. "He can inspire confidence and mix chemistry with the athletes. He is not afraid to get rid of his best players to make a better team."

In fact, to everyone's great surprise, Rudic didn't hesitate to completely overhaul the team that took Italy to victory in Barcelona and the world championship. Right after the European championship in 1995, he selected eight new players, leaving half the old victorious team at home. He was criticized at the time but has since won enough victories to silence the questions. "The reason we changed is the evo-

second place behind US sprinter Gwen Torrance.

It has not been roses all the way for O'Sullivan. The 1992 Barcelona Olympics turned into a nightmare. Tipped for gold, O'Sullivan tired in the heat in the last lap of the 3,000 meters and could only finish fourth. She tried again for a medal in the 1,500 meters but could not qualify. In the 1993 world championships, she was left standing by the Chinese runners whose amazing performances gave rise to suspicion about their training methods but nothing was proved.

O'Sullivan showed in Göteborg last year that she has the mental as well as the physical ability to rise above adversity. Her tactics were perfect as she perfectly timed her famous finishing burst to become world champion. There was some adverse comment when television viewers at home saw her refuse to do a victory run carrying an Irish flag, which had been offered to her by the fans. But the incident was quickly forgotten, and she came home to her native town of Cobh to a hero's welcome.

She was noted for her reserved, even aloof manner, but since this triumph she has noticeably relaxed in interviews and public appearances. But her eyes are set on winning the 5,000 meters in Atlanta, and she knows how important this elusive gold medal will be for Ireland and how the whole country will be urging her on to victory. Now age 26, it could be her last chance to win the coveted Olympic honor.

—Joe Carroll

LUXEMBOURG

IGOR MULLER

The people of Luxembourg do not go in for hero worship as a rule, but one name stands out in the country's list of sporting successes. In 1952 Josy Barthel won a gold medal in the 1,500 meters at the Summer Olympic Games in Helsinki and earned himself a unique place in his country's affections. When Barthel died in March this year, the national stadium was renamed after him.

Luxembourgers are realists. With a population of barely 400,000, they are not, frankly, expecting their athletes to collect a hatful of medals at Atlanta this summer. More than one commentator wonders, however, if the team might not be inspired to lift its game a notch or two in remembrance of Josy Barthel and his

famous victory.

The Luxembourg team at Atlanta will be one of the smallest. The latest reckoning is that it will comprise a judo champion, three rifle and pistol marksmen, a swimmer, a woman archer, and possibly, a woman hurdler. Their overall chances were summed up this spring by the head of the Olympic delegation, Armand Wagener, who said that under optimal conditions they should finish "in the second third of their competitive field."

The real spirit of the Olympics, however, and one which Luxembourg fully supports, is participation, said Norbert Haupt, president of the Luxembourg Olympic Committee. It was every athlete's dream to take part in the Olympic Games, he said at a ceremony to introduce the team to Grand Duke Jean, the doyen of the International Olympic Committee.

The best bet for a Luxembourg medal is represented by Igor Muller, slated to compete in the heavyweight judo competition. In spite of his relatively specialized talents, Muller has been one of the Grand Duchy's best-known sportsmen since taking up judo seriously 12 years

ago and winning a slew of medals in European competitions since then.

He was voted into third place in this year's Sportsman of the Year Award in Luxembourg in January and has seldom been out of the top three in recent years. Last May he finished seventh at the world judo championships and in December won the gold medal in the Basle tournament, the first of 11 Olympic qualifying competitions. He has been rated as among the top seven in his field in Europe for the past three years and since 1987 has defeated a number of the best-known international figures in the sport.

Injuries have kept Muller out of qualifying competitions this year so far, but the Luxembourg Olympic Committee is confident that he will do well enough by midyear to be allocated a place at Atlanta. Failing that, the Luxembourg champion would qualify as a wild card entry.

Now 28, Muller has returned to intensive practice, taking time off from his work as a cabinetmaker. He studied "wood sculpture" at Liege in Belgium for four years and now works for a company specializing in artistic carpentry and ex-

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pert renovation. Muller, who is single, lives in the city of Luxembourg but spends a lot of time training abroad, particularly in Japan under his trainer Kazushi Kawauchiya.

It would be wrong to call Muller a popular hero in Luxembourg, says Raymond Hastert, secretary-general of the Luxembourg Olympic Committee. More accurately, he says, "he's the most popular, the best-known, of those we expect to take part in the Olympic Games."

That doesn't mean he won't return from Atlanta a hero. "We believe he's in a position to finish in the top 10," says Hastert. A more excitable nation than Luxembourg might pitch its expectations a tad higher than that, but they are cautious people here. As Wagener says in rating his team's prospects, "A few surprises may even be possible, and they would of course be more than welcome."

—Alan Osborn

THE HAGUE

INGE DE BRUIJN

The Netherlands have plenty of water throughout the country, and children are taught to swim at the earliest age. So it does not come as a surprise that the Dutch are good swimmers. In international swimming competitions, Dutch women in particular have done well and over the years have earned their share of Olympic medals.

Although at the 1992 Barcelona Games and subsequent major competitions, the results were disappointing. That was the situation until last year when a new group of swimmers came to the fore. At the 1995 European championships, Dutch swimmers made it to 16 finals, winning three medals. This summer the Dutch swimming team hopes to impress spectators at the Atlanta Games with at least 13 of their top swimmers, men and women.

One of them is Inge de Bruijn. Twenty-two years old, an attractive blond student of sport management, de Bruijn specializes in the butterfly. She will also compete in the 100 meter freestyle and hopes to be in the 4 x 100 meter freestyle relay team.

Inge started competing when she was 12, getting up early to train with her swimming club in Dordrecht before going to school. At 18, she participated on the national team in the 1992 Barcelona Games, coming back to finish seventh in the butterfly after suffering a bout of food poisoning only days before.

This spring, when the Dutch swimming team left for a training camp in the Dutch Antilles in preparation for the Atlanta Games, Inge was told to stay at home, although her place in the Olympics had already been secured. Due to private circumstances she had missed too many training sessions with her club in the Netherlands. She was let go by her trainer, who also trains the Dutch

women's Olympic team.

The disappointment of being left out of the training camp, she hopes, will motivate her to improve her preparedness for the Atlanta Games. Commenting recently to a Dutch newspaper about her training she said, "Maybe it is getting less, because I am already swimming at the top for 10 years. I am getting older, too."

Inge has since returned to work with her old coach and hopes to make a comeback in Atlanta. She says she is the type of athlete who achieves best under pressure. "Being in the stadium gives me a 'kick'. In the past, I've had more difficulties qualifying for a tournament than with the tournament itself. When you hear all those people yelling and screaming, then you know for whom you are swimming. It seems they all have come to the stadium just for you. Atlanta is just going to be terrific."

—Roel Janssen

MADRID

RAUL GONZALEZ

Spaniards will be closely watching all their athletes and teams at Atlanta next month, but they will be especially watching the players on the soccer squad, who are the defending champions following the wonderful hometown gold medal win in Barcelona at the 1992 Summer Games.

NEWSMAKERS

The wholesale reshuffling of Formula 1 teams this year has resulted in some exciting and potentially explosive partnerships.

In the driving seats at Benetton-Renault is an experienced tandem who has spent three years together with Ferrari and now find themselves thrown together again. Both Frenchman **Jean Alesi** and German **Gerhard Berger** are hoping that this time their cohabitation will bring one of them the world championship title. The two are equally voracious in their pursuit of victory. If one finds himself out in front, it is hard to imagine either of them dropping back to let his teammate take first place.

A potentially very odd couple is at the helm of Ferrari this year. The double world champion **Michael Schumacher**, calm, analytical, and used to being in ab-



Jacques Villeneuve hopes to re-create his CART success on the Formula 1 circuit.

solute control has been teamed up with the exuberant, provocative, and unpredictable Irishman **Eddie Irving**.

"Schum" and "Irv," so far, have had no obvious problems getting along. Schumacher has assumed the role of leader, which comes so naturally to him, and Irving has respectfully stayed in his shadow. Content to see that he knows his place, Schumacher commented, "I am happy to have a teammate I can count on."

Over at Williams-Renault, Formula 1 history is being made. For the first time ever, two sons of former champion drivers are racing for the same stable. **Damon** and **Jacques**, the sons of **Graham Hill** and **Gilles Villeneuve**, share the same sense of fair play, of fierce but friendly rivalry. On the track, neither plans to give the other an inch; off the track they train together and declare that they are delighted to be partners.

Except for both having famous fathers, the two bring very different personalities and talents to their alliance. Hill, 35, who describes himself as "terribly British,"

On the team this time around will be Raul Gonzalez, the 18 year old wunderkind forward of Spanish football who has been the one bright spot in the fortunes this season of beleaguered one-time league champs Real Madrid, now languishing at number eight in the standings.

"He is simply one of Europe's most promising players," says Tim Brown, the Madrid correspondent for the *Daily Telegraph* of London, who has been covering Spanish soccer for 25 years.

Spain wouldn't even be going to Atlanta if it hadn't been for Gonzalez scoring both goals in the 2-1 win that qualified the team for the Olympics. He and his teammates celebrated by dancing a conga line off the field.

Like many young Spaniards, Gonzalez lived and breathed soccer as a kid growing up in a working-class district of the capital.

"At Christmas, children ask for cars or toys, but the only thing that interested me was football, and I always asked for balls and soccer shoes," he says.

And like most working-class Madrilenos, Raul and his family were passionate fans of Atletico Madrid, the cross-town rivals of Real Madrid, which is considered the team of the city's upper class.

It was Atletico that Gonzalez first played for, gaining a spot on their junior team. But when the squad was shut down, the tall, rangy striker moved over

to Real Madrid and joined the first division team in 1994.

In his debut match, Gonzalez fired into the net and has since become one of the Spanish first division's most prolific scorers. He will probably finish this season with at least 20 goals to his credit.

"He has wonderful positioning, is a lethal shot with either foot, and also good with his head shots," says Brown.

Before going on to Atlanta, the Spanish squad will appear at the European championships in England, but ironically Gonzalez might not be there because of a team rule that players must be at least 21.

There is a clamor for the national coach Javier Clemente to let him play in England, giving him the perfect opportunity to warm up for the Olympics at a high pressure, international venue.

—Benjamin Jones

STOCKHOLM

MIKAEL LJUNGBERG

As the magic opening of the Atlanta Olympics draws near on July 19, Sweden is looking closely at its athletes to see where a potential gold medal winner may be hiding. A small country, Sweden is not used to having many medal candidates (at least not in the summer Olympics), and this year appears to offer even fewer than normal. What makes it doubly troubling is that the top gold

medal contender has found himself in the biggest sports quarrel of the year in Sweden, a quarrel that may ultimately make him miss the Olympics.

The sport is wrestling. Sweden has a long history of international success in the sport, usually winning at least a medal in the big international competitions. The last time a Swedish wrestler captured the Olympic gold, however, was in Helsinki in 1952, and Sweden is now eagerly awaiting a new champion.

When Mikael Ljungberg, competing in the 100 kilogram class, captured his second world championship in Prague last fall, previous whispers that Sweden had a new Olympic champion in the making turned to shouts. But the euphoria soon turned to gloom. When Ljungberg wanted to sign an independent contract with a large sports shoe manufacturer to use their product in the ring, the Swedish wrestling federation stepped in to give Ljungberg a very humiliating slap on the wrist. Ljungberg decided not to get mad but to get even. He took his case to the press front pages, arguing before an assembled panel of sports writers that wrestlers should be allowed to make at least a little money on the side from commercial contracts. (Swedish wrestlers are generally not known for their lavish salaries.) Ljungberg received support from some of his wrestling companions (notably former heavyweight world champion Tomas Johansson), but his public battle put him at

has a dry sense of humor and elegant turn of phrase, is a gifted all-round athlete so well coordinated that he can juggle like a pro, and he is self-disciplined enough to follow a highly demanding training program to perfect his natural talents.

Villeneuve, 24, is not only far younger, but also far more difficult to pigeonhole. Born in Quebec, raised in Switzerland, he has lived in Italy, Japan, and the US and now calls Monaco home. He speaks English, French, and Italian, and in all three languages he is not afraid to speak his mind. Instead of trying to emulate or surpass his late father, he fully intends to make a name for himself.

•••

For its part, the British postal service is promoting the upcoming soccer championship finals with a special series of stamps featuring five legendary British soccer stars: **William Dean**, **Bobby Moore**, **Duncan Edwards**, **Billy Wright**, and **Danny Blanchflower**.

They were chosen by the public, and all of them are not only great, but also late—as in no longer living—players. The reason? In England, only members of the royal family are allowed to be depicted on postage stamps during their lifetime.

•••

Irish cyclist **Stephen Roche** is running a personal publicity campaign to promote his native country's candidacy to become the starting point of the 1998 Tour de France. The former tour racer is organizing five-day cycling trips around County Cork for freewheeling tourists who want to come back from their Irish vacation with steel-hard thigh and calf muscles.

The grueling Tour de France race will no longer be much of a challenge for **Hubert Schwarz** from Germany if he manages to stay in the saddle for the next couple of months. He is currently on an 80-day, 13,000 mile cycling tour of the

world, raising money for charity.

•••

As one of the official sponsors of the 1996 Summer Games in Atlanta, the Swiss watch company Swatch is bringing out a special Olympic collection of 10 different models, each dedicated to a former gold medalist.

The 10 champions were united for a publicity shot taken by **Annie Leibowitz**. It was an impressive lineup of 24-karat smiles: Moroccan runner **Said Aouita**, British decathlon star **Daley Thompson**, British runner **Sebastian Coe**, American runner **Edwin Moses**, American long jumper **Bob Beamon**, Italian marathon runner **Gelindo Bordin**, American swimmer **Mark Spitz**, Romanian gymnast **Nadia Comaneci**, German figure skater **Katerina Witt**, and American speed skater **Dan Jansen**. Together they have won a total of 26 gold medals.

—Ester Laushway

odds with the top wrestling leadership, including federation general manager Pelle Svensson, himself a legendary former wrestler.

The conflict reached its peak during the recent European championships in Budapest, when Svensson, in the middle of the tournament, fired national coach Leo Myllöri. Svensson cited what had up till then been a miserable Swedish performance as the reason for Myllöri's dismissal. But Myllöri had the complete support from the wrestlers who collectively released their rage at Svensson, to the obvious delight of the press. Ljungberg himself threatened not to wrestle again while Svensson was still at the helm of the wrestling federation. At the same time, burdened by the conflicts and with an obvious lack of concentration, Ljungberg reached an utterly disappointing ninth place.

Still, Ljungberg has an Olympic spot reserved for him. It remains to be seen whether he will take it—and whether he can put his troubles behind him and capture the elusive Olympic gold.

—Jonas Weiss

COPENHAGEN

METTE JACOBSEN

Danes won a combined total of 67 world and European championships, many of them in Olympic disciplines, last year. And the Danish team in Atlanta hopes to do better than at the 1992 Olympic Games in Barcelona, when Denmark won a total of six medals, including one gold medal. Since the start of the Olympic Games in 1896, Denmark has only failed to win a gold medal three times, and Atlanta is not likely to add a fourth time.

Team Danmark, the organization that organizes the sponsorships, believes that Denmark is most likely to win medals in five disciplines, three of them aquatic. Swimmer Mette Jacobsen is the best female bet, followed by strong contenders in rowing, sailing, badminton, and ladies handball.

Danish public interest in the games is high, and Team Danmark has supported the training for the Olympics with close to \$35 million, a considerable sum in a country of 5 million people, and evidence of a growing business interest in sponsorships.

Mette Jacobsen's strongest competitors in the water are expected to be the

Americans, the Australians, and the Chinese. Hopes are high for the Danish badminton team, as badminton is traditionally a strong Danish event, proof of which was provided last year, when the team won seven medals at the world championship.

As many as 130 Danes are expected to participate in the games, and in many disciplines the women outnumber the men for the first time. Among the athletes the world champion runner in the 800 meters, Wilson Kipketer, is the all-odds favorite if he is allowed to run for Denmark, as he did when he won his championship. Kipketer is of Kenyan origin, and the International Olympic Committee has the matter under consideration.

—Leif Beck Fallesen

VIENNA

HANS SPITZAUER

Hans Spitzauer, a 30 year old Vienna born lawyer, is the great hope of Austria's Olympic team in Atlanta this summer. Spitzauer, a tall, solidly built man in superb physical condition, is a champion sailor. In fact, he won a gold medal at the world championship races in the Finn class at Melbourne last year, and he earned a bronze during the 1992 Olympic Games in Barcelona. Overall, he has no fewer than six international championship titles to his credit.

This year's Olympic Games yachting competition will be held on Warsaw Sound and the Atlantic Ocean off Savannah, Georgia, some 250 miles east of the Olympic Village in Atlanta.

There will be 10 medal events in all, three of them—Board, the 14-foot single-handed dinghy (Finn class), which is Spitzauer's discipline, and double-handed dinghy (470 class)—for men only.

Spitzauer started sailing when he was only four years old on the Neusiedler Lake in the Burgen-land province of Austria where his family has a home. He sailed a 420 class boat until 1984, when he switched to the Finn class. He was only 19 when he captured the junior European championship in 1986.

Two years later, he had his first exposure to Olympic competition during the 1988 Seoul Games in South Korea.

The Olympic yachting competition involves four medal events in Warsaw Sound and on the ocean, a triangular buoyed course of between 8 to 10 miles and a total of 443 athletes. Spectators will be able to

view the races from passenger boats anchored along the courses, with each ship accommodating 800 passengers.

Competitive sailing makes tremendous physical and mental demands on the men and women who participate. Spitzauer, who is married and has a four year old son, is the first to admit that it also takes a toll on his private life since he is constantly on the road training or participating in races.

The constant wet and the cold, the burning sun, the demands on his muscles and even on his skin, the impact on his bones of being seated for such long stretches at a time, and the competitive tension all have left their mark, but for Spitzauer it's all part of the game, minor inconveniences when compared with the joy of sailing and the excitement of the competition.

"I love sailing," he says simply, and while he admits the need to prove something by winning has diminished over the years, he puts the joy of being on the water and the challenge in itself on top of the list of reasons that drive him from regatta to regatta.

"After you have some disappointments, like my ending up in eighth place in Barcelona, you learn that winning isn't everything," Spitzauer says. "I even thought of giving up Finn sailing, but I couldn't do that. I do have ambition, and I am the type that fights to win to the bitter end, even if that poses the danger of losing my way at times."

But Spitzauer is a realist. He changed the relationship between the actual competition on the water, the physical training on land, and even the contact with his family ("I know that there have been times when I took a lot more from them than I gave back"), but all that did not diminish his deep affection—his passion—for sailing and for his boat.

"You have to have a feeling for your boat," he recently told an interviewer. "When you are on the water, in a race, you just translate your experience into action. You have to intuitively comprehend a situation and deal with it. That's where the feeling for your vessel comes in. Without it, you can't be a good sailor. The boat just becomes a part of you."

Spitzauer realizes that, to be a winner in the Finn class field, he has to be in top physical shape because that is what the handling of the boat under so many unpredictable water and wind conditions demands. So he trains, driving his body to the limit for that crucial moment on the water when seconds count.

In the waters off Savannah, Spitzauer

faces tough competition from Americans Brian Ledbetter and Mark Reynolds, Canadian Hank Lammens, and Spaniard Jose Van der Ploeg who won the gold in Barcelona in 1992. All the boats participating in the various yachting events are one-design ships, of identical shape, size, and weight.

While the big yachts, of course, have been around for centuries, one-occupant competitive dinghy sailing actually became popular only after World War II. Its inspiration was the international 14-foot class, for which the basic rules were laid down in England back in 1901. The length had to be 14 feet; the draught could not exceed one foot; there could be no bulb on the centerboard; and no outside ballast was permitted. What's more, the boats had to be "unsinkable."

Spitzauer's sleek, white vessel, in whose improvement he has had a personal hand, comes out of that tradition. Spitzauer spent years designing new features for it, including the arrangements for its sails, rigging, and mast.

Olympic yachting puts the emphasis on individual skill rather than on mere boat speed. As many as 40 vessels cross the starting line together. Signal flags enforce the empires' rules. Penalties involve enforced turns during the race.

There is a certain irony in the fact that land-bound (but lake-rich) little Austria is putting so many of its hopes on its famous sailor, but then Spitzauer has proven himself championship material on all kinds of water and under all kinds of weather conditions, and the Austrian Olympic team hopes that the Olympic gold medal for Finn-dinghy sailing, which so far has eluded him, will finally end up in Vienna.

—Fred Hift

BRUSSELS

JEAN-MICHEL SAIVE

Few Belgians normally make it to the winners' podium in the Olympic Games. In fact, no Belgian athlete has won anything since the Montreal Olympics in 1976, when middle-distance runners came away with two silver medals and a bronze.

The prospects for Atlanta do not look good, at least as far as the athletics events are concerned. The only Belgian likely to contend seriously for a medal in a track and field event is Vincent Rousseau, a 34 year old from Mons, who is one of Europe's best prospects in the

marathon. A silver medalist in the 10,000 meters in the last European championships in Helsinki, Rousseau has since won a string of marathon races, but he will need to run faster than ever before if he is to stay ahead of the cream of African runners who have made this event their specialty.

Belgian hopes are higher beyond the track and field events, with two excellent young swimmers in Brigitte Becue and Frédéric Deburghgraeve. Becue carried off two gold medals and a silver at the European championships in Vienna last year and was rated number one in the world in the breast stroke. Deburghgraeve won one gold and one bronze medal in the European championships and a bronze medal in the 100 meter breast stroke at the 1994 world championships in Rome.

Each of the Belgians will be entered in both the 100 meter and the 200 meter breast stroke in Atlanta, and it would be surprising if they were not able to carry off at least one prize between them.

The best hope of all may, however, be in the table tennis competition. Jean-Michel Saive (Jean-Mi to his fans) was the world number one singles player last year, but he was bitterly disappointed to be knocked out by one of the younger Chinese players, Ding Son, in the world championships in Tientsin.

At 26, Saive is still near his peak as a player but is well aware that this is probably his last chance for an Olympic medal. By most reckonings he is one of the world's three best players. If he can rise to the occasion, he should not return to Belgium empty handed.

—Dick Leonard

ATHENS

LUAN SABANIS

Given their impressive record in recent international competition, Greece's weight lifters may come away from Atlanta with not one but several medals. Pyrrhos Dimas, for a start, a world record-holder in the 82.5 kilogram category, is tipped to retain the Olympic championship he won at Barcelona in 1992.

The team's newest star is Luan Sabanis, a 25 year old who won the gold medal in the 59 kilogram category at last year's world championships, his first appearance in a top level competition. Sabanis lifted a total of 302.5 kilograms to take the title.

Like Dimis, who is also a world cham-

pion—and another three members of Greece's Olympic weight lifting team—Sabanis grew up in Albania.

Sabanis arrived in Athens in 1991, a time when tens of thousands of Albanians of ethnic Greek descent took advantage of the opening of Albania's borders after 50 years of communist self-isolation to move to Greece. Talented athletes received a warm welcome. Like the other weight lifters, Sabanis joined a Greek sports club, Panathinaikos, and took Greek citizenship.

Sabanis says that if he wins a medal in Atlanta, it will be for Albania as well as Greece, but he adds, "I could never have had the same opportunities to develop as a weight lifter in Albania."

Sabanis wanted to become a professional soccer player, but he was spotted as a potential weight lifter at the age of 12. Like other countries in Eastern Europe, Albania has a strong tradition in weight lifting. (Another member of Greece's Olympic team is an ethnic Greek from the central Asian republic of Kazakhstan.)

Amid the privations of life in Europe's poorest country—where meat was strictly rationed and foreign travel was banned for ordinary citizens—athletes and their families enjoyed special privileges.

But as communism collapsed, so did the state-run sports training system. "It was a choice: Either you gave up weight lifting, or you went abroad to continue. I was 21, and I felt it would be a shame if I didn't try to get to the top," Sabanis said.

Sabanis, who comes from the steel town of Elbasan in central Albania, worked in an electronic goods store in Athens before making contact with the Greek Weight Lifting Federation and joining a club. Learning Greek has made working with a Greek trainer much easier. "It was really difficult trying to communicate through an interpreter or with just a handful of words," he says.

"Weight lifting is all about concentration," Sabanis says. "It's a solitary sport, even if you're training together, like we do. It's very focused, like doing yoga."

Sabanis faces tough competition in his category from Asian weight lifters. He missed the European championships in April in order to concentrate on reaching peak condition in time for the Atlanta Olympics. If he wins the gold, the temptation to give up weight lifting will be strong. Sabanis' long-term ambition is to go to university and eventually become a professor of European history.

—Kerin Hope

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ARTS & LEISURE

THEATER

Shakespeare's Globe Reborn After 400 Years

"All the world's a stage" in Shakespeare's opinion, but no stage in the world is quite like the new Globe Theater opening this summer near the site of the original Elizabethan theater, built 400 years ago.

The Globe Playhouse, opened in 1599, was where King Lear first lived out his

tragedy and where Macbeth first held an audience in rapture. This was the theater for which Shakespeare wrote *Julius Caesar*, *Henry V*, and *Hamlet* among others.

This memorial to the greatest English playwright was the dream of American actor and director Sam Wanamaker, who fought disbelief, indifference, and mockery for a quarter of a century to turn his vision into a reality.

Born in Chicago where he had seen a replica of the Globe at the Chicago World Fair, Wanamaker was shocked when

he arrived in London in 1949 to find Shakespeare's Globe Playhouse was commemorated only by a grubby plaque on the wall of a brewer's bottling plant.

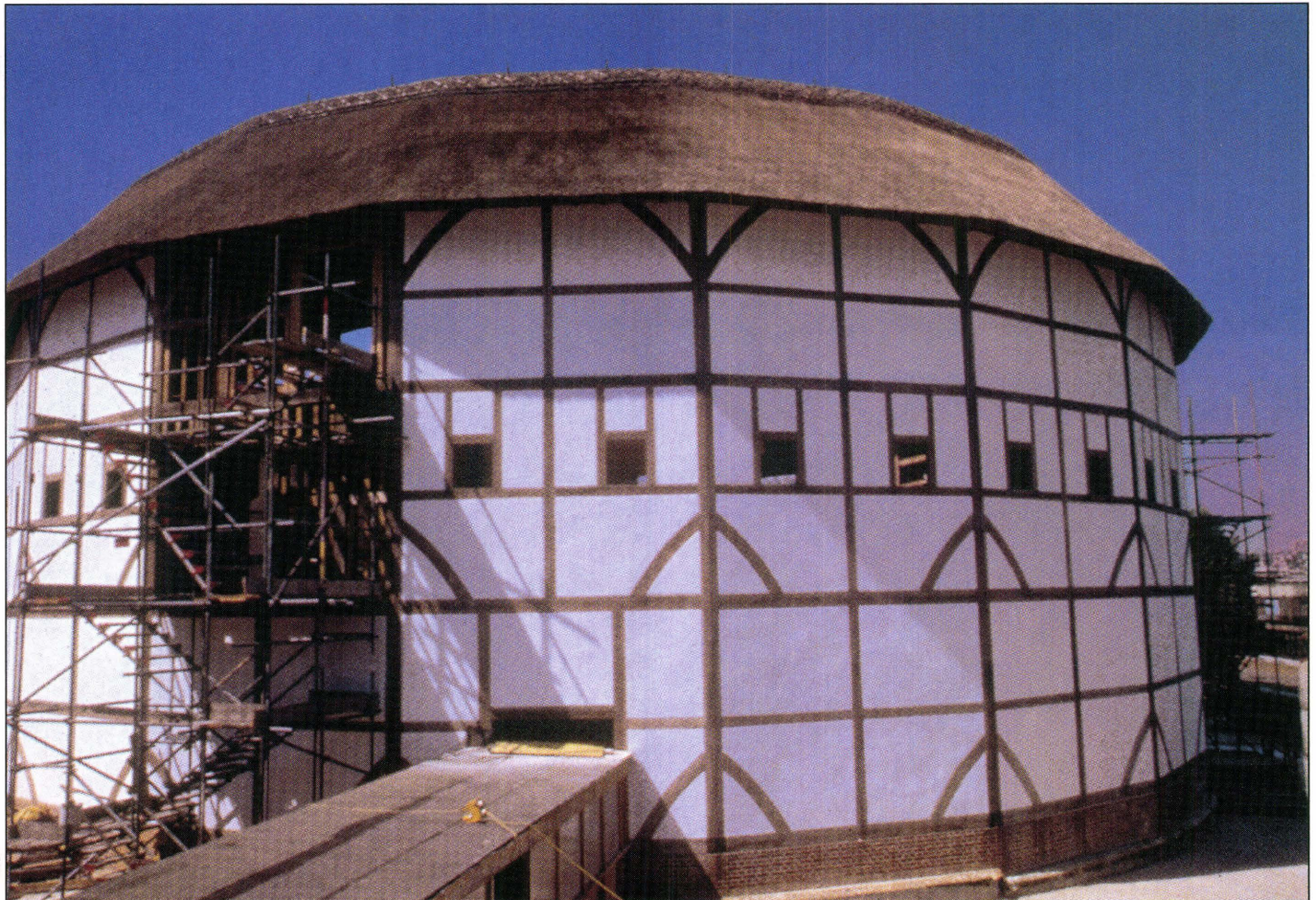
Determined that Shakespeare should have a fitting memorial, he set up the Globe Playhouse Trust in 1970. For the next 23 years the indefatigable Wanamaker could be seen in theater lobbies and restaurants, charming, flattering, and arm twisting his victims into putting up money for his dream.

"I have never been cajoled and beseeched and per-

suaded by a man that I loved more. He never took no for an answer," says actor Robert Powell with affection.

After two decades of fund raising and bureaucratic battles the \$45 million project began to rise on the banks of the Thames, only 200 yards from the site of the original theater. "That cranky Yank building castles in the air" had triumphed in his greatest role.

The decades of disputes over the exact location of the original theater and the precise structure have been resolved. A three tier structure of plaster



The new Globe Theater opens this summer close to the site of Shakespeare's original Elizabethan theater built in 1599.

walls, oak beams, and reeds for the thatched roof has arisen on the south bank of the Thames, across the river from St. Paul's Cathedral.

The new Shakespeare Globe Theater has been faithfully recreated to mirror the original Playhouse of four centuries ago. The one Shakespeare referred to in *Henry V* as "this wooden O." The chorus asks:

"Can this cockpit hold
The vastly fields of
France? or may we cram
Within this wooden O the
very casques
That did affright the air at
Agincourt?"

The circular auditorium will seat an audience of 1,000 with another 500 standing around the stage under the open skies. With the theater being only partly covered, some of the audience may have to endure

rain during London's infamous summer weather.

"I'm not having umbrellas all over the place. If it rains, tough, we'll provide rain hats," says 35 year old artistic director Mark Rylance, himself half-American having lived in Wisconsin from the age of 2 to 18.

In any event, as Hamlet said, "The play's the thing," and the new Globe will put the play first, seeking as much authenticity as possible. It will stage Shakespeare's plays as he first presented them, without scenery or microphones and frequently in daylight.

The Globe's company of players will "strut and fret their hour upon the stage" twice daily in season. The most authentic will be the afternoon performances using only natural light, as in Shakespeare's day. There will also be evening performances, under artificial lighting, so that

working people can attend.

In winter the company will move to an indoor theater which is being constructed as part of the complex and which will be based on a design by the famous 17th century architect Inigo Jones.

The Prologue Season, using a temporary stage, will begin on August 21 with *The Two Gentlemen of Verona*. The run until mid-September will allow the actors and directors to learn more about performing in such an arena.

The first full theater season will begin in the summer of 1997. "We plan four major productions each season as well as a series of 12 smaller works with short rehearsal periods and a prompter," says Rylance.

The Globe is the first building in central London allowed to have a thatched roof since the great fire of 1666. But because no one wants a repeat of the drama in 1613 when a spark from a cannon during a performance of *Henry VIII* ignited the thatched roof, a modern fire sprinkler system is hidden in the thatch.

Shakespeare quickly rebuilt the theater, and though he died three years later, in 1616, the Globe continued to stage his plays until it was shut down by the Puritans in 1642.

It only cost Shakespeare and his associates \$1,500 to rebuild. The new theater cost \$12 million.

To begin with, the money came in slowly, a third of it from America. When the complex is complete, \$45 million will have been spent making it London's focus for Shakespeare, featuring an exhibition of the great writer's life and times as well as a study center for actors and academics.

There will also be tourist facilities, including a restaurant and bar and a shop appropriate for what is becoming one of the "musts" on any visitor's tour of London. "You have seen the play the way Shake-

speare intended, now buy the t-shirt," was how one slightly critical commentator put it.

The opening of the Globe has already become such a landmark event that the British postal service, the Royal Mail, will commemorate the theater's rebirth by issuing a special set of stamps in August to coincide with the first performances.

Sadly, Sam Wanamaker died in December 1993, too soon to see his 40 year old dream completed. But just as Sam would have wanted, his family asked mourners to send donations to the Globe Trust instead of sending flowers to his funeral.

The formal opening of the theater is on June 17, appropriately enough the seventy-seventh anniversary of Sam Wanamaker's birth.

—David Lennon

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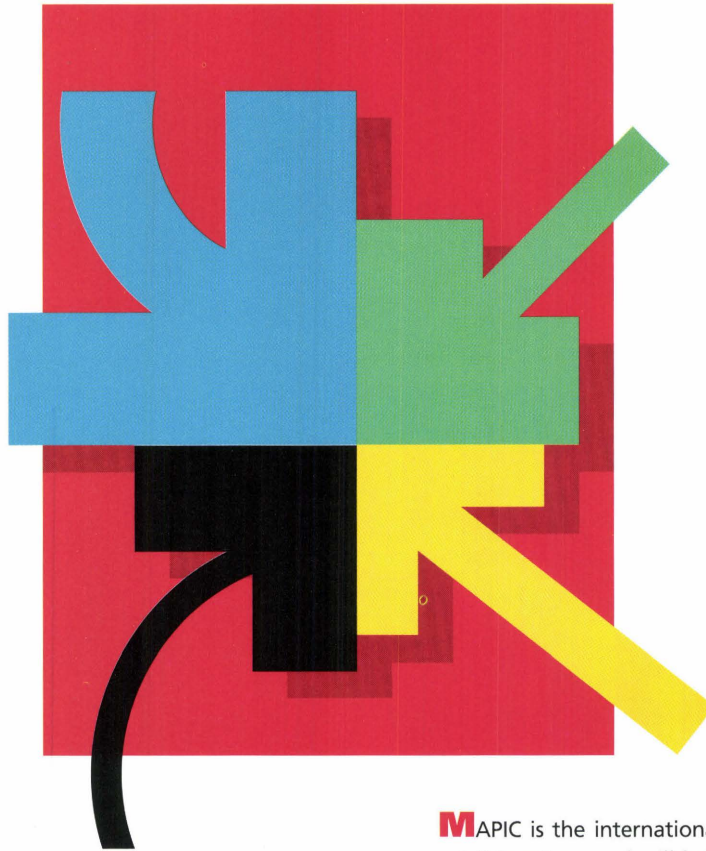
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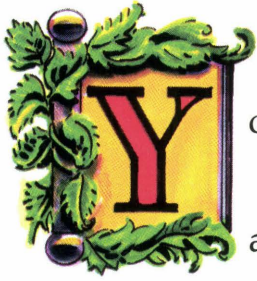
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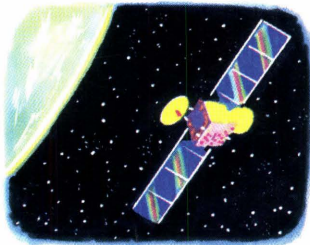
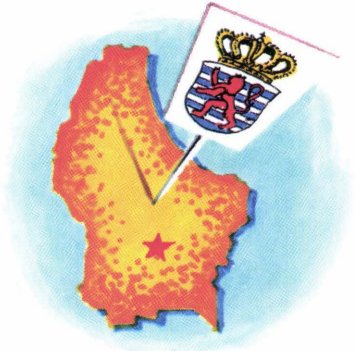
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