

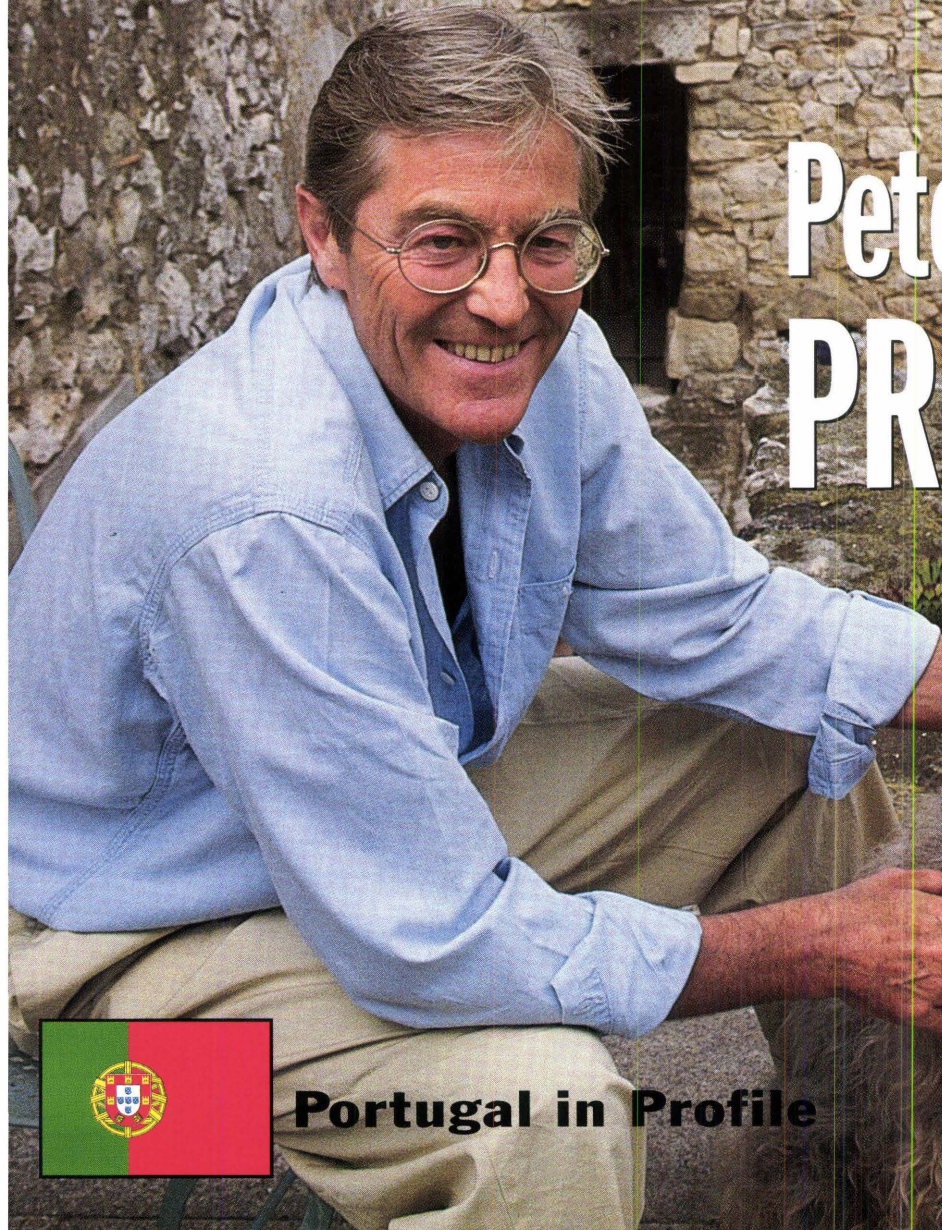
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Annual Travel Issue

Peter Mayle's PROVENCE



Portugal in Profile





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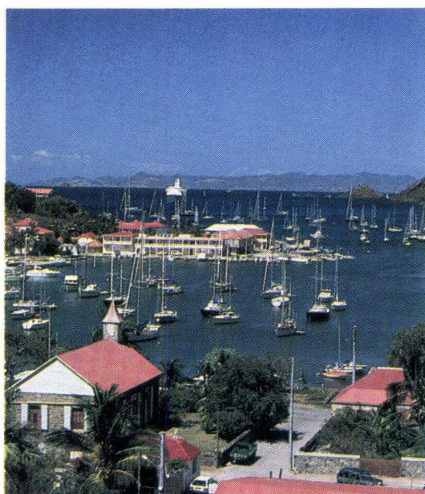


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18

AEROSPACE

The Subsidy Question. What counts as a government subsidy?
Paul A. Turk 6

Boeing Interview. Lawrence Clarkson, Vice President for Planning and International Development. **8**

Airbus Interview. Alan Boyd, Vice Chairman of Airbus North America. **9**

TRAVEL

The Pitfalls of Provence. For the first-time visitor to the south of France in search of idyllic wonders—watch out for its foibles. *Peter Mayle 14*

Europe in the Caribbean. European heritage and culture are still alive among many of the Caribbean islands. *Janet Bennet 18*

Travel Deluxe. A European travel guide for those with all the time and money in the world. *Christie Gaskin 22*

Prague. Five years ago it was just another city behind the iron curtain. Now it is being compared with the Paris of the 1920s. *David Ellis 24*

PORTUGAL

Member Country Report.

Investment in Portugal is growing. *Sarah Provan 28*

Port Wine.

Portugal's famed elixir. *James D. Spellman 32*

DEPARTMENTS

4 Eye on the EC

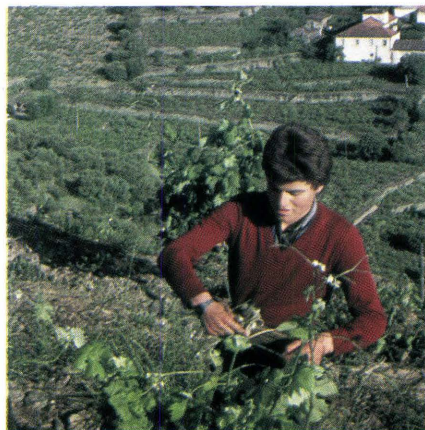
34 Capitals

40 Newsmakers

44 Arts & Leisure



24

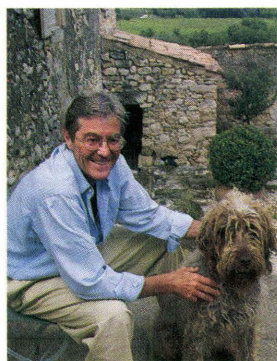


32

Letter From the Editor

Welcome to our annual travel issue.

EUROPE is pleased to present an exclusive article on the "Pitfalls of Provence" by best-selling author Peter Mayle. Mayle, author of *A Year in Provence* and *Toujours Provence*, also spoke with *EUROPE* about his new book due to be published in the United Kingdom in June; life in the south of France; travel ideas in Europe and the United States and whether or not his life is as good as it seems.



**Peter Mayle
and friend in
Provence.**

If you are planning to visit Europe this summer the popular place for young Americans is Prague. The capital of the Czech Republic has become a magnet for Americans and Europeans alike.

And if Europe is too far away for you, we look at Europe in the Caribbean. Many Caribbean islands have French, British, or Dutch influence. From Antigua to Barbados to Saba, *EUROPE* presents a tour of the Caribbean.

If you have all the time and money in the world then sit back and read about traveling first class and beyond. From the Concorde to the QE2 to luxurious barge trips in France to stately hotels to the Orient Express a first class adventure can be yours...for a price.

Also, each of our Capitals writers presents his or her favorite vacation spot throughout the European Community.

Our Member Country Report profiles Portugal. In addition to looking at the current economic situation in Portugal, *EUROPE* profiles Portuguese-American relations. We also explain the history and making of port wine.

With this issue, *EUROPE* begins our Point/Counterpoint series on key topics facing the United States and the European Community today with an in-depth look at the aircraft subsidies controversy. Paul Turk, a writer on aerospace matters, defines the debate and looks at the subsidies question.

Alan Boyd, the Vice-Chairman of Airbus North America, explains how Airbus was established, walkaway leases, launch aids, American suppliers, and a host of other questions in a *EUROPE* interview.

Lawrence Clarkson, Vice-President of Boeing for Planning and International Development, spoke to *EUROPE* at Boeing's headquarters in Seattle about the state of the airplane manufacturing business today; possible new joint ventures with European partners to build a super airplane; and some Boeing complaints about what they perceive as government assistance to Airbus.

Next month *EUROPE* looks at the economic problems facing Europe and the United States as the world prepares for the annual economic summit in July. We also profile Belgium and the 1993 European Cultural Capital, Antwerp.

A large, handwritten signature in black ink that reads "Robert J. Guttman".

**Robert J. Guttman
Editor-in-Chief**

EUROPE

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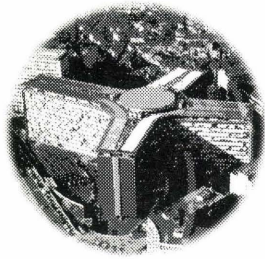
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EYE ON THE E.C.



A COMMON ELECTORAL SYSTEM?

John Major's government was put on the spot by a vote in the March plenary session of the European Parliament in Strasbourg. It was asked, in effect, whether the UK will continue to defy the provision of the Treaty of Rome specifying that a uniform electoral procedure should be used in all 12 member states to elect the European Parliament. The next such election is scheduled for June 1994.

It is the European Parliament itself, which under Article 138 of the Treaty, has the task of defining the uniform system, but its proposal has then to be approved unanimously by the European Community's Council of Ministers. The Parliament duly put forth a plan before the last Euro-election in 1989. The proposal included a system of proportional representation (PR), which would have meant some modification of the existing arrangements in most member states, but it would have required a fundamental change in the British system. Acting under orders from Margaret Thatcher, the then British Foreign Secretary, Sir Geoffrey Howe, filibustered the proposal in the Council of Ministers until it was too late to reach a decision.

Consequently, 11 member states used different methods of proportional representation, while the UK continued to apply its first-past-the-post

system. The predictable consequence was that neither the Liberal Democrats nor the Green Party (which polled an astonishing 15 percent of the British votes in 1989) won any seats at all.

Both the Parliament and the other national governments in the EC reluctantly concluded that Thatcher's opposition to PR was so visceral that there was no prospect of reaching an agreement so long as she remained in power. Her removal from office in 1991 and her replacement by the apparently more open-minded John Major encouraged them to believe they might have better luck in the future.

This time round, the Parliament, on the proposal of Belgian Liberal Karel de Gucht, has opted for an extremely flexible scheme under which member states may apply any system they choose provided it is proportional. They may also make special arrangements to take account of ethnic or regional features, such as the representation of Northern Ireland, Scotland, and Wales.

The de Gucht proposal would even permit member states to phase in the new system gradually, and during the debate a number of amendments were adopted to make the procedure more palatable to the British. In particular, it was agreed that the UK could, if it chose, keep the first-past-the-post system in single-member constituencies, which amounts to two-thirds of its seats. Overall proportionality would then be ob-

tained by topping up under-represented parties from the remaining one-third of the seats which would be filled on the basis of the total number of votes cast. The de Gucht report was finally adopted by the hefty margin of 207 votes to 79, though ominously the minority was mostly made up of British MEPs.

It is, in any event, not open to Major to sit tight and make no changes in the UK's electoral arrangements for next year. The Edinburgh summit last December decided that the European Parliament should increase from 518 to 567 members, which would raise British representation from 81 to 87.

The UK Parliament will have to decide what to do about these extra seats. If they are just tacked on to the existing system, it will be necessary to embark on a complex process of redrawing the boundaries of all the other 81 constituencies. One possible compromise would be to attribute the six seats nationally on a proportional basis to remedy, at least in part, the distortions inevitable under the first-past-the-post system. Yet it looks as though the UK's Conservative government is set to block such a compromise on the grounds that it would represent the thin end of the wedge and that it would then be more difficult to resist the demand for PR in British national elections.

In fact, the strongest argument against PR for elections to the House of Commons—which does not apply so far as

Euro-elections are concerned—is that the largest party needs to have an enhanced majority in the House of Commons if it is to provide a stable government. No government, however, is formed on the basis of Euro-election results, and the consequent disproportion distorts the whole balance of representation in the Parliament. Last time it was not even the British Conservatives who benefited: the opposition Labor Party won 58 percent of the Euro-seats on the basis of 40 percent of the votes, which is one reason why the Socialist group is easily the largest in the European Parliament.

John Major's government, already beset by a host of difficulties in securing the ratification of the Maastricht Treaty in the face of fierce resistance by a cohort of its own MPs, could in the end decide to leave the issue to a free vote of the House of Commons. That is the course which the Labor government of James Callaghan took back in 1979 before the first Euro-elections.

On that occasion, PR was turned down by a count of 311 votes to 224. This time the vote could be much closer, given the considerable movement of opinion toward PR within the Labor Party and the government's very small overall majority. It is not inconceivable that the House of Commons will vote to accept the de Gucht proposals though the odds seem against it.

—Dick Leonard



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In 1992, Europe and the US agreed that, in the future, direct subsidies can be no more than 33 percent of development costs and that indirect subsidies can be no more than three percent of industry sales or four percent of a given organization's sales.

The negotiations were much like a consent decree in the US courts. The parties do not admit they committed any of the acts in question and promise never to do them again. No one is particularly happy with the agreement, but in the spirit of negotiation, each side gave a bit to reach an agreement on an issue that had become an embarrassment to both of them.

After broaching the subsidies issue in appearances in California and at the Boeing plant in Seattle recently, the Clinton administration has backpedaled a bit, saying it supports the agreement with the EC and that it wants it enforced rather than abrogated, a position more like what most of the companies involved would like to see. However, US Trade Representative Mickey Kantor has been pushing GATT negotiators for an agreement to cut the 33 percent direct development subsidy now permitted.

Fundamentally, until now, the issues have been that:

- Germany, France, and the UK have provided estimated direct subsidies of \$13 to \$14 billion to Airbus Industrie over the past 20 years to establish it and to help it compete in the commercial airliner business;
- Those nations intend to continue some form of subsidy (or not to insist on prompt repayment of loans and grants) as a matter of general industrial and social policy;
- The US has subsidized its aerospace industry through defense contracts and the work of the National Aeronautics and Space Administration in amounts estimated at \$18 billion to \$22 billion over the past 15 years; and
- The US is expected to increase its activity in aerodynamics and other areas of research for civil aviation by \$550 million over the next four years.

Each side complains it has been put at a competitive disadvantage by the practices of the other. The US complains that subsidies to Airbus have enabled the European aircraft consortium to offer airplanes at artificially low prices and to provide below-market financial incentives to purchasers. Europe counters that NASA and defense department research and development provides another form of subsidy; and that

as there is no equivalent European agency, the presence of NASA is a particular advantage to the United States.

The debate has been particularly sticky for many of the companies involved, because there are no single-nation products in the airliner business. As the distinguished *Interavia* editor Pierre Condom put it recently, "Today, no one commercial aircraft, even counting small commuters, is built by one company alone, or in one country only. The alliances (of manufacturers) bring together private and state-owned companies, US and foreign firms. It's that delicate network of vital relations which is at stake."

For example, American engines are used everywhere, including by Airbus and by companies building airliners in the former Soviet Union among other places. Also, US airframe

companies buy sub-assemblies and equipment from foreign suppliers and are dependent on overseas sales to keep production lines humming. There are various estimates, but *Interavia* once estimated that about 30 percent of the dollar value of each Airbus was composed of US components and parts and that a similar percent of the content of each Boeing 767 was from foreign sources.

What triggered the intense debate that led to the GATT-based agreement in 1992 was Airbus' success in penetrating the major US markets after years of being relegated to doing business with financially-troubled carriers.

Airbus entered the jet airliner business almost two decades later than Boeing and McDonnell Douglas. At first, its only product was the twin-engine A300 widebody, and US airlines (except Eastern and later, Continental) ignored it. The line was expanded gradually, and by the late 1980s, Airbus began to make marked inroads in the American market, formerly the preserve of Douglas, Boeing, and Lockheed.

Airbus scored with the lease of 25 A300-600R long-range widebody twins, followed by substantial sales of the A320 to Northwest and United, and the A310 to Delta. Its earlier customers tended to be financially-troubled carriers attracted by favorable terms and relatively more inexpensive airplanes as a result of the subsidy. As a consequence, Airbus has had at least three opportunities to sell the same set of A320s. The planes were sold first to now-defunct Pan American, later to now-defunct Braniff II, and finally to America West—which is operating in bankruptcy protection.

The issue cuts two ways. Airbus fumed for years that it had been unable to crack Europe's most powerful airline,

The Subsidy QUESTION

Despite all the political rhetoric of the past several years, the issue of who subsidizes whom and for how much has become moot for the airliner-building industry. BY PAUL A. TURK

British Airways. BA has long been (and remains) a solid Boeing customer. The only Airbuses it operates are a few A320s that came as part of a merger with British Caledonian. Lufthansa and Iberia have bought extensively from Boeing and McDonnell Douglas; and Air France is a major operator of the Boeing 747, 767, and 737, although it is changing gradually to an Airbus fleet. Iberia and Lufthansa have become Airbus customers, as well.

Each side calculates the other side's subsidies to its own advantage. The US says the \$13 to \$14 billion in Airbus subsidies should be valued at about \$26 billion, or what the cost would have been had the consortium's companies borrowed on the open market rather than from the government.

In a study for the European Commission prepared in 1991 by the Washington law firm of Arnold & Porter, the value of NASA and defense department subsidies was put at \$41.8 billion in current dollars, rather than the \$18 to \$22 billion in then-year dollars.

Some analysts believe Airbus profit margins from operations are about half of Boeing's but that it has been competitive because the subsidies have made Airbus development costs disappear from the books. Indeed, Airbus now says it is making an operating profit, and Managing Director Jean Pierson says the consortium is repaying its past subsidies and not taking subsidies on development of the A321 and A319 versions of the basic A320, which received \$1.7 billion in low-interest loans from Airbus member countries during its development.

According to Pierson, Airbus repaid \$700 million in loans in 1992 and is paying royalties to its member governments in proportion to units sold. In all, he said, \$3.5 billion has been repaid; a further \$900 million will be repaid annually through 1996; and \$600 million will be paid each year from 1997 onward.

US companies are required to repay the government when they adapt technologies developed by NASA or in military programs, but the repayment amounts are small. Arnold & Porter put the figure at \$170 million industry-wide in its report to the European Community.

Both sides, for political and commercial reasons, hope the debate is about over. They believe that they can live with the present arrangement and get on with pursuing overseas markets on what the US government calls a "level playing field." If market shares stay substantially the same and if the various manufacturers feel competition is relatively fair, the issue should remain moot—at least until one or the other feels wronged, in which case the subject of subsidies and competitiveness probably will be broached anew.

Paul A. Turk is a freelance journalist who covers the aviation industry from Washington, DC.

Caught in the Middle

The debate over direct or indirect subsidies to European and US airliner manufacturers has become quieter outside the political arena of late because a settlement, grudgingly agreeable to the industry, has been reached. It has quieted, however, more because many companies on both sides of the Atlantic depend on access to all markets for their business.

Flight International, a leading trade journal in the field, said it very well in a March editorial:

"The aircraft industry is, with rare exceptions, no longer one in which a particular product can be ascribed wholly to a particular country or region. What is the sense in arguing that an Airbus, which uses American engines and systems developed originally with US government funding, benefits from unfair European state subsidies but that a Boeing 767, using a tail section made by a state-owned, loss-making European manufacturer sustained by government funding, does not? The truth is that virtually all aerospace products embody technology which has been developed directly or indirectly with government money."

Beyond the airframe companies themselves, the engine builders want the issue to go away.

Airbus uses US engines (from Pratt & Whitney and General Electric) on all its large, twin-engine aircraft and engines from multinational consortia of engine builders on others. Airbus also buys avionics (electronic and navigation equipment), wheels, brakes, auxiliary power units, and other equipment from US suppliers, and subassemblies from Canada.

On its own, Rolls-Royce of the UK provides a substantial number of engines to Boeing, and the International Aero Engines consortium, which Rolls shares with Pratt & Whitney and Motoren and Turbinben Union of Germany, supplies engines for McDonnell Douglas' new MD-90. In fact, Rolls-Royce engines are not even offered on Airbus products despite the UK's participation in the Airbus consortium. The International Aero Engines product is offered on the A320 and A321.

In most cases the customer (the airline or leasing company involved) specifies the engines, auxiliary power unit, avionics, and even the wheels, brakes, and cabin furnishings to be used when an airliner is built. The suppliers of these products, including large concerns like Rockwell Collins and Allied-Signal Aerospace are caught in the same predicament.

Even the airframe companies are uncomfortable with the continuing debate. Boeing has been wooing offshore suppliers to be risk-sharing partners in the current B-777 project, and the company is making common cause with each of the Airbus partners in the study of the 650-passenger superjumbo, where there might be room in the market for only one aircraft. The airframe and engine companies are doing joint studies of a next-generation, supersonic civil transport, as well, and for the same reasons.

Not only are the industry's companies generally uncomfortable with the debate, especially since the 1992 accord, they wish it would go away. It's bad for business.

—Paul A. Turk



Aircraft Builders of the Future:



AN INTERVIEW WITH BOEING VICE-PRESIDENT LAWRENCE CLARKSON

Lawrence Clarkson, Corporate Vice President for Planning and International Development for the Boeing Company, spoke with EUROPE Editor-in-Chief Robert J. Guttman in Boeing's headquarters in Seattle, Washington. Mr. Clarkson speaks out on the subsidy question, the EC-US aerospace agreement, and Boeing's future partnerships in larger aircraft.

President Clinton's comments at Boeing several months ago were: "A lot of these layoffs would not have been announced had it not been for the \$26 billion that the US sat by and let Europe pile into Airbus over the last several years. So we're going to try to change the rules of the game." Would you like to comment on President Clinton's speech?

In fact, he's modified them somewhat in subsequent conversations. Fundamentally what he's saying is that he expects his administration to work much more closely with industry as a whole, and perhaps aerospace in particular, compared to past administrations. They talk a lot today in Washington about partnerships between government and industry. I have to say at this point, we don't know exactly what they mean yet, but we're optimistic.

Are you satisfied with the way the EC-US agreement was hammered out last year, or would you like to see something else worked out?



What we've said about that is that it was a good step in the right direction, but we'd eventually like to see all direct subsidies eliminated. That agreement calls for it to be multilateralized. Right now, it's just an agreement between the EC and the United States. In fact, it really only binds the four countries involved in Airbus Industrie. We hope that in the process of multilateralization that it's tightened up a little bit more.

In testimony before Congress, you said, "Airbus is not a normal company. Its finances are like those of a black program." What does that mean?

It's a unique French structure that does not publish financial results. You cannot see what it's doing financially. For example, one of the issues is walkaway leases. If they're not on the airline's balance sheet, they must be on the manufacturer's balance sheet. But

how do we know, because Airbus doesn't print a balance sheet. But their credit rating is still AA or better even though they don't publish a balance sheet, but they get this good credit rating because they are looked at as a sovereign risk, because Aerospatiale is 38 percent owner of Airbus and it's set up by the French government. And under this arrangement, the partners are jointly and severally liable, so that means in essence the French government stands behind all of the debts and the commitments of Airbus.

Boeing & Airbus Go Head to Head



AN INTERVIEW WITH AIRBUS N.A. VICE-CHAIRMAN ALAN BOYD

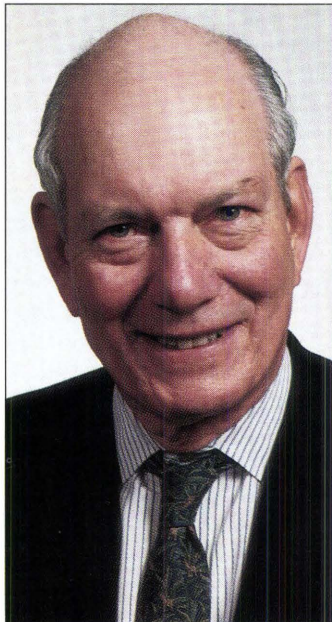
Alan Boyd, who was appointed the first US Secretary of Transportation by President Johnson, is currently serving as Vice Chairman of Airbus North America. Mr. Boyd spoke with EUROPE Editor-in-Chief Robert J. Guttman in Washington about how Airbus is organized, launch aids, and the EC-US aerospace agreement.

Could you give an overview of Airbus, how it started, why it started, its legal standing today?

Originally in the late sixties the British and the French agreed to get together to form a consortium. They decided to create a form of consortium that I can best describe as a legal entity under the French law called a GIE. There are thousands of these by the way, contrary to the views of some people here that this structure was set up for Airbus—it was not. The simplest way I can describe it which may be oversimplifying it is that it is a partnership that operates in the form of a corporation.

Airbus Industrie is owned by four companies: Aerospatiale of France holds 37.9 percent, Deutsch Aerospace 37.9 percent, BAE (British Aerospace Engineering) owns 20 percent, and CASA of Spain owns 4.2 percent.

Airbus Industrie was established with the purpose of providing a design capability, marketing, sales, and product support.



The aircraft are actually manufactured by the various members of the consortium who do some of the manufacturing and who buy components. While there is no effort being made to suggest that Airbus equipment is in a US airplane, the fact is the Airbus equipment, depending on which model one is discussing, has between 20 to 40 percent US components. All of the wide bodied Airbus equipment flying today are powered either by General Electric or Pratt & Whitney engines.

A recent article in *The Wall Street Journal* says, "Airbus is a marketing organization. It sells the planes and hands the money over to the partners." Do you agree with that?

Yes. That's correct. Airbus effectively buys the components from the consortium—from the owners—with some exceptions. Airbus contracts directly for the engines for example. And when it sells the airplanes it pays the owners. This includes a factor for repayment of the loans from the governments to the consortium members. There's no government money that goes to Airbus Industrie. There have been government loans, except for the 321, that have been made for R&D purposes to the owners of Airbus Industrie, i.e. Aerospatiale, BAE, so forth. And those are repaid on a royalty basis.

Airbus provides each partner with a proportionate amount

So you're saying it's not a level playing field, basically.

An Interview with Boeing Vice-President Lawrence Clarkson

Mr. Boyd talks about how Airbus doesn't get subsidies, they get "launch aids." Can you tell me the difference between a launch aid and a subsidy?

That's right. But one of the things that the agreement last summer calls for is for Airbus finances to be made available to US government officials so that they can verify that both the agreement of last summer is being complied with as well as other terms of the GATT agreement are being honored.

If you can briefly summarize, what are the competitive advantages that Airbus enjoys. What are your specific complaints against Airbus?

What they have enjoyed is that they've been able to develop a full family of commercial aircraft without regard to the overall economics of it all. They've been able to launch these airplanes independent of whether or not they were going to get their money back and make a profit. That's history. But they now have a full product line, from the A320 through the 333-40, that was developed with this kind of government support. They can't do that in the future as long as that agreement we talked about last summer is in effect. [The agreement] says that the most they get is 33 percent of the development cost and they have to pay that back on essentially commercial terms, or very close to commercial terms, somewhat dependent on how many they sell. So it's not the same risk that a company like Boeing has, which has to put its money up or borrow the money and has to pay it back regardless of whether we sell airplanes. They got some [subsidization]—that's where the playing field is not totally level by that agreement, but it's a major step forward. There've also been some other things where governments become involved in the financing, and that's all been essentially stopped by that agreement. The other thing that we've been of course vocal about is the walkaway leases, because we have to have a healthy balance sheet to stay in this business and they essentially don't. And we're hoping that in the current talks that there may be a possibility of an agreement between the US and the EC to amend the agreement or to end the multilateralization of the agreement to outlaw walkaway leases.

Is the largest issue now walkaway leases, or are there some other outstanding issues?

The other issue that Alan Boyd always brings up, and Europeans bring up is the indirect support that US companies get. And they say that their direct subsidies are just offsetting our indirect subsidies. But my response to that is simple, which is that Airbus, itself, does not have any government contracts. But the four partner companies, where all of the technology and all of the work is done, British Aerospace, Aerospatiale, CASA of Spain, and Deutsche Aerospace, all have major government contracts. If you take them together, they have much more in the way of government contracts annually—and I'm talking NASA, DOD [Department of Defense], and so on—than Boeing does. The agreement of last summer requires that this whole indirect support issue be aired and that the governments exchange information on that, and we welcome that, because we think we'll come out fine.

That's semantics. But again, part of the problem is we don't know exactly. They pretty much acknowledge that they've gotten \$13 billion, and they say they're paying it back, but we don't know how fast they're paying it back. We don't know what the requirements of the payback are. We don't know when they price an airplane whether they are including a reasonable amount of recovery of that or not. When Boeing prices a 747, we add into that price the cost of making that particular airplane as well as a portion of the cost of developing the airplane, which is not an insignificant figure. So that's just one of the issues that we hope will get clarified. I happen to know Alan Boyd. I've known him for a long time. He's an honorable man, and when he says that [Airbus is recovering a reasonable portion of its development costs], I tend to believe him. But I'm saying from the Boeing standpoint it's important for all of that to be understood, that in fact they are paying it back on a reasonable basis, that they are pricing to cover their full costs, including a reasonable amount of their development costs.

And there are fundamental differences in accounting systems between here and Europe, and in the different countries in Europe. The accounting system in the UK is much closer to what we're used to here; it's a little less so in Germany; and France is much different. Even once these numbers are revealed, there are going to be a lot of questions, and it's not going to be an overnight "Eureka! We're here!" But it's a step in the right direction. My personal view is that I hope that this big political discussion of this issue is behind us and that we can work—we with USTR and Airbus with their EC representatives—to get this whole thing on the straight and narrow and out of the press.

What's the answer to restore the health of the aerospace and airline industry?

The bottom line is all of our customers are sick, but we expect they will all recover, not necessarily all at once, but this economy appears to be recovering here in the United States. Hopefully, our airlines will recover. There are some signs that Europe is recovering. And Japan has just announced this huge stimulus package, and the way they control their economy, that will probably work. So we'll see some recovery there; how fast it happens I don't know.

We still have a backlog of around \$8 billion in the commercial side. We really haven't had very many cancellations. In all but a very, very few cases what we have had is delivery slides, airplanes that were to be delivered in '93 or '94 have been moved to '95 and beyond. So right now, if things go sort of baseline, we would expect a significant recovery in '95, but it remains to be seen. Because we are very much dependent on the commercial airline market.

Do you only build planes when you have a customer?

Yes. We don't build spec planes.

So that's a little bit different from what you think Airbus does?

of money for royalty repayments to their respective governments.

An Interview with Airbus N.A.
Vice-Chairman Alan Boyd

Why does Airbus not issue an annual report or a profit and loss statement?

It's like a partnership. Everything flows through to the partners—the owners.

So if you wanted to find out what Airbus was doing, you check with the individual company, to check a profit or loss?

They don't have quite the same accounting practices in Europe as we do, i.e. breakdown of segments in business the way the SEC requires here. But there is greater segmentation in their accounts nowadays.

Does the German company, the French company, the British company, also make planes on their own?

Yes. But they do not make aircraft which are competitive with the Airbus aircraft. They make smaller planes. The aircraft area of operation up to now has been 150 to 350 passengers.

President Clinton has said that, "A lot of these layoffs at Boeing would not have been announced had it not been for the \$26 billion that the US sat by and let Europe plow into Airbus over the last several years. So we're going to change the rules of the game." What is your response?

You need to take the response that the President made at a later press conference in which he said, "I think to some extent my remark—relative to the Airbus thing—has been misunderstood and that may be my fault. I support last year's agreement. The point I was trying to make is this: The US had a big lead in civilian aircraft. Arguably it was contributed to by the massive investment we made in defense and the spinoff benefits. That was always the European argument for their own direct subsidies in the airline program that we had indirectly done the same through defense.

It cost a great deal of money to develop aircraft, to break into new markets, and to go forward. The argument I was trying to make to the Boeing workers last week is, and I will restate it here, is that the adversity that they have suffered in the past is through no fault of their own. That is they have not failed by being unproductive, lazy, or asking too much. But Europe was able to penetrate this market because of the Airbus policy. And the blame I placed was on our government for not responding, not Europe's for trying to get in. That was their right. It was legal under international law, and they did it."

I take that to be a 180 degree turn. And I think that quote of the President answers your question.

Twenty-six billion dollars is the number that people say that EC governments have given to Airbus over the year. What is your comment on that?

It's a calculated figure, and I can only refer you to that famous mathematician and economist, Mark Twain, who you may recall once wrote, "They're lies, damn lies, and statis-

tics." The point I'm making is these figures are not jiggled figures. They were arrived at legitimately, but you know your conclusion when you make an

analysis really depends on what factors you put in. And that is up to the analyst. There have been nowhere near 26 billion dollars provided for the Airbus programs.

What the analysis did was to suggest that on these loans, and they were loans not grants, of somewhere around 8 billion dollars, the analysis said; all right, this money came from the governments, and to the government the cost of money is cheaper than the commercial cost of money, so therefore the difference in interest rates or cost of money represents a subsidy.

The money is being paid back on a royalty basis, i.e. with the sale of each aircraft. Whereas in a pure commercial operation the banker would say; look I want you to start repayments in 12 months, or 18 months, or two years, and then over some stated period, regular period, after that.

So because they are not repaying that money on that sort of a fixed term, therefore that is a subsidy. Furthermore, it is my judgment, the analysis judgment that Airbus is not going to make a profit and therefore is not going to pay this money back. Therefore, I add that on. And I project that forward to, I've forgotten when, the year 2000 something, and it's 26 billion dollars.

You know, they could have come up with 40 billion, they could have come up with 10 billion. By the same token, there was a study done for the European Commission about the amount of support the US government has provided the US aerospace manufacturers for the past 15 years that can be directly traced to benefiting commercial aircraft manufacture. And that figure is a range of between about 22 billion and 40-some billion. And the best judgment that the analysis there made was probably about 33 billion.

Nobody can support either of those figures. I mean, you can't say—we can prove, I shouldn't say they can't be supported—both can be supported because of their methodology. Neither can be proved as the accurate figure.

And the only point that I think is relevant is that clearly governments on both sides of the Atlantic provided significant support to their commercial aircraft manufacturers. I would go further and say that this clearly strikes me as being in the public interest on both sides of the Atlantic. When you look at what we are talking about here, a global market, where we are making global airplanes in the sense that we are buying components from all over the world and Boeing and McDonnell-Douglas are doing exactly the same thing as Airbus in that sense. Boeing gets a lot of its components from Japan, and they get parts from Austria, Australia, Indonesia, Italy, Spain, Northern Ireland, Holland, you name it. And we are all buying from various of these component manufacturers and we're selling all over the world and we're providing, the manufacturer of these aircraft is providing high-wage jobs, an industry with very high technology, which of course has some spinoffs that go into other fields.

One would say it only makes sense to provide support for this kind of an operation. And that is what both the US and Europeans are doing.

Why do you think this has become a key controversial trade issue?

Well, Airbus has not convinced me that this time they are not building spec airplanes. In their last downturn, they admit they built lots of spec airplanes.

**An Interview with Boeing
Vice-President Lawrence Clarkson**

cially, but we came to the conclusion, as did our European friends, that there is a market for a 600-passenger airplane, or 600 to 800 passengers, but it's a very

small market. And there would not be room for two airplanes. And it's such a big investment that the only practical way to bring our customers an airplane that they think they want would be by teaming. So what we're doing now is trying to see if we can in fact try to find a way to work together.

What is a "white tail"?

A white tail is an airplane that doesn't have an airline logo painted on it. Because it doesn't have a customer, you don't know what logo to paint on it. We really gave the name to Airbus because they paint all their planes [white]. In that time period they didn't have a method of matching their aluminum—they couldn't have a metal airplane—so they painted them white. And they were parked all over Europe. So that's where the name came from. But after my testimony where I talked about "white tails," I had a long conversation with Alan Boyd and he convinced me that they're not building them.

So are we having a new era of cooperation between everybody? Is that what's happening?

It could.

I've heard figures between \$33 and \$46 billion that you've received from government contracts, NASA, and the Defense Department. What do you say to that?

I could give you those same kinds of figures for them. You go add up the Defense Department of the governments of the UK, France, Germany, Spain, look at their defense contracts.

With the cost of airplanes—and it's staggering—are we reaching a point where individual companies aren't going to be able to handle the cost, and there are going to have to be more consortiums?

Well, I think particularly the big ones. You know, you're talking about this VLCT, which is what we agreed to call it, "Very Large Commercial Transport," or a new supersonic transport, that the size of the market and the size of the investment, the size of the market risk and the technical risk are going to drive us to cooperative programs. On the other hand, I'm not prepared to say that that's what's going to happen in the other parts of the market. If we do a derivative of the 737 or a new airplane to replace the 737, we may have some international collaborators in that program, but my guess is that they won't be there because of risk, but it'll be maybe market access or other issues that will drive that.

What is your market share?

We have about a 60 percent market share. And Airbus has come from sort of nowhere to somewhere in the twenties, not really at Boeing's expense up until now, but really at McDonnell Douglas' expense. But I'm willing to compete. Airbus is a good company. They make good airplanes. But I'd like to make sure that the playing field is relatively fair and even.

Does a successful GATT agreement help you?

Yes. We're very strongly in favor of that, because Boeing is basically a US-based company with a majority of its customers offshore, and we need free trade. If that were to fail, we would have to probably basically change our method of doing business in order to maintain our market.

Are you America's largest exporter?

Yes.

What percentage of your sales go to Europe?

Right now, between 65 and 70 percent of our sales are going overseas.

We are selling more airplanes in Europe than Airbus is selling in the United States.

You have announced that you want to sign an agreement with European aerospace companies to study the feasibility of a larger plane?

Yes.

So what's the final solution to the so-called Airbus-Boeing controversy?

The best chance of getting some of those things worked out is to remove it from the political realm and let USTR and their counterparts work out some of these issues that you talk about. The agreement last year was a big step forward.

So you'll actually be working with the Airbus partners.

Yes, we are.

Are we closer to a level playing field?

Yes, we're closer. The other thing is that Airbus is being managed today more like a private company than it was in the past. And Aerospatiale is still government-owned. They're even talking about the possibility of that being privatized. Over the last two and a half, three years, the German part of Airbus has become privatized. The British part, for the past five or six years, has been privatized. So as the owners have to operate as a private company, maybe you'll see a change in the philosophy of management of Airbus, [which will] make it more businesslike. ☺

That sounds kind of strange?

Well, yes and no. It's strange for Boeing in the sense that we haven't done it before. It hasn't been done before commer-

First of all, there has been an element of hypocrisy in the United States. There has been an unwillingness to acknowledge the benefits that the government has provided to US commercial manufacture because it was indirect in part.

Second, has been an attitude which says; here we have a European competitor that makes good airplanes and how do we keep them out of the North American market. Well, the word subsidy is a pejorative term. It is used in a pejorative fashion. Therefore, there is something wrong with those people to begin with. And second, it has served the purpose of both Boeing and McDonnell-Douglas to say to the US airlines, "Hey look, the US government may be filing an action, a trade action, against Airbus. If you order an airplane from them you may not get delivery. They may be barred."

So its been a good competitive ploy and I don't say that with a real sense of criticism. If the shoe were on the other foot I would do the same thing.

What's the percentage of Airbus airplanes sold to US airlines?

Percentage sold to US airlines? That's another figure you can play with. You can talk about how many sales this year, how many sales last year, but essentially Airbus has sold about 28 percent in the last five years to US airlines. About 28 percent of the orders of US airlines in the past five years have been Airbus.

When you were talking about the percentage of components you mentioned Pratt & Whitney and GE, but aren't there also smaller US companies involved?

Oh yes. Sunstrand, Allied Signal, Sperry, and we've got 500 suppliers in 37 states. Some of them are quite small, a lot of them don't have any idea they are producing anything for Airbus. It is a very substantial contribution from US firms.

There has been talk of Boeing going into partnership with some of the partners of Airbus. Do you see that happening in the future in order to build larger airplanes?

That could happen either with the very large airplanes or with the next supersonic transport. I don't expect to see that being built by a single company.

Whether or not the very large airplane turns out to be a single shot operation, i.e. a total joint venture, or whether there will be two models, I don't know.

I think that is going to depend a great deal on the evolution of the market.

You said that the new plane that just came out, the A321, was made without any government funds?

That was made without any government support. That cost, the R&D cost for the A321 was about 500 million dollars, I figure we used 481—about 500 million.

All of that funding was raised through commercial markets or internally generated funds of the partners.

So you go into the marketplace like any other company?

Yes. Airbus has the same credit rating as Boeing.

One of the things that has caused me a little heartburn is that the criticism of Boeing to the effect that Airbus is able to get—to do better financing for the airlines because its cost of money is cheaper, it isn't, its the same. We go into commercial markets and we have the same AA credit rating that Boeing has.

Do you have any comments on walkaway leases?

Yes. I've got a fairly extended comment.

Let's go back to something fairly basic. First of all, today the airlines are not in the position to buy and pay for airplanes.

Number two, Boeing, Douglas, and Airbus have production lines running, up and running. Even though all of us have cut back none of us can afford to close a production line. We all know that this is a cyclical business and we are at a down cycle at the moment.

We've got these planes coming off the ends of the production line. At the moment, fortunately, Airbus is producing airplanes for which we have firm orders. But bear in mind that we just had a situation, several months ago with Northwest Airlines, six planes on the production line for 1993 delivery and the orders were canceled. So we got those airplanes, we had to do something with them, we can't afford to have them sitting on the ramp. They were not built on speculation. They were built for a named customer. And I am confident that our two competitors have the identical situation.

So what do you do? You go to the airlines regardless of circumstances and regardless of the overcapacity we have in the market today. All need some new capacity. They need it for environmental reasons, for maintenance costs, and so forth, as well as operating costs.

The airlines say, we really need these airplanes but we can't afford to pay for them and we cannot afford to screw up our credit ratings. So you are left with how you structure something that serves everyone's purpose here.

The walkaway lease, so called, is one that permits over a period of time—and the walkaway provision is always eliminated by the agreement after a certain period of time—the airline to acquire the equipment and not put any obligation on its balance sheet because under the accounting structure and the way the credit rating systems look at the balance sheets if the obligation is for less than a year then it doesn't show up and therefore it does not impact the credit rating so that the airline continues to go into the market for other funds it needs for operating or other purposes.

Walkaway leases are not something I think will become embedded in the financing of the industry.

But at the present time you think they are worthwhile?

Yes.

Do you think it's mainly the recession [that has caused the Boeing-Airbus controversy]? If things were going well, we wouldn't have this controversy?

Yes. ☹

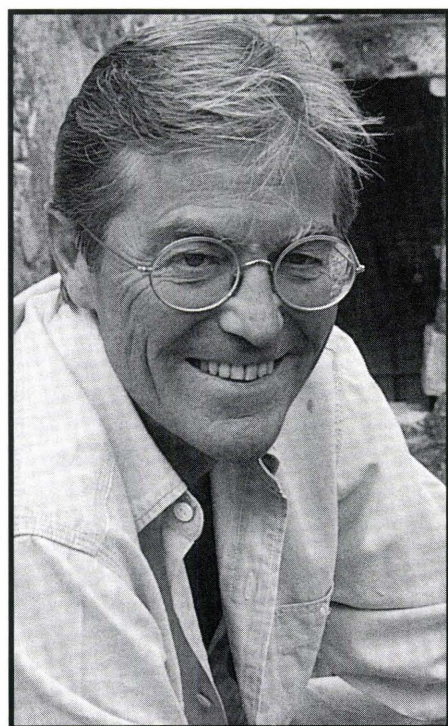


The Pitfalls of Provence

B Y P E T E R M A Y L E

None of us these days can escape those small, brightly-colored, and infinitely alluring scraps of propaganda that our more fortunate friends send us when they're on vacation and we're not. Nothing provokes envy and Monday-morning gloom faster than a postcard. And when that postcard is from Provence, slightly wine-stained, redolent with heat and sunlight and tranquility, it is enough to make you kick the cat as you leave for the office.

All, however, is not what it seems. Beneath that implausibly blue sky, never even hinted at in the photograph of the picturesque village or the genial lavender-cutter, a number of surprises lie in wait for the innocent visitor. Having lived here now for six years or so, I think we've experienced most of those surprises, and these words of caution are the result of personal and occasionally painful research. Be prepared. You will encounter some, if not all, of the following local specialties.





"Provence is rich in hills—seemingly more steep upward hills than downward slopes. This is a peculiarity that leaves you with legs of jelly and lungs which cry out for a fire extinguisher."

Undisciplined Weather. Provence has been accurately described as a cold country with more than its fair share of sunshine, and anyone looking for gentle temperatures and balmy breezes should stay down on the coast. Where we live, further inland, the climate can't seem to make up its mind whether to imitate Alaska or the Sahara. Winter temperatures often drop to well below zero (our current record is 15 below). In summer, it can be in the high nineties for week after rainless week. The local balmy breeze is the mistral, which has been known to blow at 180 kilometers an hour, taking hats, spectacles, roof tiles, open car doors, old ladies, and small unsecured animals with it. And there are storms of quite spectacular violence. (In fact, we have just survived one. It blew up the fax machine and carved ten-inch deep ruts in our long-suffering drive.)

But, freezing or scorching, the air glitters, the sky usually is that implausible blue, and the sunsets at any time of year can make even the most blasé trav-

eler stop and look and consider taking up painting. Anyway, who likes humdrum weather?

Kamikaze Drivers. Your first few hours on the roads of France will not be dull. The French motorist, brimming with *élan*, impatience, and sometimes, it must be said, with half a liter of good red wine, regards driving in much the same way that a matador looks on his contests with the bull. In both cases, the object is to come as close to catastrophe as possible without incurring physical damage or ripped trousers. And so you will find, to your alarm, that cars appear to be glued to your exhaust pipe until a sufficiently dangerous moment presents itself to overtake. This will be achieved, with inches to spare, on a blind bend, while the driver conducts a spirited conversation with his passenger that requires taking at least one hand off the wheel. (Conversations in Provence, as we shall see later, cannot take place while both hands are occupied.) The mistake made by most be-

ginners is to give in to the natural impulse and close the eyes as certain disaster looms. If you can resist that, you'll be fine.

Bumps in the Earth's Crust. There are good reasons, quite apart from the basic instinct for self-preservation, to keep away from the main roads, abandon the car, and take to the hills on foot. Walking in Provence, becoming part of the scenery instead of looking at it, is a delight. It must be one of the most aromatic countrysides on earth—wild honeysuckle in the spring, thyme and lavender in the summer, burning vine-clippings in the fall, woodsmoke from farm chimneys in the winter. In the Luberon mountains, you can walk for hours without seeing another human being, and if you should struggle up one of the old mule tracks to the top, you will experience something that has become almost extinct in the modern world: silence.

But there is a price to pay. It seems illogical and curious, but I'm convinced



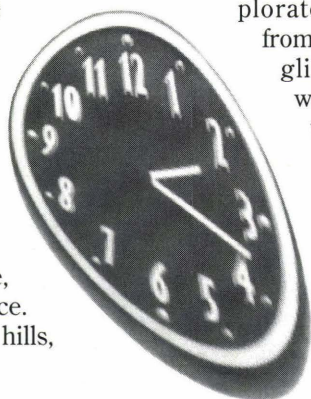
that there are more steep upward hills than downward slopes—a peculiarity that leaves you with legs of jelly and lungs which cry out for a fire extinguisher. With a cunning born of desperation, you take to the bicycle, hoping for mechanical assistance. It's worse. Provence is rich in hills, and they all go up.

Elastic Clocks. The Provençal attitude toward time is that there is plenty of it. If by chance you should run out of it today, there will always be more tomorrow. Or the day after. Or next week.

This admirably relaxed state of mind is, of course, at odds with a strange habit that many visitors bring with them from Paris or London or New York—the exotic concept of punctuality. It's not that this is ignored; indeed, the important matter of the next rendezvous is often discussed seriously and at great length over two or three drinks. But somehow the arrangement is never quite as precise as you might expect. A day—let's say Tuesday—will be agreed with much emphatic nodding. This encourages you to suggest that a time on Tuesday should be fixed, and here you begin to sense a certain amiable but firm disinclination to pin down the rendezvous to anything more exact than a tentative commitment to either the morning or the afternoon. As it turns out, even this is optimistic, since nobody comes until Friday. Excuses are performed by the shoulders. A smile and a shrug are all you're likely to get.

You can try, as we used to try, to overcome this horror of the date and the clock with threats, promises, or bribes, but they don't work. Elsewhere in the world, patience is a virtue. In Provence, it's a necessity.

Bodily Assaults (external). There have been many times when a five-minute chat with one of my neighbors has left me feeling as though I've undergone a short course of brisk ex-



The Provençal attitude

toward time is that

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ploratory surgery. Apart from the obligatory mangling handshake—or, with the opposite sex, the double or triple kiss—there is the vigorous kneading of the shoulder, the tapping of the breastbone by a determined index finger, the friendly clap in the kidneys, the odd glancing blow from the knuckles of a gesticulating hand, and the tweak administered to the cheek by way of a fond farewell.

In other words, conversation is more than an exchange of words: It is a highly physical ritual, punctuated by pokes and squeezes, rather like talking to an unpredictable windmill.

Bodily Assaults (internal). You will be invited and expected to drink. Provence is awash with locally produced

wine, from the *ordinaire* sold by the liter in the village *cave* to the grand and heady vintages of Chateauneuf-du-Pape, and it would be impolite and unadventurous not to try as many of them as you can. There are, however, one or two alcoholic booby-traps that you should be aware of before deciding whether to avoid them or to plunge in and take the consequences.

The first is *vin rosé*, which can vary from a pale, smoky pink to a deeper tint not unlike the blush of a grogblossom nose. The wine looks light, frivolous, and harmless. It tastes delicious, crisp, and chilled, the perfect drink for a blinding hot day. You reach for another glass (or another bottle, as the first one slipped down so pleasantly), and con-

gratulate yourself on staying well away from anything too heavy. A mistake. There are many rosés that contain as much as 13 degrees of alcohol, which combined with an hour or two in the after-lunch sun can give you a truly memorable hangover.

The second booby-trap is just as tempting. Driving through thousands of acres of vineyards, you will notice signs which become more and more attractive as the car begins to feel like an overheated sardine can. The signs offer *dégustations*—the chance to sample a winemaker's noble work in the dim, cool privacy of his own *cave*. In Gigondas, Vacqueyras, and Visan, in Chateauneuf, and Beaumes-de-Venise, in Cairanne and Rognes, everyone, it seems, is anxious for you to stop and sip. And why not? Take aspirin for the head and a chauffeur for the car, and by tomorrow you'll be almost as good as new.

And then there is *pastis*, an elixir made from aniseed, licorice, sugar, and alcohol. Every bar in every village will have several different brands, and it is far and away the most popular aperitif in Provence. One glass will tell you why. The taste of *pastis* (as long as you like aniseed) is clean and sharp and refreshing, exactly what you need to settle the dust and stimulate the palate after a blistering morning in the market. There is no immediate jolt, as the alcohol is masked by the other ingredients, and it is insidiously easy to drink. Only later, as you totter off to lunch, do you feel the effects of this lethal Provençal invention. *Pastis* is stronger than either whisky or brandy.

But, armed with a robust constitution and a refusal to accept a miserable ham sandwich, you gather your strength to go five rounds with the nearest chef.

Experience leads me to believe that he will win. It's true there are refined and multi-starred restaurants in Provence, where the food is light and the portions are manageable. These are for prudent appetites. My choice, when the juices are flowing and there are no pressing engagements to interfere with the afternoon, is to go to one of those marvelous institutions called a *Ferme Auberge*, a farm which offers meals.

Even now, months after my last defeat, I can remember the menu that was my undoing. We had *tapenade*, the shining black paste made from crushed

LEARN TO SPEAK A FOREIGN LANGUAGE FLUENTLY IN 30 DAYS? GOOD LUCK!

olives and anchovies, baby gherkins, three different kinds of country sausage with pale farm butter, and a modest slab of home-made pizza. Then they served lunch: *soupe au pistou*, thick with farm vegetables and garlic *croutons*, a rough *paté* with black peppercorn buckshot, a monumental free-range duck, an anthology of local cheeses, a bulging cherry tart, and a trio of sorbets. I believe that a number of bottles of wine came and went, and I managed to force down a glass of *marc* with coffee.

That is how I think of Provençal food, and if you value your waistline, you would be better off taking your vacation in a less demanding spot.

The Lingering Guest. A house in Provence, whether you own it or rent it, is a magnet. No sooner are you installed, in what you thought was going to be blissful seclusion, than the phone calls begin. They are from friends, or sometimes friends of friends, who are concerned that you might be lonely or bored. By chance, they are free to come down, cheer you up, and entertain you.

This sacrifice must be rewarded. After all, they have made the journey from some distant rain-sodden paradise in the north just to be with you, to share the discomforts of your bucolic existence—the heat, the pool, the endless racket of corks coming out of bottles—and so you do your best to make their stay as painless as possible.

Their stamina, we have found, is astonishing. Despite wasp stings, third-degree sunburn, gastric disorders (always blamed on the water; never on the wine), mercilessly long meals, lack of television, and all the other shortcomings of the simple life, they bravely soldier on. And on. And on. A weekend visit stretches to a week, and then 10 days. One hero arrived in October and was still with us on New Year's Eve, only leaving when the builders came to knock down the bedroom wall.

And still they come, from Easter until Christmas, willing to endure everything that man and nature can throw at them in Provence. I've often wondered about it. I suppose that, like us, they're gluttons for punishment. ☹

Peter Mayle is the author of two best-selling books, A Year in Provence, and Toujours Provence.

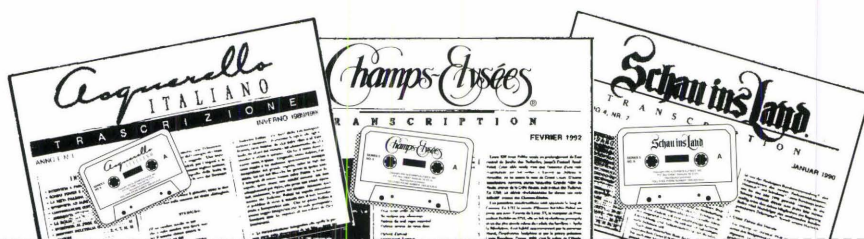
If you've been studying a foreign language for several years, you know fluency doesn't come quickly. It generally takes years to master a language — and an ongoing effort to maintain proficiency. Whether you try to learn a language on your own or in a class, with language cassettes or textbooks, sooner or later every course ends...and then what do you do?

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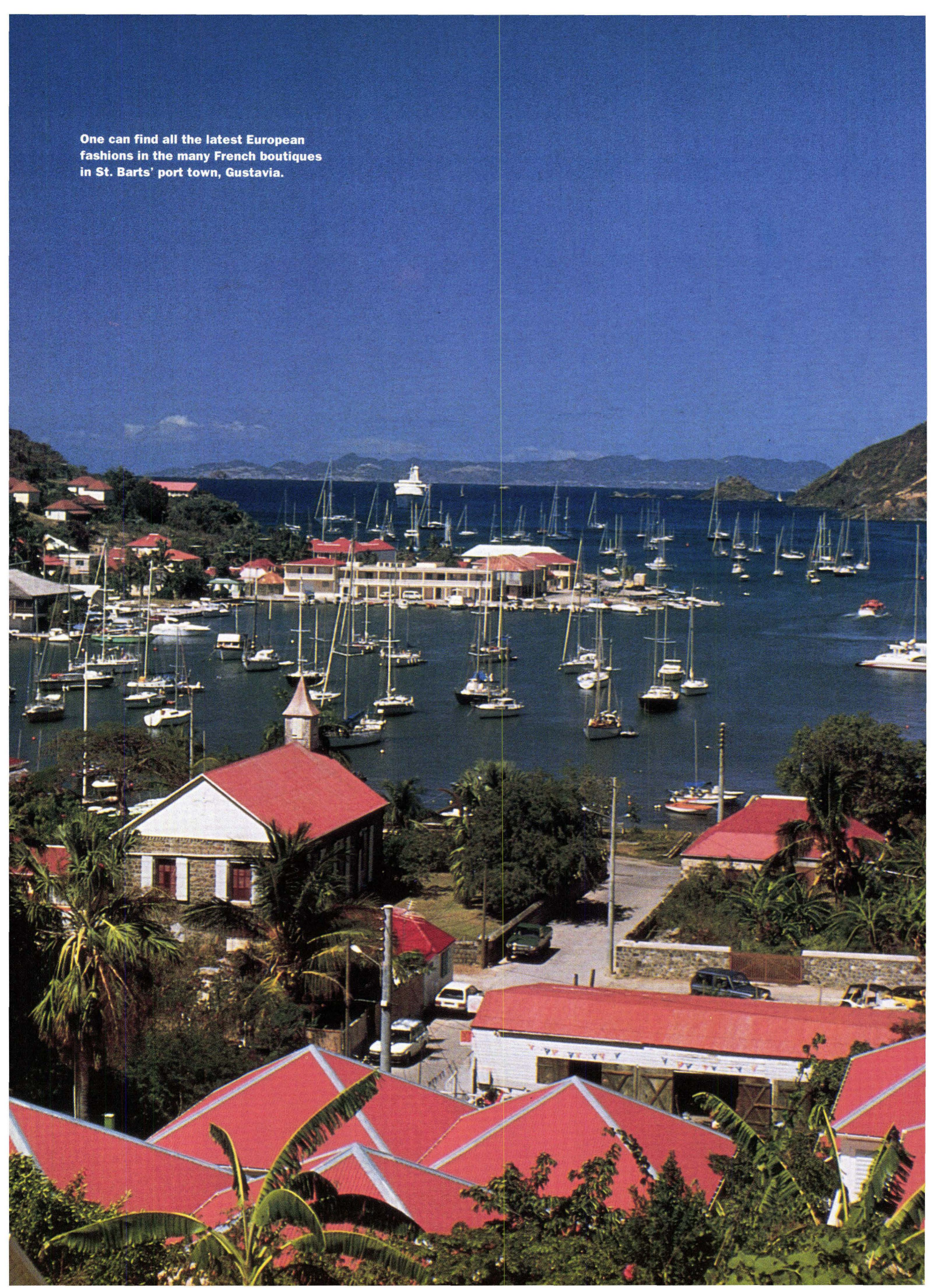
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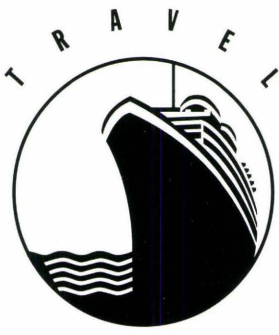
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Travel to Europe... in the Caribbean

You don't have to go to Europe this spring or summer to get a glimpse of 18th century Dutch architecture, sample the pleasures of the French Riviera, or take part in traditional British customs. In fact, you can do all the above while escaping to the brilliant blue skies of the Caribbean islands. Here you can enjoy European ambience coupled with the warm-weather delights of swimming, sailing, snorkeling, and scuba diving.

BY JANET BENNET

As a result of the Age of Exploration, many of the islands in the chain that stretches between the tip of Florida and the coast of Venezuela once belonged to France, the UK, the Netherlands, or Spain. Some are still possessions or protectorates; some are independent. In any case, a good number retain their European heritage. Here's a sampling of where you can find Europe in the Caribbean.

Antigua (pronounced an-tee-ga), a former British colony, is still very British.



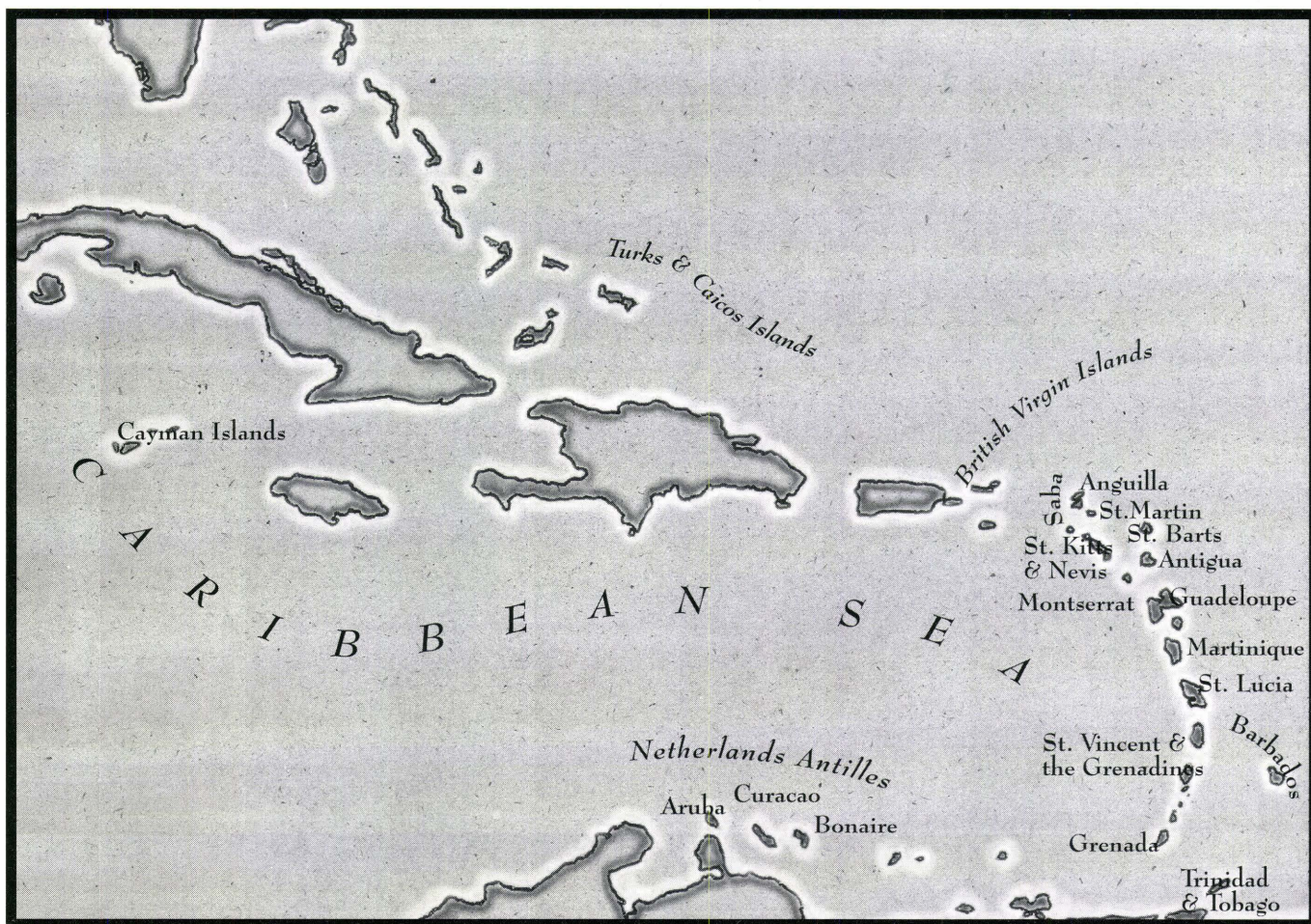
Don't be surprised if you see a few endless cricket games in progress as you tour the island. The focal sightseeing point is Nelson's Dockyard at English Harbor, which was Captain Horatio Nelson's headquarters in the Caribbean from 1784 to 1787. From a beautiful spot high above the harbor, you'll see where English ships hid from the French. This restored 18th century naval yard is also the place to come in the late afternoon to take in the music of a steel band, eat barbecue, and drink lethal rum punches while watching a glorious sunset. The grande dame of hotels on the island is the luxurious Curtain Bluff in St. Johns, the island's capital. The resort offers a full complement of tennis, water sports, and excellent food. And, if you're in the mood, croquet. (Address: Box 288, St. Johns, 809-462-8400) Though hardly British, the fabulous food at Chez Pascal (809-462-3232) will transport you to gastronomic delights. A young French couple recently opened this restaurant where seafood

is featured and each dish includes a signature item from the distinctive cuisine of Lyons.

Bonaire, together with Curaçao, St. Maarten, Saba, and St. Eustatius, make up the island group known as the Netherlands Antilles. The capital of Bonaire is Kralendijk (the name means coral reef), a picturesque town with toylike, brightly painted buildings that are excellent examples of Dutch colonial architecture. Bonaire's big draw is snorkeling and diving. The island is basically an underwater mountain, and fantastic underwater forests lay virtually off the beach of your hotel. Accommodations run the gamut from guest houses to condominiums to full-scale resorts. The newest (and most elegant) hotel on the island is The Point at Bonaire (800-PBONAIR), which offers lighted tennis courts, a dive shop, sailing, a swimming pool, and more. Captain Don's Habitat (800-327-6709), which boasts one of the island's best dive shops, has spruced up its act with deluxe oceanfront rooms and villas.

The Sand Dollar Beach Club (800-345-0805) gives scuba instruction in four languages. For a real Dutch menu featuring fish and seafood, try Mona Lisa's (8322.8718). For charm and Indonesian fare, it's Raffles (8322.8617) in Kralendijk overlooking the harbor. More information: Bonaire Tourist Information Office, Carriage House, 201 1/2 East 29th Street, New York, NY 10016; 212-779-0242.

Barbados was British (it's now independent) for over three centuries. From Nelson's statue on Bridgetown's Trafalgar Square to 17th century English country churches to afternoon tea at the St. James coast hotels, English customs as do English accents prevail. There are a number of great houses open for tours, including Villa Nova, once owned by Sir Anthony Eden, former British prime minister. Superb beaches for swimming and snorkeling are on the west side of the island in the parish of St. James, site of the island's best hotels, including the recently renovated Sandy Lane (809-432-1311), managed by



the Forte Hotels group. Guests are treated royally, beginning with the Rolls-Royce pickup at the airport. Golfers, take note, it's got the island's only 18-hole golf course. Pineapple Beach Club (407-994-5640), which has also just been refurbished, offers guests an all-inclusive package of meals, beverages, water sports, and entertainment. More information: Barbados Board of Tourism, 800 Second Avenue, New York, NY 10017 (800-221-9831).

St. Barthélemy, better known as St. Barts, is a dependency of Guadeloupe, which in turn is an overseas department of France. The ten-minute flight from St. Martin via a small take-off and landing (STOL) plane, with an arrival on the handkerchief-sized airstrip will be a nail biter for some, but well worth it. The tiny (eight square miles) island is a bit of the French Riviera in the Caribbean. Long, lazy days are punctuated by wine and seafood lunches at attractive beachside cafes. The Taiwana, known for its grilled meat specialties, is also just perfect for people-watching. A

ISLAND INFLUENCES

Aruba (Dutch)

Netherlands Antilles—Bonaire, Curaçao, Saba, St. Eustatius, St. Maarten (Dutch)

Antigua (British)

Anguilla (British)

Barbados (British)

Cayman Islands (British)

Montserrat (British)

Turks and Caicos Islands (British)

British Virgin Islands (British)

St. Lucia, Trinidad & Tobago, Grenada (British)

St. Christopher & Nevis, St. Vincent & the Grenadines (British)

Guadeloupe (French)

French St. Martin and St. Barts (French)

Martinique (French)

shopping trip to the French boutiques in Gustavia (the capital) is de rigueur. Take a break at one of the chic cafes in town and watch the sailing yachts coming into the harbor. Evenings are made for intimate dinners at superb French restaurants, and the European plan at the hotels on the island allows you to sample the menu at La Toque Lyonnaise (590.276480), where guest chefs from Lyons are invited to come twice a year, and Le Bartolomeo (590.276660) for a mix of French and Caribbean fare. The small, luxurious hotels are often a collection of cottages set on top of a hill or along the beach like the elegant and expensive Manapany (590.276655) and the just-opened, low-key Isle de France (590.276181). For a really private vacation and a great way to experience the island, rent a hillside or beach home available through Sibarth Rental and Real Estate, BP 55, St. Barthélemy, French West Indies (590.276238). More information: French West Indies Tourist Board, 610 Fifth Avenue, New York, NY 10020; 212-757-1125.

Saba (pronounced Say-bah) is a walkman-sized, mountainous island rising 3,000 feet above the Caribbean. One of the Netherlands Antilles group, Saba's Dutch heritage can be seen in its immaculate white houses with green shutters and red gingerbread roofs. Many old houses also have flower garden grave sites. Sabans—because of the country's steep cliffside terrain—are the only Dutch subjects who can bury their dead in their backyards. The island is not for those who want beaches and an exciting night life. It is, however, paradise for divers and hikers. There is a vast variety of dive sites, some with up to 200 feet in visibility. Hiking trails number about 16, including the trek up Mt. Scenery. The long-established 10-room Captain's Quarters is the best hotel on the island, and the new chef from the Netherlands turns out West Indian specialties. More information: Saba and St. Eustatius Tourist Office, 271 Main Street, Northport, NY 11768; 516-261-7474.

Martinique feels like the Caribbean outpost of France. In fact, the island is a full-fledged part of France, with deputies in the National Assembly in Paris, senators in the Senate, and, at home, gendarmes directing traffic on

streets with names like rue Victor Hugo and rue de la Liberte. The island's ambience is distinctively French—from the breakfast smells of warm croissants and dark, rich coffee served in oversized cups, to the shops stocked with Chanel and Hermès. Sightseeing should include the small museum dedicated to Napoleon's Josephine (who was born on the island), as well as the town of Carbet where Gauguin lived and painted. Le Bakoua (596.6600202) is one of Martinique's finest hotels, with tennis, water sports, and evening performances by Les Grand Ballets de Martinique. Meridien Trois-Islets (596.660000) offers scuba diving and lots of water sports, along with good food at the beachside cafe La Case Creole. For shopping, check out Fort-de-France, Martinique's version of Nice. French perfumes at Roger Albert go for prices considered to be among the lowest in the world. More information: French West Indies Tourist Board, 610 Fifth Avenue, New York, NY 10010; 212-757-1125.

The British Virgin Islands, whose governor is appointed by the Queen, are a collection of more than 50 islands and cays, the largest of which are Virgin Gorda and Tortola. The ideal way to explore these islands is to charter a sailboat so you can take advantage of the secluded beaches of islands like Norman, Great Dog, and Prickly Pear. Whether you prefer bareboat or crewed charters, there are several companies such as the Moorings and Caribbean Sailing Yachts (in Tortola) that can accommodate your desires. If you truly want privacy, you could find some friends (about 20), blow your collective bank accounts, and rent Necker Island from Richard Branson, wunderkind of Virgin Records. It's the ultimate in luxurious hideaways. Everything—from any style of cuisine to waterskiing, windsurfing, snooker, and tennis—is yours for the breathtaking price of some \$9,000 per day. It was royal enough for Princess Di, who has vacationed on the island. More information: British Virgin Islands Tourist Board, 370 Lexington Avenue, Suite 416, New York, NY 10017; 212-696-0400. ☺

Janet Bennett is a writer based in Washington, DC.



Travel Deluxe

No Restrictions Apply (if you have the money) By Christie Gaskin

Have you ever dreamed of traveling in high style to Europe? I'm not talking about the trip you took as a college student hunched under a 50 pound backpack, sleeping in train stations; nor the business trip during which you went to 10 cities in four days and woke up from jet lag just about the time the airline found your luggage. I'm talking about *extreme* pleasure traveling. You know, one of those jaunts across the pond in sheer, gaudy luxury for no other reason than to blow your retirement fund 25 years early. Forget first class—you're going *crème de la crème* class. Why not? All it takes is money (or an unlimited credit card).

Following are just a few tempting ways you can experience Europe if you are very rich or you can come up with a really creative way to ask your boss for a substantial raise and the rest of the year off.

Getting there may be more than half the fun. If you are anxious to begin your dream vacation, book a ticket on the Concorde. For around \$7,000, you can fly from New York to Paris at an average speed that is faster than sound travels, which would seem to inhibit conversation during the flight, but remember: Talk is cheap, and cheap, according to *Lifestyles of the Rich and Famous*, is never fun.

For the entire three-and-one-half hour flight you will be showered with vintage champagne and wine, and served a multi-course gourmet meal that will forever prevent you from generalizing about bad airline food. To ensure you look refreshed upon arrival, a toiletries kit is provided to each passenger, and in appreciation for enduring this transatlantic voyage, you will receive a commemorative gift, which may or may not be suitable for framing.

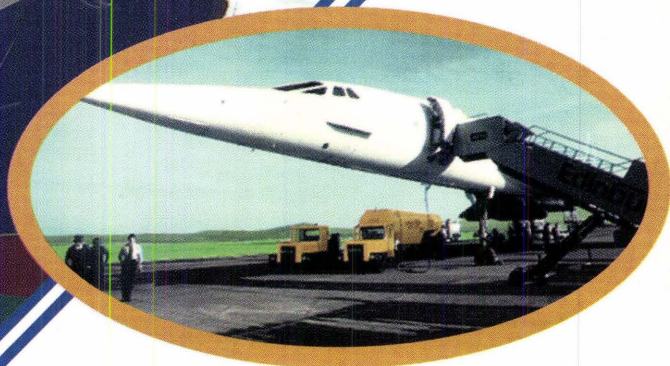
If, however, you would rather be pampered for longer than a few hours on your transatlantic crossing, consider a five day cruise on the QE2. For \$38,345 you can travel to Europe in the luxurious, two-story Queen Elizabeth suite, which includes a butler, a daily fresh fruit bowl, personalized stationery, a bon voyage bottle of French champagne, and return air fare. In the Queens Grill, awarded a Five Plus Star rating, feast on Beef Wellington and Baked Alaska and choose from a 20,000-bottle wine cellar.

To ensure that five days and nights of gourmet food does not all go to your stomach or your hips (whichever the case), the QE2 is equipped with a brand-new floating spa complete with personal trainers, exercise classes, and an array of massage and therapy treatments. Take a dip in one of the ship's four pools, or perfect your golf swing at the driving range.

Forget something at home? Visit the QE2's Shopping Promenade, which includes the only floating branch of the London-based Harrods. But, if none of these diversions thrills you, this 13-story superliner also offers a movie theater, a casino, a disco, nightly floor shows, ballroom dancing, classical concerts, computer classes, and a lot more.

Whether you arrive by air or sea, once you are in Europe there are many enviable vacations on which you can embark. For those who love boating only if there is a full crew aboard, barging the canals of France is for you. These are definitely not the kind of barges you see on the Hudson River. Complete with swimming pools and private staterooms, these barges define luxury. Rent the Fleur de Lis to float through the richly colored Burgundy countryside. The barge's accommodations are large enough to host three couples, each in a private stateroom with a private bathroom, in addition to a six-person crew. Each stateroom is individually decorated with a four-poster bed and a tub in each bathroom. The main living area includes a separate dining room, a large salon filled with antiques from India, and the essential baby grand piano.

The most stressful aspect of barging is narrowing your choice of activities for the day. Each morning wake up to the aroma of strong French coffee and fresh croissants purchased early that morning from a local bakery. Take a bike ride on the tow path that runs the length of the waterway, and then cool off in the barge's pool. Meander around the small, rural villages that are scattered along the canal. The crew will happily escort you to translate and introduce you to the local people. If so inclined, you can sample the local cuisine at any of the villages' quaint, friendly pubs; however, your chef's expertise will probably lure you back to the barge for each and every meal. Top off the day with a hot air balloon ride at sunset, complete with a bottle of chilled champagne, which will



surely enhance the spectacular aerial view of Burgundy or at least make you forget your fear of heights.

Lunches & dinners are served in the barge's separate dining room, which is formally set for each meal. Each day the chef will consult with you on your gastronomic preferences (as a good chef should) and every night post the menu of the next day's culinary delights. A typical dinner might include tomato bisque, followed by trout stuffed with spinach, a mousse of puréed carrots with tarragon, green beans sautéed with almonds, and a dessert selection of fruit and cheese, lime sorbet, and coffee and chocolates. The large selection of wine is carefully chosen by the barge's pilot, who in the off-season works in a local winery and will be glad to hold wine-tastings at your request. After dinner, relax with a nightcap and if you are so inclined, tickle the ivories of the baby grand piano.

The cost of a six-day barge trip on the Fleur de Lis for three couples is approximately \$11,000 per couple. For more information call Abercrombie & Kent International, Inc. at 708-954-2944 or fax them at 708-954-3324.

For a land-based adventure on a legendary mode of transportation, book passage on the Orient Express. Through Travcoa, a travel company specializing in first-class tours, you can book either a 15 or 29-day excursion on the Orient Express.

Travcoa offers tours all over the world with deluxe accommodations, cuisine, and tour guides and always limits its tours to under 25 people. Meals, accommodations, and transportation are included in the price of each tour.

Travcoa is unique in that it allows more flexibility and independence than most tour companies. For example, at mealtimes you may dine with the group, separately with a few friends, or order room service. And, all meals are à la carte—no endless buffet lines to endure.

Travcoa tours include extras such as lectures on the history and culture of your destination, local guides as well as an overall tour manager, exclusive cocktail parties, and pre-arranged evenings at the theater or ballet.

A 15-day excursion on the Orient Express with Travcoa costs \$6,895 per person—and they will literally roll out the red carpet for you.

You will board the Venice Simplon-Orient-Express at Victoria Station in London. This is the same exquisite train that has carried King Edward VIII and Mrs. Simpson (later Duchess of Windsor), Leopold II of Belgium, and the Aga Khan. The train looks exactly as it did in its 1920s heyday but is actually in much better condition since a complete refurbishment in the early 1980s. Even the spirited crew dress in 1920s-style formal uniforms. The interior is rich with polished wood, original Lalique crystal wall panels, and inlaid brass accents. The private compartments are small but offer details such as pure linen sheets and plush upholstery. There are also compartments that inter-connect for families or friends, or to just add more space. Each car has a porter who will bring you fresh croissants and a paper each morning, and anything else to make your ride more comfortable. There are no private bathrooms; however, each car has a large, well-equipped bathroom and dressing area.

Evenings on the Orient Express are festive. It is not unusual for passengers to dress in the spirit of the voyage; women in 1920s-style dresses and men in tuxedos. The gourmet food and wine also contribute to the celebratory atmosphere, as does the Bar Salon that will not close until the last passenger turns in for the evening.

You will cross the English Channel by a ferry on which the Verandah Deck Salon is reserved exclusively for Orient Express passengers. Then re-board the Orient Express and wind through France and Switzerland with two short stops in Zurich and Innsbruck. Continue on to Venice, Pisa, Florence, Rome, and disembark finally in Lucerne. In each city you will be pampered in luxurious hotels such as the Royal Danieli Hotel in Venice, and the Excelsior Hotel in Florence. You will also have the choice of participating in special tours led by knowledgeable guides familiar with each city. For example, in the Renaissance capital of Florence, you can visit, among other sights, the Uffizi Gallery, and the Medici Palace, and actually know what you are looking at.

For more information contact Travcoa at 1-800-992-2003, or write to them at P.O. Box 2630, Newport Beach, CA 92658.

These are only a few examples of how Europe can be enjoyed in high style, but there are many more deluxe adventures available. With some research, creativity, and absolutely no fear of debt, you can find them. ☺

Christie Gaskin is an avid traveler.



PRAGUE in Profile

Prague was, and remains, a city of secrets. In the recent past (a time that now seems strangely so very long ago), the Czech Republic's capital was a nexus of suppressed political passions and whispered defiances. Today it is a metropolis reborn, and the secrets Prague keeps are of a thoroughly romantic order. Lovers meet in quiet places, and the local literati assiduously try to keep their corner tables in cafes yet to be discovered by the tourist hordes.

The Republic is now recovering from another upheaval, one less joyous than the 59-day Velvet Revolution, which toppled the communists in late 1989. The split from the Slovak lands was painful, but now Praguers can argue the merits of further political changes—like the government's rapid move to privatization—without reference to historical conflicts and Slovak resentment over being the lesser of two equals in nationhood.

By David Ellis

Of course, the first instinct after freedom was to look westward. In the bad old days, Western influence was limited to the blues songs sung in Czech at dark, smoky student hangouts. Today the admiration is as obvious as a street sign, for as one local journalist points out, "Prague has more landmarks named after American presidents than former Czech leaders." This fact is even more striking now that several places have been relieved of the names of communist icons like Klement Gotwald, the first Marxist president.

Today, the influence is growing, as the West comes to call in record numbers. An astounding 83 million visitors invaded Czechoslovakia in the final year of its existence. (Day trippers from nearby Poland, Austria, and Hungary accounted for more than three quarters of that huge figure.) Most fanned out from, or never left, the confines of the elegant baroque capital. That was quite a shock to a city of just 1.2 million people. And the permanent population now contains some 10,000 expatriate Americans, with a like number of young people encamping from Western Europe.

Beyond the new and inevitable McDonald's, there are Yankee pizza parlors, an American hospitality center, and even a coin-operated laundry facility. (Talk about counterrevolutionary concepts!) The transformation of Prague has led to spirited public debate over whether the country's cultural heritage is endangered.

Ironically, when one Czech writer felt compelled to editorially ask "whose country is this, anyway?" he published the piece in one of Prague's two English language newspapers.

Of course, Czechs have learned to accommodate the crowds that mob Old Town Square on sunny May afternoons, eager to watch the astronomical clock, with its religious figurines, herald each new hour. English is spoken more often at restaurants and on the street. The government has learned some American ways as well. Anxious to hold onto more of the \$1.4 billion of tourist money that is now spent annually, officials have instituted a 23 percent value added tax to hotel rooms.

So Prague isn't such a bargain anymore. But there should be little fear that its charms will ever be erased. This is a city that has survived several wars and repression with its architectural and cultural integrity intact; both will survive

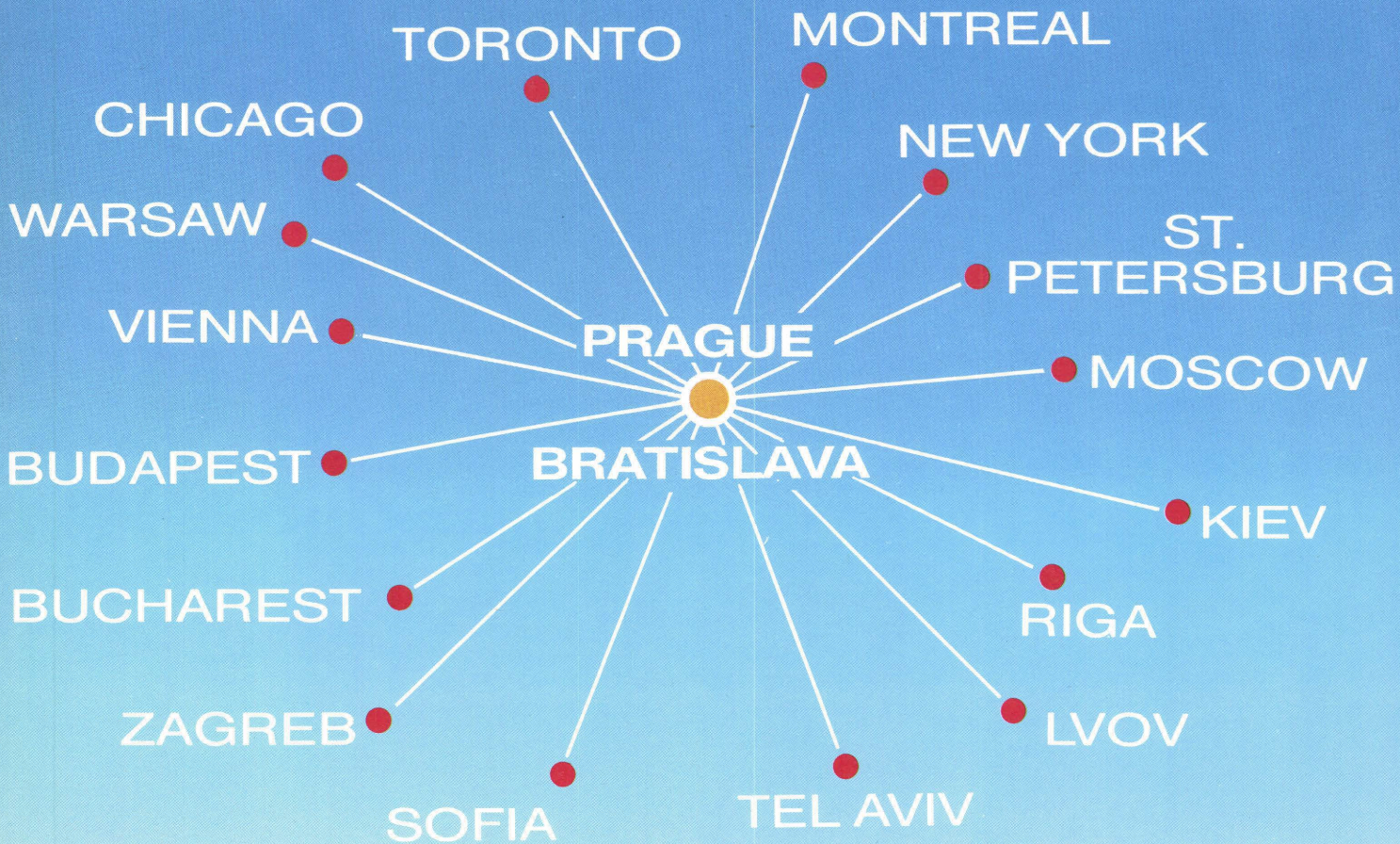
So Prague isn't such a bargain anymore. But there should be little fear that its charms will ever be erased. This is a city that has survived several wars and repression with its architectural and cultural integrity intact





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the Big Mac, too. But now the traveler must search for Prague's secrets and grasp a memory unshared by others.

An early riser will be able to cross over the city's historic Charles Bridge free of the merchants, beatniks, and musicians that set up by mid-morning. This magnificent 14th century construction is lined on both sides with sandstone sculptures of saints. The bridge links Prague's old town district with the equally historic *Mala Strana* (the "Little Quarter"), which sits at the foot of Prague Castle, seat of the government and the place where Vaclav Havel, the Republic's popular president, conducts his business.

On a walk through the castle gardens, you'll come across a large bowl-shaped planter known affectionately as "Havel's ashtray." The president, a habitual smoker, has his offices above that spot. Also located here is St. Vitus Cathedral, the final resting place of several Bohemian kings, including Charles IV and all four of his wives. A small street of pastel-colored cottages reminds visitors that all was not grand along these parts; humble workers lived among the grandeur.

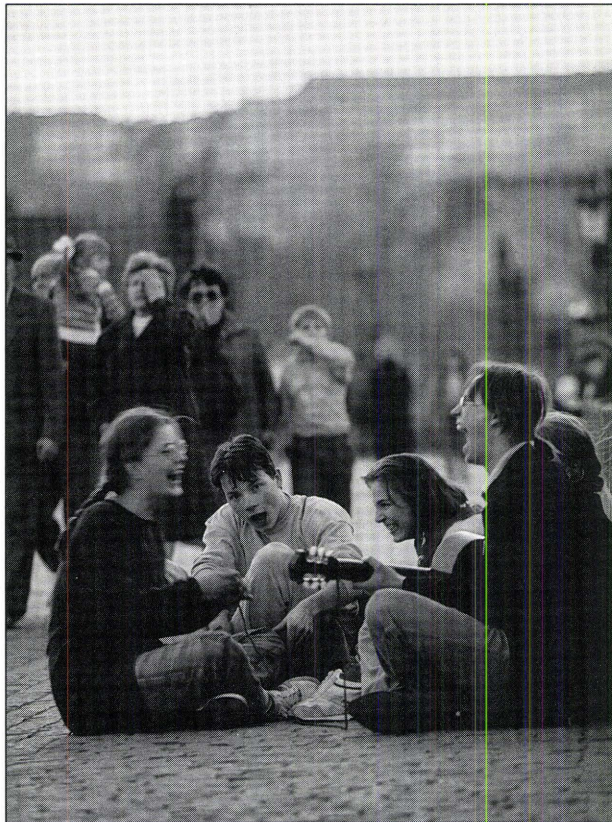
Sadly, most people are so exhausted by their trek through the castle grounds that they leave little time for the area beyond Hradcany. It is worth a look, or a return visit.

Behind the 18th century Loreto Chapel is a quiet district of small houses and restaurants hidden down cobblestone streets. If you are lucky, a horse drawn carriage will sweep down a venue to complete the illusion of being in another place and time. One can ease back into the present with an invigorating walk through the Royal Gardens at day's end.

After a tiring journey through the serpentine streets of the Old Town and Josefov, the ancient Jewish Quarter, you'll have a perfect excuse to stop for refreshment in one of the city's several hundred *pivnices*, the old-style pubs that serve the potent brews of Bohemia. Drink it dark if you like; but by necessity, you will drink it strong.

Just as Czech diets are not for the avowed vegetarian, Prague's pubs are not hospitable places for lite-beer fans. Places like Bonaparta and Fleku serve frosty mugs of the stuff, which helps wash down a working man's meal of pork or beef with pickled peas and cabbage.

The entire city is covered by an efficient and inexpensive system of subways and street level trams. Locals may grumble about the rising cost of a metro ticket, but for the Western visitor, it amounts to



Prague's historic Charles Bridge, which links the old town with the *Mala Strana*, is a favorite gathering place for merchants and musicians.

pennies. The smooth whoosh of the trains provides evidence that Soviet workmanship does indeed have its triumphs. Several of the main subway stations have become monuments to capitalism, with pedestrian passages filled with television monitors bringing the city CNN and MTV via satellite.

The trams wind through ancient streets and give the more ambitious visitor access to out-of-the-way places of interest. From downtown, tram number 17 will take you to Vystaviste Park, a 100 year-old amusement park and planetarium popular with locals. The city's zoo is a short walk away.

There is always plenty of music in the city that nurtured Mozart and gave

the world Dvorak. Often, churches are the setting for musicales; you can enjoy a concert at Mikulas Church or hear chamber music at St. James's.

These days, Prague can laugh again—and even display a puckish sense of humor about past travails. Perhaps the most culturally significant event occurs in the fall, when virtuosos from around the globe participate in a festival celebrating the nation's rich musical heritage in several of the city's most beautiful venues. The event, the brainchild of Prime Minister Vaclav Klaus, has been dubbed the Prague Autumn. These days such phrases do not symbolize betrayal and loss of freedom but instead bring warm associations of cultural pride.

An escape from the castle crowds and Charles Bridge hawkers and merchants can be found on Petrin Hill, which Milan Kundera called the "great green mound rising up in the middle of Prague." He made Petrin the place where Teresa, the suffering wife in his masterpiece, *The Unbearable Lightness of Being*, found escape from a life of betrayal and frustration in communist-era Czechoslovakia.

A perfect place for a picnic, Petrin's summit is reached by funicular or a vigorous stroll through shaded paths. At the top, a scaled-down replica of the Eiffel Tower provides a spectacular view of the city and the winding Vltava River. If you still have energy in reserve, try traipsing through the ramshackle Hall of Mirrors.

Here before you is the width and breadth of Prague, including the remnants of past rulers, from the faraway radio tower proclaiming glorious socialist achievement to the crumbling royal palace at Vysehrad built by an 11th century Bohemian king. Crowded it may be, but Prague maintains an enduring dignity through all its trials.


Kundera's heroine sensed it, too: "Below her she saw the towers and bridges; the saints were shaking their fists and lifting their stone eyes to the clouds. It was the most beautiful city in the world." ☺

David Ellis, based in New York City, is a writer for People Magazine.

P O R T U G A L



Prime Minister Anibal Cavaco Silva's strict economic policies have put Portugal on a steady track. BY SARAH PROVAN



Seven years after its accession to the European Community, Portugal last year had its coming-out party on the international stage, successfully hosting the six-month rotating European presidency. In 1994 Lisbon will be the European Cultural Capital and in 1998 will host an international exposition. All these accomplishments are in stark contrast to the previous image of Portugal as a small European backwater.

But 1993 may prove Portugal's time of reckoning. After recording the highest growth rates in the European Community following accession in 1986, Portugal has leveled off with prospects for 1993 being 1.3 percent, ranking fifth alongside the United Kingdom, according to EC Commission statistics. (The figures are for gross domestic product after adjustment for inflation.)

With hindsight, many financial experts including Finance Minister Jorge Braga de Macedo have even suggested that the injection of EC funds disguised the real growth rates of Portugal.

Overall EC funds have doubled to over \$23 billion, or five percent of GDP for the next seven years until 1998, totaling \$3.3 billion a year to concentrate on infrastructure, transport, training, and social projects.

But with the rest of Europe in deep recession, Portugal has so far barely felt the effects.

"It's too early to say if Portugal will enter the current recession, but the climate is worse now than it was two to three years ago," said Miguel Namorado Rosa, chief economist at Banco Comercial Portugues (BCP).

"Predictions suggest zero growth. In the first nine months of 1992, Portugal enjoyed 2-2.3 percent growth, but since then there has been zero growth."

Portugal, however, has the previous six years to fall back on as foreign in-

vestment which poured into the country begins to take effect.

An ambitious joint venture was sealed in December when the EC Commission approved the company set up by Ford and Volkswagen to build the most modern car factory in Europe to produce a new multipurpose vehicle. The project, Portugal's largest single foreign investment, plans to resuscitate one of the Community's poorest regions and should create at least 4,500 direct and 12,000 indirect jobs in Palmela and the nearby port of Setubal, 25 miles south of Lisbon.

Beginning December 1994, the new factory hopes to produce annually 160,000 seven-seater luxury vans, with over 90 percent tagged for export.

With Japan dominating the current European market for multipurpose vehicles, the new product will compete head on, aiming to take 30 percent of the market.

The government hopes to link about 20 percent of Portugal's exports to the automobile industry after 1995.

(The government incentive package includes a direct grant of \$580 million and up to \$52 million in tax exemptions on sales over five years. When fully functional, the plant is likely to produce about 3-4 percent of GDP.)

Portugal's relatively low wages, political and social stability, and favorable terms offered by the center-right government have made it attractive to foreign firms.

The 1990 foreign investment figure of \$10.5 billion was almost four times that for 1989, which in turn was more than the 10 previous years combined. In 1992, direct investment totaled \$3.9 billion.

Prime Minister Anibal Cavaco Silva, a former economics professor, adopted a strict macroeconomic policy to fight Portugal's runaway inflation and put the country on a steady track. His ambitious privatization plan has brought billions of dollars to the state coffers.

Mr. Cavaco Silva's policy is based on slashing inflation, and in his six years of elected office he has succeeded in reducing it steadily. Inflation currently stands at eight percent, which is Portugal's lowest rate in the past 20 years (although it is the second highest rate in

the EC just below Greece). Over the next three months, the government is hoping to see inflation drop further to six percent, a far cry from the early 1980s when it was 29 percent.

When Mr. Cavaco Silva won an overwhelming majority in the 1987 elections, inflation fell to 11 percent as a result of his economic shock tactics.

His social democratic party (PSD)



In his second presidential term, Mr. Soares models himself as a president for the people and introduced an "open presidency," a series of two-week walkabouts in a chosen area to talk to ordinary people.

has enjoyed the longest period of political stability since Portugal's 1974 bloodless revolution shook off the shackles of nearly half a century of ultraconservative dictatorship.

This mid-term year, however, is a crucial one. Always with an eye on local elections in December and national elections two years away, the government is desperately trying to maintain its popularity in the polls.

In March Mr. Cavaco Silva announced four huge economic packages, amounting to billions of dollars to bol-

ster agriculture, industrial exports, and help the housing situation in preparation for the single market and tough open competition.

With 134 deputies in the 230-seat parliament, Mr. Cavaco Silva seems pretty secure in his job, but recent polls have shown his popularity slipping.

Thousands of public sector jobs have been shed, and so far this year many workers, from the higher judiciary down to students and garbage collectors, have gone on strike or taken to the streets in protest of the government's proposed wage packets and economic measures. At about four percent, Portugal still has one of the lowest unemployment figures of the Community, but it looks set to rise.

However, the prime minister's main political rival is not the opposition leader Antonio Guterres of the Socialist Party, but rather the charismatic President Mario Soares—a three-time former Socialist prime minister, who has never managed to fully shake off his socialist ideals.

Together, Soares and Cavaco Silva form a unique leadership for Portugal, and their private feuds have even inspired a daily radio satire.

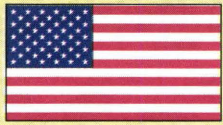
In his second presidential term, Mr. Soares models himself as a president for the people and introduced an "open presidency," a series of two-week walkabouts in a chosen area to talk to ordinary people. He listens to their problems and their vexations of the government, often agreeing and offering friendly advice.

The 67-year-old president's last walkabout was in Greater Lisbon when he visited the slums in the outskirts of the capital, went to hospitals, and took one of the busiest rail networks in Europe before ending his tour with a visit to a trendy discotheque in downtown Lisbon.

Barely two weeks after Mr. Soares ended this year's first open presidency, Mr. Cavaco Silva's government announced a new series of financial packages, the first being a billion-dollar slum clearing program in Lisbon and Oporto. ☐

Sarah Provan writes for the Associated Press from Lisbon.

US-PORTUGUESE RELATIONS



US States Exploring New Trade Links with Portugal



Relations between Portugal, arguably the most pro-American nation along the southern European rim, and the United States have generally been good, but tension has grown between the two over the US military base in the mid-Atlantic Azores.

The United States stopped an annual \$40 million in aid to civilian projects under the base deal, because of the upturn in the Portuguese economy since 1986.

The Bush administration, in fact, requested there be no change in the budget, but Congress eliminated grant aid for Portugal as well as Greece, considering that EC membership no longer made the full grant relationship necessary. Portugal, however, disagrees and is holding out for more money saying the Lajes base on Terceira island was a vital refueling point during the Gulf War.

However, apart from this thorny problem, state-to-state relations are good as the United States sees Portugal as an important gateway into the European Community, the world's largest single commercial market.

Recently, several US state government delegations have visited Portugal with the view to extending trade links with their European partner. Massachusetts Lieutenant Governor Paul Cellucci came over with a large group of industrial and educational leaders with the intention of exploring the possibilities of a two-way swap of industrial products to improve links with Portugal.

"We believe there are great opportunities to benefit both Portugal and Massachusetts in the seafood, environmental, medical, textile, and telecommunications industries," he said.

"As Portugal continues to develop, it makes itself more attractive to foreign investment," US Embassy spokesman Jefferson Brown agreed.

Portugal still has a long way to go to level with the rest of Europe and comply with strict Brussels regulations in many areas like the environment, but Massachusetts can help with the equipment and high technology the country needs.

On his two-day trip to Portugal, the lieutenant governor met with Environment Minister Carlos Borrego and also talked with Portuguese President Mario Soares.

Massachusetts is home to some of the finest health institutes and research centers in the world, giving it an advantage over other US states to boost trade, investment, and educational links with Portugal.

Some two million Luso-Americans live in the United States, but the lure of Portugal, Europe's westernmost nation, is particularly strong for New Englanders with a large proportion concentrated around the Fall River and New Bedford areas.

"Trade between Massachusetts and Portugal is a very natural thing that should continue to increase significantly, especially as we have close ties with the large Luso-Ameri-

can population," said Cellucci.

"But it would be a two-way swap, with emphasis on trade and investment, as we want to encourage Portuguese companies to invest in Massachusetts. As Portugal begins to match requirements for 1996, we believe great opportunities can open up to benefit both Portugal and Massachusetts," he added.

There is a natural affinity between New England and Portugal as both are bastions of textile industries. Portugal's textile industry, based in the north of the country, is currently undergoing a difficult period, and the Massachusetts delegation investigated the situation looking for a market niche for high technology with which to produce clothing and find markets.

"Where Portugal doesn't have products to compete within the EC, it could offer US products," said Ronald McNeil, a member of the Massachusetts team who visited northern Portugal to explore joint venture opportunities with textile companies.

"The textile industry in Portugal is undergoing a transformation, and we want to assist with management expertise and move from a very labor-intensive industry to higher technology without losing people on the way," he added.

The large textile presence in Massachusetts has been replaced by hi-tech enterprises, with small manufacturers still finding market niches with improved technology producing clothing.

Cellucci was particularly interested in the VW-Ford plant under construction in the area of Satubal, one of the poorest regions in the EC, to the south of Lisbon.

"The cars will be a big seller in the US market, and the opportunities for Massachusetts companies are excellent," he said.

Massachusetts is interested in Portugal's agricultural products (especially wine), footwear, and textiles, said Cellucci.

Until recently, Portugal had not been a typical stop on the US state officials' itineraries. It is now part of the global strategy to make US products more competitive and expand trade contacts.

Representatives from 15 states—from Arkansas, California, Colorado, Connecticut, Georgia, Indiana, Iowa, Kentucky, Michigan, Minnesota, New York, Oklahoma, Pennsylvania, Virginia, and Wisconsin—visited Lisbon and the northern city of Oporto on a fact-finding mission. As well as wishing to offer commercial opportunities in fields such as telecommunications, pollution control, construction, and information technology, the delegations also came to seek out agents, distributors, and importers in Portugal.

In 1992 Portugal's US imports totaled \$1 billion in goods, while the United States imported \$700 million worth of Portuguese goods. **E**

—Sarah Provan

P O R T U G A L

Portugal's

Elixir

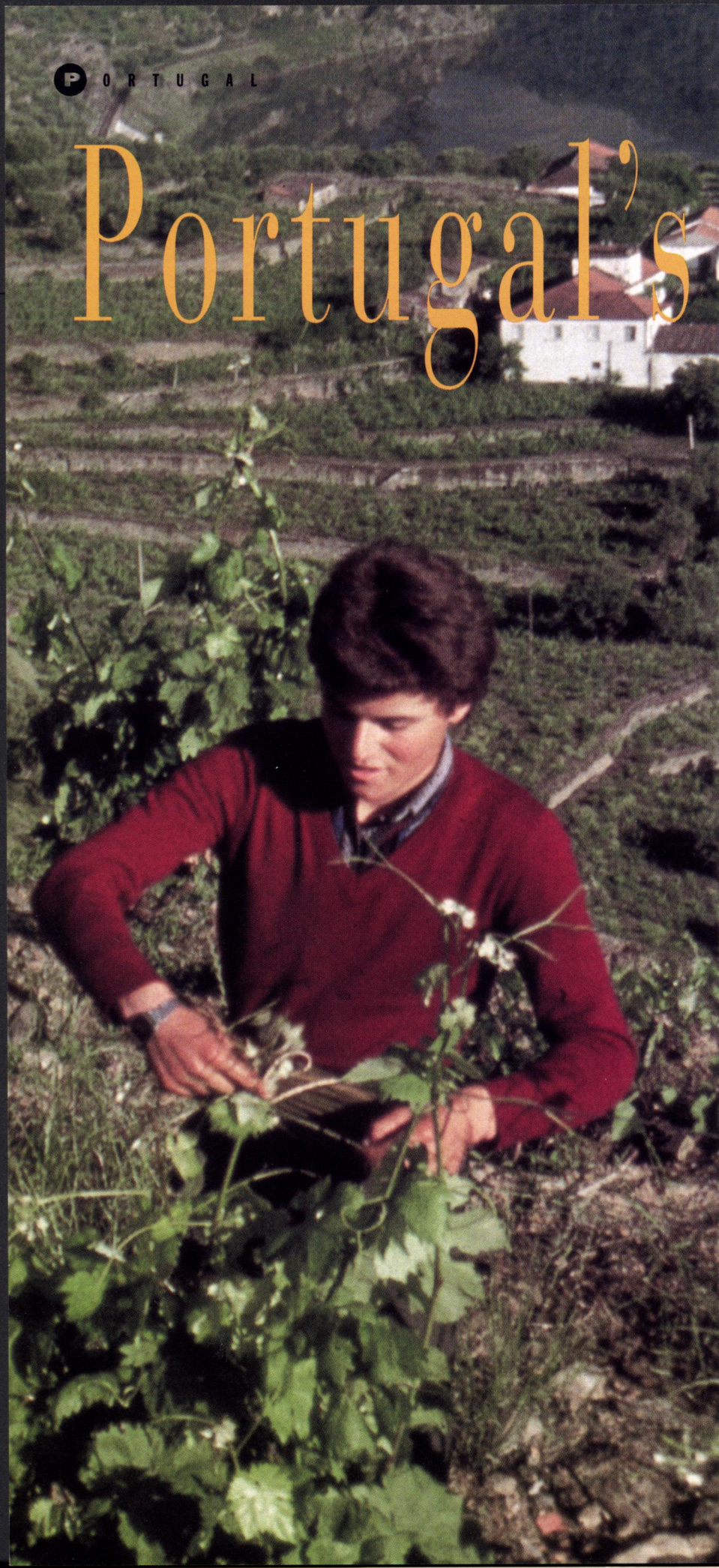
By Jim Spellman

Against the rocky, sharp as-
sents of the mountains rising
from the Douro River, the “river
of gold,” in northern Portugal,
the terraced vineyards struggle
stubbornly to produce the
grapes that yield Portugal's
elixir, its port wines.

It seems senseless, at first, that anyone would persevere to cultivate grapes here. But the 1,000 square-mile region called Alto Douro, which stretches from Barqueiros to Barca de Alva in northern Portugal, has unique climatic and topographical assets that combine to define port's exalted taste, bouquet, and color. The extremes in weather—scorching summers and cold winters—and the arid, rocky land create highly concentrated flavor in the grapes that are harvested here. Microclimates impart the grapes in each area with nuances. The soils also heighten or temper a grape's character.

Along with the region's inhospitable characteristics are the beneficial ones. Beneath the soft, phosphate-rich, stony soil, called schist, from which the terraces are carved, is solid volcanic rock. When the torrential rains pound the region, the narrow terraces—built on inclines as great as 70 degrees along the gorges's sides—help prevent the vines from washing away.

The water soaks through the schist



to collect above the nonporous volcanic rock, creating a reservoir of water, which the vines' roots tap during the dry summers. The surrounding mountains of Marao and Alvao e Montemuro protect the vineyards from harsh winds coming off the Atlantic Ocean.

The Romans are said to have produced wines in Portugal after crossing the Douro River in 137 BC to conquer the Celts in what was then called Lusitania. But the intensive planting of vineyards in the Alto Douro is traced to King Denis's efforts in the 14th century to promote agriculture throughout this region. This monarch also founded the country's first university.

Winemaking intensified with the presence of the British, who were granted special trading privileges in the period after Spain recognized Portugal's independence under the 1668 Treaty of Lisbon. The British expanded its wine interests here after first levying heavy duties and then a ban on French wine in the late 1600s in response to Louis XIV's protectionist policies.

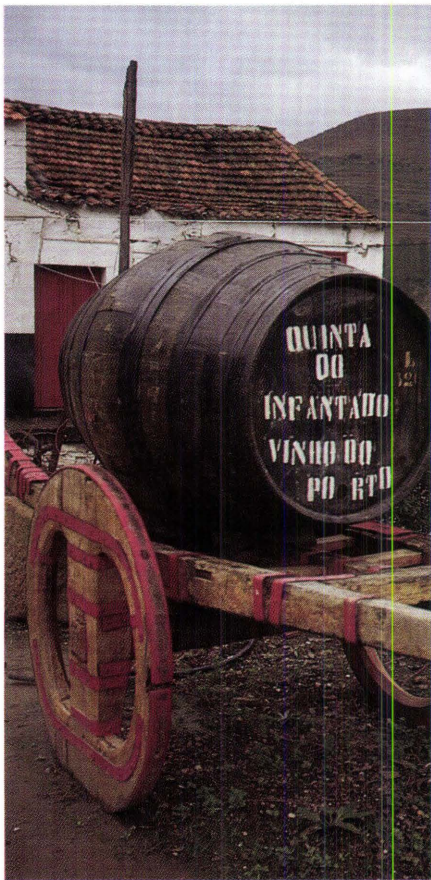
As the British increased their businesses, they began experimenting with brandy additions to Portuguese wines. One tale traces the origins of this process to an abbot in a Lamego monastery. Brandy halts fermentation, which turns sugar into alcohol. By arresting this process, port retains a sweetness while the brandy strengthens the alcoholic content that would have otherwise been obtained if fermentation were allowed to have been fully completed.

The Methuen Treaty, signed in 1703, gave a further boost to British imports of Portuguese wines by reducing by one-third the duty on these wines compared to that assessed on French wines. Drinking port became a patriotic cause for the British to retaliate against the French. The pundit Dr. Samuel Johnson quipped, "Claret is the liquor for the boys: port for men." The poet Jonathan Swift wrote, "Bravely despise champagne at court. And choose to dine at home with port." By the end of the 18th century, the British were importing three times more port than they do today, even though the UK's population now is far larger.

The grapes' production and process are tightly regulated by the Port Wine Institute. First, the wines must be made

from grapes grown in the Douro region, which is the world's oldest demarcated wine region, according to the Port Wine Institute. It was first demarcated in 1756 by a regal charter when the Marquis de Pombal was prime minister. The region's outlines remained unchanged until 1907 and were changed again in 1921.

Second, the grapes must be from the list of 15 red and 14 white varieties which are recommended, authorized, or temporarily authorized. The recommended varieties of white grapes are Malvasia Fina, Viosinho, Donzelinho,



All port wines must be made from grapes grown in the Douro region, which is the world's oldest demarcated wine region.

and Gouveio. The red grapes are Tinta Baroca, Tinta Roriz, Tinto Cao, Touriga Francesa, and Touriga Nacional. The most widely used varieties are the Mouriscos, Tintas, and Tourigas; the best type for white port is Malvasia Fina.

Port wine must have an alcohol content of between 19 and 22 percent of volume, except for the dry, light white types, which can have a minimum of 16.5 percent. To achieve that, the addition of brandy is set at a ratio of approx-

imately 1/5 of the volume of must, or about 115 liters of brandy to 435 liters of must.

Red ports are classified as: vintage, ruby (or red), tawny, medium tawny, and light tawny. The whites are called: pale white, straw-colored white, and golden white. Sweetness is set as very sweet, sweet, half dry, dry, or extra dry. Port can also be distinguished by the specific vineyard (called quinta) that produced it.

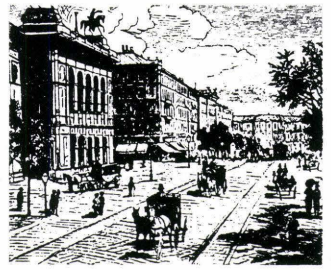
If port from one harvest during a particular year is recognized by the Port Wine Institute as having exceptional qualities, it can use the mark of "vintage." Less than one percent of the annual shipments of port are vintage. Vintage wine must age in a cask for at least seven years before being bottled for many more years of aging. The 550-liter casks, or "pipes," are made of Brazilian mahogany, oak, or chestnut, which all allow the wine to oxygenate and add tannin, the so-called backbone of wine's character. Ports can also earn the designation "late bottled vintage," which is for those ports that age in casks from four to six years. Blends of wines from different grapes and areas are made in ports of 10, 20, 30, or over 40-years old. As the wines age in casks, they are raked regularly. During this process, the wine is transferred to a holding tank while the pipes are cleaned of the deposit called "lees" (bacteria, yeasts, and other substances) and repaired.

France imports most of Portugal's production (41 percent or 1.27 million cases for the first six months of 1992). The Benelux countries are the second largest market, buying 21 percent of all exports. In comparison, US demand is small—only 1.6 percent of exports—but growing—up 37 percent from 1991. World exports were up only marginally during the last two years. Port sales reached \$320 million last year, accounting for about one half of one percent of the country's economy.

Port's popularity has risen and fallen with the times, but it endures as a unique wine in invoking contemplation, reviving vanquished spirits, and warming away the chills from autumn through spring. ☺

James D. Spellman is a writer based in Washington, DC and Geneva. His article, "Cognac: Liquid Mystery," appeared in EUROPE's December/January 1993 issue.

CAPITALS



For our May issue we asked each of our Capitals correspondents to write about a favorite travel destination in his or her country.

Letter from Portugal:

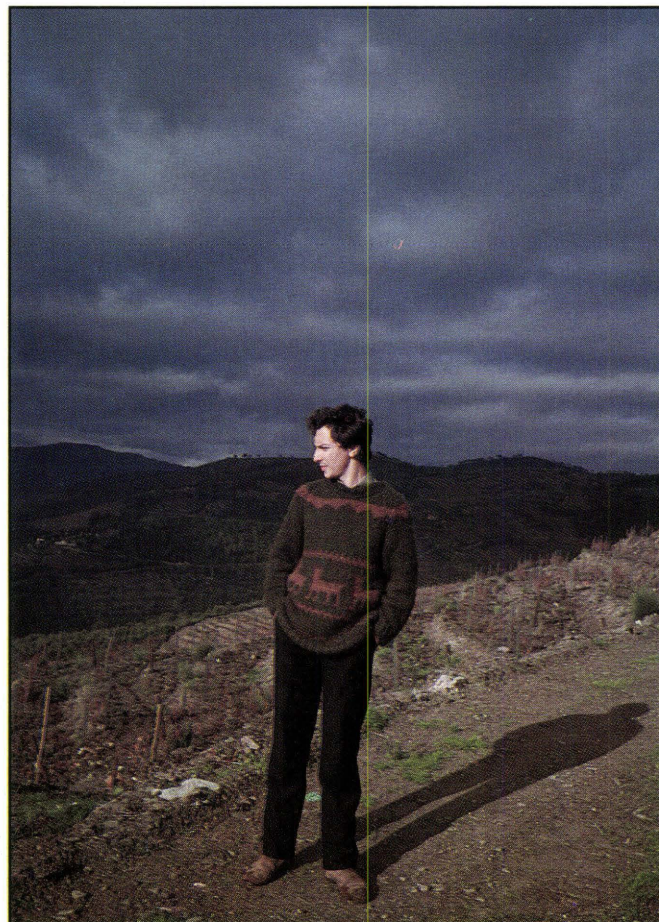
THE MINHO

"Better the ass that carries me than the horse which tosses me" is an old Portuguese proverb and in Portugal's northwesternmost province the locals may be seen stubbornly relying on just this slow form of transport. The Minho is a place to get away from stress and strain, where time takes on a different pace, and the ox and cart are still often seen holding up the traffic on the narrow hedge-lined country roads. Many fields are still plowed by oxen, mainly because the steep terraces impede the use of tractors.

But this adds to the charm of one of Portugal's lushest, wettest regions but also one of the country's poorest, relying heavily on its family-oriented agricultural heritage to eke out a living. Life laboring on the tiny inefficient family plots, often subdivided among the traditionally large families, is hard and many a young *Minhoto* has gone abroad—to other European countries or to the United States—to seek his fortune.

But the pull of the land and of the family is strong. In July and August the narrow roads snaking through the countryside are jammed with large, good-looking cars rac-

D I R E C T O R Y	
PORTUGAL	.....34
PARIS <i>Queen of the Beaches</i>	.....35
MADRID <i>Fiestas Big and Little</i>	.....36
BERLIN <i>Schleswig-Holstein Festival</i>	.....36
LONDON <i>Sitting Together in Song</i>	.....37
DUBLIN <i>Baltimore, Ireland</i>	.....37
AMSTERDAM <i>Delft and Leyden</i>	.....38
COPENHAGEN <i>Skagen</i>	.....38
ROME <i>In Search of the Tuna</i>	.....39
LUXEMBOURG <i>Fortress to Financial Center</i>	..40
BRUSSELS <i>Castles Galore</i>	.....41
ATHENS <i>The Peloponnese</i>	.....42



The Minho is a place to get away from stress and strain, where time takes on a different pace.

ing around bends as the emigrants come home for the summer to show off their new purchases. Passing uphill around a blind corner is a common pastime for many a *Minhoto*, so beware. Ostentatious and outrageously designed houses mingle with the centuries-old homesteads and farms as the emigrants come back to make their mark after lining their pockets abroad.

Ponte de Lima and Ponte de Barca, in the very middle of the province, are good bases for a trip to the Minho. Ponte de Lima, which faces the river Lima with its wide sandy banks, is the headquarters of the popular Turismo de Habitacao, a plan supported by the government and the European Community, in which many of the region's large manor houses have been refurbished and adapted for tourists. (The idea is two-pronged: to bolster the north's tourism industry, drawing tourists away from the usual destinations such as Lisbon and Oporto and the southern coast, and to help owners preserve the large family houses nestled in the lush hills.)

From Ponte de Lima, visitors can go to cities like Guimaraes, the first capital of the Portuguese nation back in the 12th century. Braga, the biggest city north of Oporto, is known for its many churches, and its cathedral is the seat of the primate of Portugal.

Ponte de Lima itself is charming, overlooking the river Lima and a long low Roman bridge spanning the

river, and lends its wide sandy banks to lines of washing and its river to good bathing and trout fishing.

A visitor cannot visit the Minho without savoring the tantalizing, thirstquenching *vinho verde* (literally green wine), so called because it is young, with a low alcohol content. The white wine (*vinho branco*) is delicious, slightly sparkling and should be served ice cold, either as an aperitif or with the fish that is so good here.

Delicious river trout or the eel-like fish called *iampreia* are a perfect accompaniment. Other Minho dishes are the famous *caldo verde*, made from a shredded cabbage-like vegetable similar to kale, and potatoes, and the many pork dishes, such as the smoked sausage, or *chourico*.

For the traveler interested in ancient history, Portugal's Celtic origin can be seen in the Minho, where *Citania de Briteiros*, the largest of Portugal's Celto-Iberian settlements and reputedly the last to hold out against the Romans, can be found near Braga.

While nearby Barcelos is well known for its enormous Thursday market, which sells everything from antiques and textiles to kitchenware and large loaves of bread.

The river Minho divides Spain and Portugal, and the two sides have glared at each other from fortresses for centuries. Valença do Minho, now usually inundated with Spanish daytrippers, is enclosed by high, gray fortress walls built in the 17th century. The inner town nowadays is very pleasant and easily lends itself to ambling through its cobbled streets, with the ubiquitous embroidered tablecloths two a penny.

Oporto's airport and the fast rail network between Lisbon and Oporto provide easy access to the Minho, though it is advisable to hire a car to make the most of this region.

—Sarah Provan

For more information:

TURIHAB, (Associação do Turismo de Habitação), Praça da República, 4990 Ponte de Lima [(0) 58-942729, fax (0) 58-741444]. Reservations can be made via this organization.

Also two pousadas (inns) in the Minho: the Pousada de N. Sra. de Oliveira in Guimarães, 053-514157 or fax 053-514204, an ancient 16-roomed manor house in the historical center.

In Vila Nova de Cerveira, on the banks of the Minho, the Pousada de D. Dinis has 29 rooms. Tel.: 051-7956-01, fax 051-795604.

On the hillslopes above Vila Nova de Cerveira is the beautiful Estalagem da Boega, Quinta do Outeiral, Gondarem, 4920 Vila Nova de Cerveira with stunning views of the river and the countryside. Reasonable prices. 051-795 248, 051-795231.

PARIS

QUEEN OF THE BEACHES

With the first balmy weekends of spring, Parisians leave their city in lemming-like hordes and head for the Normandy coast. They are not early risers, so anyone who gets on the road before 9 a.m. can arrive at the seaside in just two hours, ahead of the traffic jam.

The most glamorous destination is Deauville, famous for its horse racing, its candybox casino, and the annual American Film Festival. Deauville is part fashionable resort and part tinseltown, where people wear designer sunglasses and lots of gold jewelry when they tan, and not much else.

But beachlovers like us, with young

children, fewer pretensions, and less ready cash, head next-door to Trouville. Just across the Touques River from Deauville, it shares the same golden expanse of beach and adds the salty charm of a fishing port that dates back to the 17th century.

At the fish market, the catch is spread out in all its briny beauty, a lot of it so fresh that it blows bubbles and waves fins at you. We always buy some fish soup, which is ladled out of big pots into an empty Vittel bottle and sold with its traditional garnish of croutons, *aioli*—a pungent garlic sauce—and grated cheese.

All along the quays, restaurants and brasseries beckon. Most of them, like Les Vapeurs and Le Central, specialize in enormous seafood platters that can nourish and entertain a family of four. But many also dish up other Normandy specialties: crepes, of course, which come folded like edible napkins, with a variety of fillings, as well as heartier dishes usually featuring liberal portions of cream and cider or Calvados, the re-

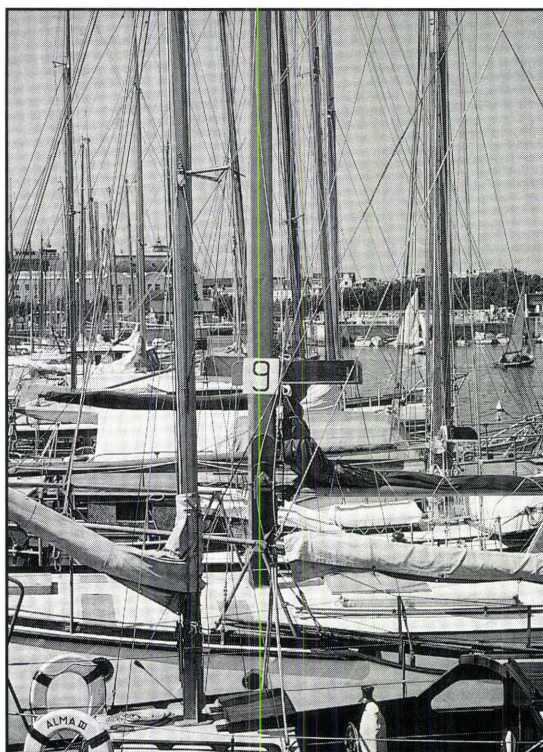
gional apple brandy. (The same buttery cream goes into the great cheeses of the area and is the prime ingredient of luscious caramels packaged in round Camembert boxes and sold in local bakeries.)

Between meals there is nothing like a bracing walk along Les Planches, the boardwalk that stretches the length of the seafront in Trouville, just as it does in Deauville. It is a godsend for anyone who hates to get sand in his shoes, and a good vantage point from which to watch everyone enjoying the wide, uncluttered beach.

When the breeze turns to a blast and it gets really nippy, which happens quite often on the Normandy coast, everyone bundles up in scarves and mittens and then carries on as usual. Once the children have turned a deep enough shade of blue, it is time to unthaw them at the heated municipal swimming pool or the Trouville Aquarium, one of the best in France, with a shark tank and a fascinating reptile collection.

There is no lack of sophistication in Trouville either, if

that is what you are after. Its first casino was built in 1850, when it was all the rage to come to Trouville for therapeutic saltwater baths. Ornately turreted Second Empire villas sprang up on the steep cliffs overlooking the beach to house all the Paris *beau monde* that rubbed shoulders in the water by day and in the casino by night. Trouville was known then as the "Queen of the Beaches" and attracted luminaries like the painters Corot and Monet and the writers Gustave Flaubert and Alexandre Dumas.



Trouville offers a golden expanse of beach and the salty charm of a fishing port.

Both the current casino (built in 1912) and the 34 year-old Marine Therapy Institute still draw their share of celebrities. The one relieves them of excess money; the other removes surplus flab or offers a soothing, aquatic antidote to the stress of being famous. French film star Gerard Depardieu is a Trouville resident, so is *Vogue* photographer Dominique Issermann. And for the past 30 years the writer Marguerite Duras has spent every summer and written several of her novels, including *The Lover*, in Trouville. She prefers it to the glitz of Deauville, she says, because "it has managed to keep its village soul.... Trouville has a very violent charm. Immediate. I don't know anyone who after their first visit doesn't dream of coming back here."

Neither do I.

—Ester Laushway

MADRID

FIESTAS BIG AND LITTLE

A Spanish friend from Andalusia once calculated that between the months of May and August, there were only three days when a fiesta was not taking place somewhere within 100 miles of his home town, located deep in olive country halfway between Cordoba and Malaga.

Although he lives in Madrid and could easily afford to go abroad for his vacations, he makes the long drive back to that village at the end of each June for its festival, which like most is an extended family reunion featuring round-the-clock drinking, dancing, and general mayhem, perhaps punctuated by a religious procession, a parade, or a bullfight, depending on the occasion. In short, Spain at its best.

Those familiar with Spain know of the big fiestas such as San Fermin in Pamplona in July, that orgy of red-bereted

local Basques and foreign Hemingway wanna-bes. Or the April Fair in Seville, when vaquero dandies and their proud, brown-eyed beauties in trounced gypsy dresses parade about on high-stepping steeds, swill sherry, and dance flamenco until dawn.

But there are literally thousands of fiestas in this country, large and small, some lasting just a day, others that go on for weeks. Neighborhoods, villages, towns, cities, and even entire provinces all have their special times to honor the local patron saint, a historical anniversary, or to celebrate the harvest. With just a little forward planning, the visitor can easily find some place in the throes of its annual shindig.

The Spanish government tourist offices in the United States or the local tourist information bureaus in Spain can tell you where and when. And you'll certainly be welcome, as the Spaniards are warm and friendly folk, and they reckon when it is party time, the more the merrier!

With the Christmas and pre-Lenten carnival blowouts behind them, the Spanish begin their real fiesta season in spring with the San Jose holiday in March (which also marks the start of the bullfight season), and it runs until October, with the *vendimias* or grape harvest festivities.

In between there are fiestas crowding the calendar. In May, Madrid celebrates a local victory over Napoleon's troops and then two weeks later honors its patron saint. In June, Corpus Christi and the Summer Equinox holidays are celebrated almost everywhere in Catalonia and along the northeastern Mediterranean coast with fireworks and bonfires.

In early July it's San Fermin, but if you miss it, remember there are an estimated 600 other places in Spain where the running of the bulls is the highlight of the local festival. In mid-July,

fishing towns all over the country honor the Virgin Carmen, their patron, with regattas, wharf-side dancing, and religious festivities.

And these are just the well-known ones. Somewhere in Spain on any given spring or summer day, the town band is tuning up, they're hanging colored lanterns over the plaza, the bars and taverns are getting in double orders of *cerveza* and *vino*, the locals are putting on their finest clothes, and the fiesta is about to begin.

—Benjamin Jones

BERLIN

SCHLESWIG-HOLSTEIN FESTIVAL

A sojourn to Schleswig-Holstein is a great way to combine scenic splendors, history, and music. This re-

says Frantz. And this is why concerts are held simultaneously in a large variety of cities and towns. Places such as Hamburg, Kiel, Lübeck, Neumünster, Westerland, Eutin, Rendsburg, Ratzeburg, among others are part of the "movable festival"—each of them providing its own particular history and tradition.

Another distinction of the Schleswig-Holstein Festival which makes it different from all other music festivals is that it is accessible and affordable to all music lovers. The money for the festival comes from private sources and industry. The state also helps by making locations available and providing special festival facilities and personnel. Another and just as important achievement is, as Frantz puts it: "creating a festival wherein world-renowned artists share the spotlight with talented, lesser-known performers. Where



The Schleswig-Holstein Music Festival holds concerts at a number of venues throughout the region, including the Rathausplatz in Lübeck.

gion, joining Germany to Scandinavia, is bound by the Elbe, the Danish border, and the North and Baltic Seas. In 1986 the founder of the Schleswig-Holstein Music Festival, the pianist Justus Frantz, created a unique festival milieu. The visitor to the Music Festival becomes a traveler. "My first wish was to make people aware of the region's great physical beauty,"

young musicians from all over the world can come and work together." His dream has come true, and the name of Schleswig-Holstein must now be added to the list of international music festivals.

Listening to music in a Gothic cathedral, in a Rococo castle, or even in a barn (in Hasselburg), is a unique experience. It is the aura of the historical past that lends these

concerts their atmosphere, along with the unique setting and the charisma of Justus Frantz that attracts many celebrities to perform here.

Once again—now for the ninth time—Frantz has been able to persuade great orchestras and soloists to perform in Schleswig-Holstein. How he does it remains his secret. Jessye Norman, James Galway, Heinrich Schiff, Frank Peter Zimmerman, Andre Watts, Chick Corea, and many others are set to perform at this year's festival, which begins June 27 and ends August 22.

Any of the festival towns offer hospitality, history, and beauty but perhaps Lübeck, the 850 year-old Hanseatic city, could make an attractive base. Few cities offer such a spectrum of architectural styles, from early Gothic and Renaissance to Baroque and Empire.

Lübeck has good hotels such as the Kaiserhof, the Mövenpick Hotel Lysia, or the renowned family hotel Jensen. There are a number of unusual restaurants: Schabbelhaus, Schiffargesellschaft, Ratskeller, the wonderfully old-fashioned cafe of the Niederegger marzipan factory. (And the Niederegger marzipan shop is equally delightful.) Next door, for fun and relaxation, the seaside resort Travermünde offers bars, discos, a casino, and wonderful beaches.

—Wanda Menke-Glückert

LONDON

SITTING TOGETHER IN SONG

Wales and choirs have always been synonymous for me. Ever since I was a child, I knew that the Welsh people were great singers, especially of choral music. This was axiomatic, something learned at my mother's knee.

Hearing the swelling voice

of the visiting Welsh crowds at an international rugby match in my native Dublin confirmed this image. As I grew older and, through my wife, became more deeply interested in choral music, my desire to hear more Welsh singing intensified.

I discovered one of the best places to hear choral music is at the international Eisteddfod music festival, which is held for a week every July in Llangollen, a small market town set amid the rolling hills of northern Wales. *Eisteddfod* is the Welsh word for "sitting together," and during the Eisteddfod people from all over the world come together to raise their voices in daily choral competitions and harmonious evening concerts.

At the end of the Eisteddfod week, a "Choir of the World" competition is held to decide the outright winner of the four major choral competitions for male choirs, female choirs, mixed choirs, and chamber choirs.

The US has done extremely well in this event. The Ohio State University Men's Glee Club won in 1990, and the following year it was the San Jose University Choraliers.

The Eisteddfod is not just about competition. In fact, that is only one element of a week of music and dance whose origin 47 years ago lies in the ashes of World War II. The goal was to heal the hatreds between nations by bringing people from all over the world to Wales to compete in friendly musical competition, in the tradition of the Eisteddfod.

This year 2,500 overseas competitors from more than 30 countries will be hosted in the homes of local people—quite a remarkable demonstration of international solidarity considering that the population of Llangollen is only 3,500. Also, there will be 10,000 UK competitors—plus an audience of well over 100,000.

—David Lennon

DUBLIN

BALTIMORE, IRELAND

Ireland's Baltimore is a peaceful fishing village on an inlet of the Atlantic on the southwest coast. The fishing activity, which used to see exports of salted mackerel to the United States at the beginning of the century, has almost ceased. Today the small harbor is home to sailing craft ranging from luxury yachts from France to the dinghies of the local children.

Standing on the hill behind the harbor, one gazes over a panorama of sea, islands, and mountains that is unforgettable. Baltimore is practically at the southernmost tip of Ireland, on the eastern side of

sailing, the village has everything: safe anchorages, varied day cruises among the islands, and for bigger boats, expeditions outside the shelter of the large bay to neighboring harbors on the scenic West Cork coast or to the famous Fastnet Rock and its lighthouse—the last one for ships bound for the other side of the Atlantic.

There are also two sailing schools for beginners. They both attract a changing population throughout the summer and make the evening life in the village pubs very lively. But there are a few quieter ones where talking is possible.

If one wants to get away from the sailing crowd, there is a perfect escape just 15 minutes away by ferry to Sherkin Island with its ancient abbey,



Wales' Eisteddfod International Music Festival is expected to host 2,500 competitors from 30 countries this summer.

Roaring Water Bay with its low-lying islands from which the small farmers have emigrated to the mainland or further afield.

For those interested in

winding lanes, cliff walks, and quiet beaches. You will meet few people as the island has lost most of its young population, and there is just a scattering of holiday homes.

The next island, Cape Clear, can also be visited by ferry. It is one of the few places left where the Irish language or Gaelic is spoken almost exclusively, and foreigners come from as far away as Japan to learn it. The island is also famous as an ideal location for bird-watching and has an observatory with some basic living accommodations for those who want to stay for a period.

One of the pubs in Baltimore is called The Algiers, a reminder of the time in 1631 when the village was attacked by Algerian pirates and many of the locals were kidnapped and sold as slaves on the Barbary Coast. The signal towers and castles on headlands, now in ruins, are the only signs left of the sack of Baltimore.

The cigar-shaped beacon at the entrance to the harbor is marked on old maps as "Lot's Wife," but hectic though Baltimore can be on regatta day, it is hardly Sodom and Gomorrah.

—Joe Carroll

AMSTERDAM

DELFT AND LEYDEN

Away from the masses of tourists that from spring to autumn abound within the inner city of Amsterdam, two smaller and less crowded towns offer picturesque canals that are a well known characteristic of the Dutch landscape. Though on a smaller scale than Amsterdam, Leyden and Delft have streets and houses that are reminiscent of the Dutch "golden age," the 17th century. And though they are not on the itinerary of the jet set, both are lively university towns.

Leyden is about 25 miles south of Amsterdam, Delft is another 15 miles further south just before Rotterdam. They are easily reached, either by car or train, in about half an hour from Amsterdam (Leyden) or just under an hour (Delft).

The oldest part of Delft is

around the *Princenhof* and the *Oude Kerk* (Old Church). Prince William of Orange, who in the second half of the 16th century directed the insurrection of the Lowlands against the Spanish king, was shot dead in the Princenhof, his residence, in 1584. His sons completed the independence of the Republic of the Seven United Provinces, and with short intervals the Orange family occupied a prominent governmental position in the republic. Later, after the French revolution and French occupation, the Orange family returned as kings of the Netherlands. William of Orange was buried in the *Nieuwe Kerk* (new church) in Delft, where his descendants have been buried, too. The last one was the late queen Wilhemina, who died in 1962.

Leyden's history also has a link with William of Orange and the 16th century rebellion against the Spanish. The Spanish troops besieged the town in 1574, but the local population refused to surrender. When the

siege ended (the occasion is still celebrated every year on October 3), the grateful Prince William promised to establish a university in Leyden. The university (at that time only a school of theology and law) was founded in 1575 and became the first university in the Netherlands. At present it is still one of the best known Dutch universities. Delft University, founded in 1905, is an engineering and technological school.

Both towns historically have been industrious. Leyden had a prospering cloth industry, and Delft has long been known for its ceramics. "Delft blue," a brand name for a type of ceramic that originated in Delft, was inspired by Chinese ceramics that were brought to the Netherlands in the profitable trade with East Asia that started in the 17th century.

This rich history and vast cultural heritage have been well preserved along with the intimacy of the old part of Delft with its canals and historic buildings. Leyden has

several museums (like the 17th century art collection of the Lakenhal) and collections linked to the university (like the Ethnological Museum, the Archaeological Museum and the Museum for Natural History). The town's archives hold documentation of the Pilgrims who sailed to the New World in 1620.

The best way to explore these towns is to walk along the canals. Visit the churches and historic buildings. Browse the antique markets, book shops, and art galleries, and sample the specialties of the many small restaurants and cafés. As both Delft and Leyden host large student populations, prices are usually modest. And there are always lively events taking place.

—Roel Janssen

COPENHAGEN

SKAGEN

The west coast of Denmark has long been a popular summer spot, especially with



Delft's history and cultural heritage have been well preserved along with the intimacy of the city's canals and architecture.

Germans, who appreciate more than 200 miles of uncrowded beaches. Danish beach lovers joke that if they want to use their native tongue they have to go to Skagen, the old fishing port at Denmark's northern tip.

During the winter Skagen is a village of only a few thousand people, but from June through August the population increases exponentially with Danes looking for rest and relaxation at the beach.

The town is divided into two main sections, old and new. The old section of Skagen is located on the west coast along with the remains of the old port, where fishing boats did not have a berth but were pulled onto the beaches. The new fishing port, situated on the east coast, is built to accommodate modern fishing trawlers.

North of town is a unique natural phenomenon, the Grenen, a sand bank that shifts as it is molded by the conflicting forces of the North Sea and the Skaw, which encompasses the outermost reaches of the Baltic Sea. The Grenen used to be a deadly trap for sailors and remains a treacherous area for modern ships. This tip of Jutland is only accessible by a special vehicle, half bus, half tractor, which regularly carries tourists.

Skagen, famous for its 19th century artist colony, now serves as a summer sanctuary for all kinds of professional people, from actors to lawyers. Art, however, remains an important part of Skagen life as is evidenced by the paintings on display at the Skagen Museum, Anchers Hus, and Drachmanns Hus.

Skagen has felt the pinch from troubles in the fishing industry. But for visitors this translates into cheap, high quality fish, and local restaurants specialize in preparing a variety of local seafood dishes.

After visiting some of the more urban areas of Denmark, Skagen is definitely a



Skagen, famous for its 19th century artist colony, now serves as a summer sanctuary for many of Denmark's professionals.

good place to get the feel of old Denmark. There are no luxury resorts, but several cozy hotels and also bed and breakfasts for those on a tight budget.

It is a seven hour train trip from Copenhagen. By air, however, it's 30 minutes from Copenhagen to Aalborg, then one hour by car (or two by train) to Skagen. For more information contact the tourist office at Sct. Laurentievej 22 (tel. 98 44 13 77)

—Leif Beck Fallesen

ROME

IN SEARCH OF THE TUNA

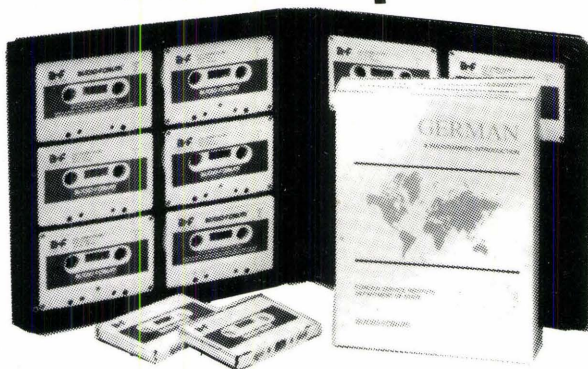
There are only a few dozen of them left, the Sicilian tuna fishermen, an ancient caste destined to become extinct, but for now these men still tenaciously uphold a centuries-old tradition of fishing the most valued tuna in the world, the Mediterranean tuna. In all, between 400 and 1,100 tons of tuna are caught each year, most of which is sent to Japan and a lesser amount to the United States. For the gourmets of the Rising Sun, the most delectable tuna is Sicilian tuna.

Once 74 *tonnare* (tuna-fishing cooperatives) were active along the coast of

Sicily. For two months out of the year along the stretches of sea where the schools of tuna migrate, the fishermen gathered and with long specially-constructed nets captured the fish. Nowadays there are only two *tonnare* that are still active: one on the island of Favignana and the other at San Cusumano, both situated on the coast near Trapani on the western flank of Sicily.

The *mattanza*, the tuna massacre, is one of the last remaining rites of the Mediter-

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ranean. Officially, the season lasts two months in late spring. It used to be, when there were many more tuna, that the migration would last for two full months. Today the period has been reduced to barely two weeks during the second half of May.

To visit during this time it is best to arrive at Favignana the evening before the *mattanza* and to spend the night in one of the old but comfortable pensions on the island. Here, according to legend, the enchantress Circe bewitched the adventurer Ulysses during his voyage home. Usually, the mistress of the pension does the cooking, and food, usually seafood, is taken seriously. Here one can try the various tuna specialties: *boltorga*, which is made of salted and pressed tuna eggs, or even rarer

dishes like *soppressata*, pickled red tuna.

At dawn, the fishermen gather at the dock. Slowly, the large black boats leave the harbor, accompanied by the rhythmic chants of the fishermen. The rite begins, however, when the *rais*, the leader of the *mattanza*, invokes a prayer, an ancient Catholic chant with hints of Arabic.

The *mattanza* can be viewed from the fishermen's boats, or one can rent a boat. The event is usually over by midday. When the *rais* has ascertained that the enormous net, which was dropped in the water in a circle by a number of boats, contains enough tuna, he orders the so-called "death room" to be opened. The tuna, accompanied by the rhythmic chants of the fishermen, enter the final bottleneck of the net, while, from

the boats, the enormous expanse of netting is gradually reduced. A few fishermen enter the water while others remain in the boats, and they all kill the tuna with harpoons.

It is a spectacle for strong stomachs, but it is one of the most ancient rites that brings together the Latin and Arab worlds.

—Niccolò D'Aquino

LUXEMBOURG

FROM FORTRESS TO FINANCIAL CENTER

Since the 10th century, the city here has held sentinel on a rocky outcropping above a confluence of the rivers Alzette and Petrusse. Indeed, its very name is derived from the ancient Saxon reference *Lucilinburhuc*,

which means "little fortress."

Fragments of the walls, which surrounded the medieval castle founded by Siegfried in 963 AD, still stand. Despite the fort's strategic strength, the Duchy would see wave after wave of invasions—the house of Burgundy, the Habsburgs adding to their Austro-Hungarian empire, Napoleon, the Spanish, and the Dutch. It was not until the Treaty of London was signed in 1867 that the Grand Duchy would cease to be a pawn in the imperial ambitions of Europe's royal families and be granted neutrality in the complex balance of power emerging in the latter half of the 19th century.

A sense of the city's powerful strategic position is best gained from the *Bock* or the promontory also known as the "Gibraltar of the North."

NEWSMAKERS

Two French business students, **Jean-Fabien de Selve** and **Laurent Crimier**, both 24, are following in the footsteps of the comic strip detective **Tintin**. They have set off on an 18-month trip, during which they will log 115,000 miles, visit 71 countries, and retrace every one of Tintin's adventures.

They started in Brussels on March 3, the tenth anniversary of the death of Tintin's creator **Hergé**. Their next stop was Glasgow, the setting for the smuggling adventure, *L'Île Noire*. Other ports of call will include Berlin, New York, Lima, Sydney, and Cairo. En route they will be tracking down Captain Haddock lookalikes and keeping their eyes open for shady-looking characters in raincoats and felt hats.

The \$120,000 bill for the pair's globetrotting is being



financed in part by the mayor of Paris, **Jacques Chirac**, and by the former French Minister of Culture, **Jack Lang**, who is reported to be a keen fan of comic strips.

• • •

Fouquet's historic restaurant on the Champs Élysées has played host to many movie stars in the past. Now 2,001 of them will be hanging out there permanently. Pop artist **Jean-Louis Pan** has painted a 33-foot-long fresco in the restaurant, celebrating the all-time greats of cinema. The painting took him 6,000 hours—about three hours per star.

Celebrity hounds can linger over their lunches to scan the

crowd of famous faces for their favorites—everyone from **Humphrey Bogart**, **Jean-Paul Belmondo**, and **Bruce Willis** to **Catherine Deneuve**, **Geena Davis**, and **Ingrid Bergman**. Floating eerily above them all is the giant face of what must be the artist's special muse: pop icon **Vanessa Paradis**.

• • •

The president and founder of the Polish Beer-Lovers' Party, **Janusz Rewinski**, has suffered a bitter defeat: He has been expelled by his members on charges of financial mismanagement. Delegates say Rewinski used party funds for a new beer called "Prezydent," featuring his face on the label.

Apparently he also renamed the party's parliamentary group and entered into an alliance with the liberals which deprived his party of fair parliamentary representation.

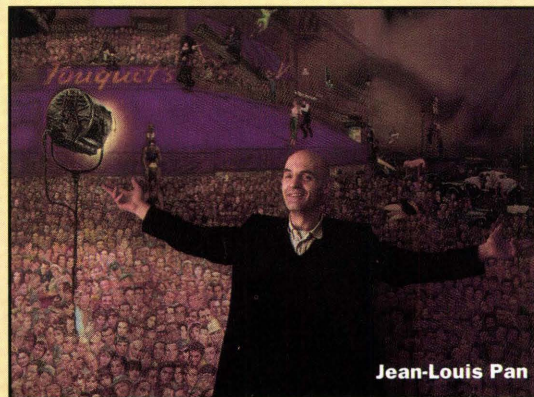
Originally created to promote beer-drinking among the vodka-loving Poles, the party surprised everyone in the 1991 elections when it ranked among the top ten parties to win parliamentary seats.

Ousted president Rewinski stoutly declared himself undaunted and is contemplating setting up a new rival beer-lovers' party.

• • •

When her first opera, *The Little Squirrel Kistochka*, was staged in February in Moscow, it was described as "haunting" and "remarkable." Even more remarkable than the work is the composer, **Olga Zarankina**. She is seven years old.

Olga lives with her parents and her five year-old brother Sasha, also a musical prodigy, in a tiny flat on the outskirts of Moscow. In between classes at the venerable Musical Conservatoire, which is a two-hour ride on trains and streetcars away, she is already working on her second opera, her personal version of Rimsky-Korsakov's *The Snow Maiden*.



Jean-Louis Pan

Inside EUROPE

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PROFILE: ITALY'S EC COMMISSIONERS

EC COMMISSIONER ANTONIO RUBERTI

Antonio Ruberti, 66, took office in January as the EC commissioner in charge of Science and Research and Development. Born in Aversa, Ruberti taught engineering at La Sapienza University in Rome and later served as the university's rector. From 1987 to 1992, he served as Minister for the Coordination of Scientific and Technological Research and Minister for Research and Universities. In April 1992, Ruberti was elected to Parliament as a member of the Italian Socialist Party (PSI).

What will be the impact of the Maastricht Treaty on research?

The Maastricht Treaty significantly advances the process of European integration. It confers powers on the Community in new and politically significant areas: money, security, external policy. At the same time, it defines in a more precise manner the respective responsibilities of the Community and of its member states. In the field of research, Maastricht extends the Community's field of action and at the same time provides a reliable criterion for choosing actions to be undertaken at this level, because of costs, complementarity of competencies, or the actual types of issues involved. The treaty also introduces other innovations. Apart from reinforcing industrial competitiveness, it puts research policy for the first time explicitly at the service of Community policies as a whole: policies on the environment, energy, social affairs, culture, etc. Above all, it gives the Community the mandate to improve the coordination of all initiatives taken in the field of research in Europe.

What are the major projects in the field of research in which the Community currently is involved?

The Community is about to be allocated a new multi-annual research program for 1994 through 1998. The Commission is currently at work preparing this. It will be

EC COMMISSIONER RANIERO VANNI D'ARCHIRAFI

In January, Raniero Vanni d'Archirafi, 61, was named EC commissioner in charge of the Community's internal market and small business. He is a career diplomat who served in Italy's Permanent Delegation to the Community from 1961-1966. In 1984, he was appointed Italy's ambassador to Spain, and to Germany in 1987. In 1989, Mr. Vanni d'Archirafi became Italy's Director General for Economic Affairs and in 1991 was appointed Director General for Political Affairs.

Are you becoming skeptical about Europe's future?

No, of course not. But one can't think of enlarging the Community now, of allowing new partners into the EC, unless a series of institutional modifications take place. The member countries must strengthen their ties while aiming toward a federal horizon. Otherwise, the European constitution that was created over 30 years ago by the Treaty of Rome runs the risk of becoming watered down by a series of upcoming extensions. Austria will shortly join the EC, and there is also a long list of countries from central Europe. This dilution would play into the hands of those people who are interested in a free trade Europe rather than a Community that is politically integrated.

Will the Maastricht Treaty change the parameters of European integration?

I moved to Brussels at a time when there were many question marks for Europe. But there is one constant point of reference—Maastricht. We must do everything possible to facilitate the ratification of the treaty. Right now, Denmark has the rotating presidency. This is good. The unfavorable results of the first referendum conducted on June 2 last year opened the negative chapter that the Community is now undergoing. Now Denmark will have to reconsider. I hope that the new referendum, which will be held in Copenhagen on May 18, will signal

the fourth program of its kind. The three previous programs led to the establishment of many links of cooperation between universities, research centers, and business, and to the development of long-lasting networks. At present, one can foresee further progress, notably increasing the impact of Community programs by focusing efforts on a small number of technologies and major social problems and on improving the dissemination of results and their exploitation by society. Progress can also come about by reinforcing the links between research actions and initiatives in education and training. Starting off from a simple set of programs, it is above all a matter of taking the first steps toward an authentic European research policy: a concerted policy on a continental scale, which would provide improved coordination for actions taken by governments and national research organizations, by the Community and by cooperation with organizations outside the European Community such as CERN (European Laboratory for Particle Physics), the European Space Agency, or European Molecular Biological Organization.

What is the role of the Joint Research Center in Community research policy?

The Joint Research Center (JRC) is the Community's own research center. Composed of eight different institutes at four sites in Europe, each specializes in a particular field (advanced materials, environment, remote sensing, industrial safety, etc.). It is an integral part of the Community research system. In the future, the JRC should concentrate on two functions. First, scientific support to the Community's major policies: the environment, energy, common agricultural policy. In parallel, the JRC will play an important role in coordinating research actions in Europe, becoming a focal point and a center of gravity for European research networks and consortia. The JRC must maintain and develop a solid scientific and technical base in pursuing strategic research activities within the wide spectrum of the fields covered. It will also go on doing work for external clients—be they private or public.

What are the scientific areas in which the Community and the US cooperate?

The Community and the United States have been cooperating for a long time now in science-related matters. Many bilateral agreements have been concluded in the fields of health, environment, energy, biotechnology, etc. The Community and the United States are also associated in many major international projects. Two examples are the ITER project (International Thermonuclear Experimental Reactor) and the Human Frontier Science Program, originating in Japan, in the field of advanced biology. Since 1990 this cooperation has developed strongly. A high-level joint working group was set up and meets regularly to look into new areas for cooperation and to study possibilities for new common actions. In this respect, I expect a lot from collaborating with Dr. Gibbons, whose nomination as scientific advisor to President Clinton has gained unanimous approval from scientists and the press.

the beginning of a recovery. I think that right after the Danish vote, the UK, too, will return to Europe with more warmth.

Will people be able to circulate freely in the new single market?

Of the four freedoms that became operative on the first of January—goods, capital, services, and citizens—only the latter hasn't come into effect yet. This is one of my duties within the Commission. Free circulation of people presents problems regarding organization and security. But the basic question is the restrictive interpretation on the part of northern countries, the UK, Ireland, and Denmark. To whom should the right of unrestricted circulation within the confines of the EC be given, only to Community citizens or to all legal residents?

Does the creation of NAFTA have any effect on the European Community?

Europe must continue toward political, economic, and monetary integration for internal reasons. There is, of course, a greater incentive when the prospect of an enormous continental market looms in North America. But it is just one more reason, not the fundamental push. One thing is sure: America under the new Clinton administration must try to initiate a constructive plan, and the US and Europe must create a political partnership in the world.

EC NEWS

CIAMPI NOMINATED ITALIAN PRIME MINISTER, CHARGED WITH THE TASK OF REFORM

President Oscar Luigi Scalfaro asked Central Bank Governor Carlo Ciampi to form Italy's new government in the wake of the country's political shake-up.

Ciampi, 72, who has spent most of his career with the Bank of Italy, replaces Giuliano Amato, who resigned after nine months in office. Ciampi has promised to put forth an economic agenda that will extend fiscal austerity, defend the lira, and push privatization of government-owned industries.

He has also promised to carry out the radical electoral reform endorsed overwhelmingly by Italian voters in a recent referendum. Eighty two percent voted in favor of a proposal to replace a system of proportional representation with a system of majority voting for the Senate. Under the new system, 238 of the 315 senate seats will be elected on a first past-the-post system, while the remaining 77 will still be covered by proportional representation.

The high voter turn-out of 76 percent as well as the overwhelming majority approving the reforms underline the voters' demand for rapid political change.

GERMAN SPACELAB BLASTS OFF

Germany has launched its second Spacelab mission D-2 on board the US space shuttle Columbia.

During the nearly nine days in space the seven-man crew,

including two German physicists, conducted 88 experiments in the fields of material sciences, life sciences, human physiology, earth observation, and robotics technology.

The German Space Agency (DLR), which controlled the activities taking place on board the shuttle from its control center in Oberpfaffenhofen near Munich, spent about \$570 million to stage Germany's second shuttle charter.

WORST POST-WAR RECESSION HITS GERMANY

Germany's economic downturn could become the worst recession since the end of World War II. Tyll Necker, president of the major industrial federation, BDI, forecast a decline in gross domestic product of one or two percentage points for 1993. German Economics Minister Günter Rexrodt, also, does not expect that the economy would grow until 1994.

According to Necker, the main reasons for the economic slowdown are the weak foreign demand for German goods, the strong D-mark, and the rising costs of German industry. One of Necker's suggestions for recovery include lowering companies' costs by reducing sick leave benefits to 80 percent of wages for the first 14 days of sick leave, a measure that is highly unpopular among the powerful German trade unions. In the midst of what he deemed unreasonable demands from unions, Necker said, "No one wants a strike, but a strike would be the lesser evil."

NINE EC STATES RECOGNIZE MACEDONIA

Nine of the 12 EC states have formally recognized the former Yugoslav Republic of Macedonia as an independent nation. Belgium and the Netherlands will do so upon completion of some legal formalities. Greece, objecting that the name Macedonia implies territorial claims on the Greek northern province of Macedonia, remains the only EC nation that has not recognized the new country.

Macedonia becomes the 181st member of the United Nations under the temporary name of "Former Yugoslav Republic of Macedonia". The republic had declared its independence in late 1991, joining Slovenia, Croatia, and Bosnia-Herzegovina, and leaving the Yugoslav state reduced to Serbia and Montenegro.

EBRD ACCUSED OF LAVISH SPENDING

The London-based European Bank for Reconstruction and Development (EBRD), set up two years ago to help ailing East European countries was accused of spending twice as much on itself as it has disbursed so far in loans.

According to the *Financial Times* the bank in which the EC has a three percent stake disbursed about \$153 million in loans and investment since its beginning, compared to around \$306 million that went for the bank's expenses, including \$83 million for the new EBRD headquarters.

The bank issued a statement rejecting the allegations saying, "The bank is very cautious in the use of its shareholders' money."

However, the bank's president, Jacques Attali, admitted that some mistakes had been made, especially in renovating the EBRD headquarters in London. However, he insisted that he had no intention to resign. The controversy arose while some East European countries complained that most of the funds were coming too slowly and they were going to bank envoys in the form of luxurious travel and consultation fees.

Economists said there were three issues to be examined in the EBRD affair: the role of Attali, the speed of the bank's lending at a very critical point, and the control of bank costs. Attali argued that "It's a little bit unfair to judge a new airplane by its altitude just after it takes off."

EC SEEKS TELECOM LIBERALIZATION

The European Community's competition commissioner, Karel Van Miert, called for the national telephone monopolies to be broken up by 1998 in order to allow free markets for all domestic and international calls.

Van Miert said that he favored a set of liberalization priorities and an explicit timetable to be set up by the end of the year.

So far the UK is the only EC member country open to competition for telephone calls. Denmark has already made moves to open its market next year.

EC telecommunication ministers will discuss the EC Commission's formal proposals at their meeting this month.

WHAT THEY SAID....

"The problem is that we are depending on politicians the people voted against to make the changes the people want. We are asking them to sign their own death warrants."

—Sergio Romano, editorialist for *La Stampa*, on the task facing the new Italian government.

"It is a general feature of human society that words are cheaper than deeds."

—Pavel Bratinka, Czech deputy foreign minister, about an EC commitment to give East European states better market access.

"A 14-story cliff of granite and bronze built like a temple to Mammon."

—The British Evening Star referring to the London headquarters of the European Bank for Reconstruction and Development (EBRD).

BUSINESS BRIEFS

Interagra, the giant French trader that shipped a large part of the European Community's stockpile of unwanted grain, meat, butter, and milk to the communist world, filed for bankruptcy.

The firm, founded in 1947 at the start of the cold war by French communist **Jean-Baptiste Doumeng**, floundered after the collapse of the Soviet Union, its biggest customer.

The UN embargo on Iraq, a big buyer of French meat and wheat, compounded Interagra's woes.

Interagra, which owed banks over \$94 million lost its valuable personal contacts with the Soviet Union after Mr. Doumeng, known as the "Red Billionaire," died in 1987.

•••

National Westminster, the UK's second largest bank, is mulling cooperation with **Société Générale** of France and **Commerzbank** of Germany to improve services to small firms and personal customers.

The bank is responding to complaints by small businessmen about the difficulty and expense of banking services in continental Europe.

The three banks likely will link their payment systems so all customers can transfer funds between the UK, France, and Germany. Medium-sized corporate customers would have access to the full range of the banks' services.

Royal Bank of Scotland created an electronic system last year linking its branches with those of **Banco Santander** of Spain, **Credito Commerciale de France**, and **Banco de Comercio e Industria** in Portugal.

•••

BMW, Germany's luxury car maker, will assemble cars in Vietnam beginning next year, marking a major coup for the investment-starved nation.

BMW will initially assemble up to 200 cars a year under an agreement with **Vietnam Motors Corp.**, a \$10 million joint venture 70 percent owned by **Colombian Motors** of the Philippines and 30 percent by Hanoi-based **Hoa Binh**, a state-owned bus manufacturer.

•••

British companies, bucking a European trend, spent \$4.7 billion on foreign takeovers in the first quarter of 1993, up

from \$1.9 billion a year ago, according to a survey by international accountants **KPMG Peat Marwick**.

High interest rates were a major factor behind the 94 percent plunge in French acquisitions to \$410 million on 40 deals from \$7.2 billion on 72 transactions a year earlier.

Political scandals took their toll on Italy's corporate sector which closed on deals worth only \$36 million against \$1 billion in the first quarter of 1991.

•••

IBM France made a \$460 million agreed bid for **CGI Informatique**, a leading French software company.

The deal, consolidating IBM's strategy from independence toward alliance in computer services, follows last year's link up with state-owned **Compagnie Machines Bull** and a licensing agreement with **Thomson-CSF Ceita**.

•••

Lufthansa, the German airline, is holding cooperation talks with **American Airlines** in a belated move to catch up with rival European carriers which have struck transatlantic alliances.

Lufthansa, which lost \$188 million in 1992, said it is talking with other airlines in the US in its "search for an American partner."

Other European airlines are well entrenched in the US, the world's biggest air transport market. **British Airways** has a stake in **USAir**, **KLM** in **NorthWest Airlines**, **SAS** in **Continental**, and **Swissair** has a small cross shareholding in **Delta**.

•••

Air France blamed the global airline recession, high costs, and fierce price cutting on key North American routes, for a record loss of \$606 million in 1992.

That took cumulative losses at the state-owned carrier over the past three years to \$810 million.

•••

Pirelli SpA, the Italian tire maker, finally walked away from its bitter and protracted takeover battle for **Continental AG** with a \$210 million profit from the sale of a stake in its German rival.

Pirelli is selling its 33.4 percent holding acquired in 1990 to a group of insurance and utility companies from the German state of Lower Saxony.

Pirelli threw in the towel after Continental snared it in an acrimonious 15-month court battle that angered Italian businessmen who felt German banks and institutions wanted to exclude Pirelli because it was a foreign firm.

•••

Mercedes-Benz has decided to follow arch rival **BMW** and build its first assembly plant in the US to produce a new model sports-utility vehicle.

Mercedes-Benz hasn't picked a site yet for the \$650 million plant which will start production in 1997.

North Carolina appears a firm favorite for the prestigious project, which will eventually employ 1,500 workers, because **Daimler Benz** subsidiary **Freightliner** already has three plants in the state.

Yearly production is expected to reach by the end of the decade about 60,000 units of which 40,000 would be exported to Europe.

BMW is building a plant at Spartanburg, South Carolina, to make BMW 740 sedans, and **Volkswagen**, Germany's biggest car manufacturer, is rumored to be seeking a US site to build its luxury Audi cars.

All three companies have lost market share in the US since the 1980s when the D-mark strengthened against the dollar and face a new threat as Japanese manufacturers step up sales of keenly-priced luxury cars.

•••

AXA, the French insurance giant, remains bullish about North America despite taking a \$14,259,260 loss last year on its 49 percent stake in **The Equitable**, the US's fourth largest life insurer.

AXA, which paid \$1 billion for its holding last year, is keen to expand further into North America, with Mexico a prime target after it signed a free trade agreement with the US and Canada.

—Bruce Barnard

INSIDE EUROPE

Correspondents

Bruce Barnard

Niccolò d'Aquino

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CAPITALS

The valley of the Petrusse plummets below. Grund, an enclave of houses that makes up the lower town, tethers against the river's edge and before the sharp ascent of rock. From here, too, one can best see the massive towers dating from the 14th century.

Then, retrace your steps to return to Rue Wilheim, passing again through the city's oldest gate, the *Trois Glands* (three towers), which was built around 1050 AD. This point has been the site of historic moments in the city's past. During the French Revolution, the guillotines were placed here.

Continue down Rue Wilheim to the state museum, which displays everything from remains of the Roman conquerors to spectacular master paintings by Rembrandt, Cannelletto, and van

Dyck. (Free: Open Tuesday to Friday 10 am to 4:45 pm; Saturday 2 pm to 5:45 pm; Sunday 10 am to 11:45 am and 2 pm to 5:45 pm).

Retrace your steps to the Bock, which becomes Avenue Monterey. Follow this road to the Place d'Armes. Before stopping for lunch in one of the several cafés along the square and side streets, you may want to visit the tourist office. (Phone: 222809. Open mid-September through mid-June on Mondays to Saturdays from 9 am to 1 pm and 2 pm to 6 pm. From mid-June through mid-September, weekdays open 9 am to 7 pm; Saturdays 9 am to 1 pm and 2 pm to 7 pm; and Sundays 10 am to noon and 2 pm to 6 pm. The other major office is located at the air terminal bus depot, place de la Gare. Phone: 481199.)

After finishing a *plat du jour* (perhaps, fava beans and salted pork or cold, smoked ham and pickled onions, or breaded tripe) and a glass of Schampes, a champagne, or Rivaner, a dry white wine, you may consider meandering through the open-air market on Place Guillaume, which is held on Wednesdays and Saturday mornings.

—James D. Spellman

BRUSSELS

CASTLES GALORE

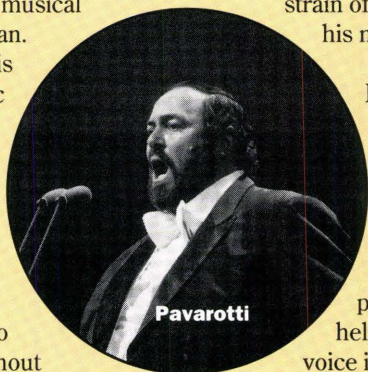
Belgium has never made a particularly good job of packaging itself for foreign visitors. Internationally, it is known for its beers, its luxury chocolates, its international bureaucrats and—perhaps further down the list—for the treasures of its Flemish cities

and the beauty of the landscape in the Ardennes.

Yet for a country long known as “the cockpit of Europe,” it is perhaps surprising that it is not better known for the outward evidence of the conflicts and battles which raged over the centuries. No country of its size has a greater number, or a larger diversity, of castles. They are there in every shape and size, built over the better part of 1,000 years, and reflect in their architecture the styles of neighboring countries such as the Netherlands, Germany, and France, as well as those of conquerors from further afield—Burgundy, Spain, and Austria. Equally, there are many castles built in a distinctive Flemish style which are quite unlike any found elsewhere.

One of the most striking statues in Brussels—in the

She has been composing since she was four and, inevitably, is being hailed as a modern Mozart. Her father Yuri, like Mozart senior, encourages her musical talent all he can. He gave up his job as a music critic to be with her. When inspiration strikes, Olga sits down at the family's battered piano and plays without stopping, while her father captures the melody on paper. He says it is “like taking dictation from an angel.”



The configuration of portentous dates should have warned him. **Luciano Pavarotti**, due to start singing on April Fool's day in a new production of *I Pagliacci* at La Scala in Milan, announced on March 13 that after a holiday and a diet he was feeling fitter than ever before in his life; two days later, on the fateful Ides of March, he had to take it all

back and pull out of his Milan contract for health reasons.

The problem is not his voice but rather his knee, which is giving way under the strain of supporting

his massive frame.

It is true that Pavarotti's gargantuan girth, tangible proof of his love of life, is a vital part of his appeal and possibly even helps to give his voice its luscious, velvety richness. Certainly fans seem to think so: His doctors have received death threats for forcing him to diet.

But the great tenor's weight is literally bringing him to his knees. Already last year Pavarotti was finding it difficult to perform standard operatic maneuvers such as falling down dead (In *Tosca*, he slid, instead) or dancing with village maidens (In *L'Elisir d'Amore*, they cavorted around him while he stood still).

Now his knee has required

surgery, and “Luci,” as his fans adoringly call him, will really have to try once and for all to drop some of his excess tonnage.

•••

Italian tire manufacturer **Pirelli** is launching a new television advertising campaign across Europe to promote the stopping power of its products. The commercial is at least certain to stop viewers dead in their tracks, since it will feature the racy curves of *Basic Instinct* star **Sharon Stone**. It is the first time that she has signed for any advertising work, and it will be fascinating to see how she delivers Pirelli's new slogan: “If you're going to drive, DRIVE.”

•••

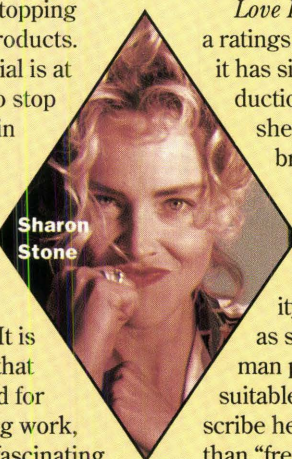
More than seven million German households tuned in to watch the televised nuptials of the blond darling of television channel RTL, **Linda de Mol**

(28) and diamond merchant **Fred Reuter**. De Mol's on-camera wedding drew such crowds of viewers because she has made her name producing and presenting a hugely successful game show called *Love Letters*, in which the winning couple gets married—you guessed it—on television.

Love Letters has been such a ratings booster for RTL that it has signed de Mol's production company, which she runs with her brother John, to the most lucrative deal ever struck in German television.

De Mol's popularity is as extraordinary as she is not. The German press, groping for suitable adjectives to describe her, can do no better than “fresh” and “normal.” Perhaps the secret to her success is that everyone needs some love and romance in his/her life, even if it is just on television.

—Ester Laushway



middle of the Place Royale—is of Godefroid de Bouillon mounted on an enormous horse and with his sword drawn. Godefroid's claim to fame was as the leader of the First Crusade. He captured Jerusalem in 1099 and was proclaimed King, but his humility prevented him "from wearing a crown of gold where his Savior had worn one of thorns."

In order to finance the Crusade, Godefroid had sold his castle at Bouillon, where it still stands on a high, steep, and rocky platform, an almost impregnable site overlooking the sinewy River Semois in southern Belgium. Many of the crusader castles built in Palestine and Lebanon bear an uncanny resemblance to that at Bouillon, now owned by the Belgian government and open every day from 9 am until sunset.

Much nearer to Brussels, effectively in an outer suburb, is Beersal Castle, surrounded by a moat. It is every Flemish painter's dream of what a castle should look like. Its three enormous towers, its drawbridge complete with its medieval mechanism, its parapet walk, and dungeons all graphically evoke the repeated sieges to which it was subjected during the 14th and 15th centuries. Long abandoned as a ruin, it has been carefully restored since 1928 when the Association of the Friends of Beersal castle was established. It is now open daily.

Perhaps the most romantic-looking of all, and certainly the most Germanic, is the castle of Reinhardstein, near Malmédy. Encircled by a forest and dominating the valley of the river Warche, this ancient fortress immediately summons up visions of Grimm's fairy tales and of beleaguered maidens being rescued from fierce dragons by valiant knights. It is open on summer Sundays and on public holidays throughout the year.

All of Belgium's nine

provinces have hidden treasures, and the best way to see them is to base yourself in Brussels and hire a car for a few days. There is nowhere in Belgium which cannot be reached within an hour and a half's drive.

Some visitors have been so enchanted by what they have seen that they have actually bought themselves castles on the spot, as at any one time there are normally several habitable buildings on the market. One of the best recent buys was Spontin Castle, a splendid edifice in the Ardennes, which a British family acquired as a home, and out of which they have developed a flourishing tourist trade.

—Dick Leonard

ATHENS

THE PELOPONNESE

Nowhere in Greece are there more charming villages and ancient sites covering a diverse landscape than in the Peloponnese in Greece's southern half.

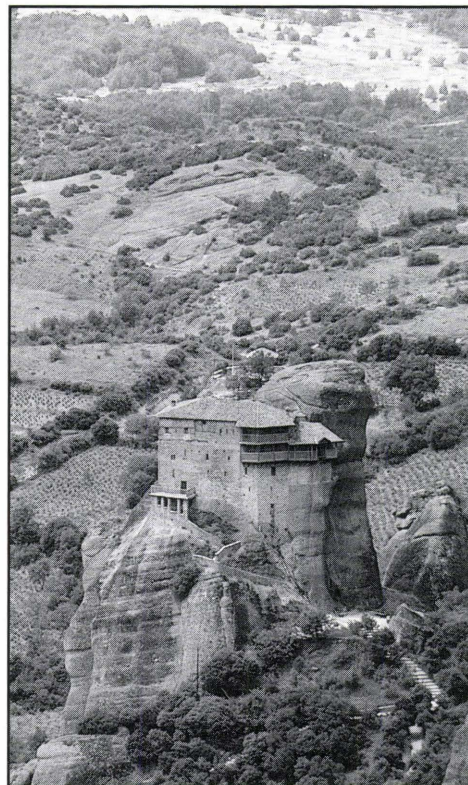
Noted for its olive oil, olives, and wine, the Peloponnese contains enough cities and sites to keep any traveler on his toes.

In the northern tip of the Peloponnese lies the Corinth Canal. The construction of this four mile-long by 75 feet-wide canal, which cuts between the Peloponnese and the mainland, was first attempted by the Roman emperors Nero and Caligula in order to avoid 200 miles of risky sea travel between Greece and the Mediterranean. The canal was completed by the French in 1893, and today it serves pleasure craft and Aegean cruise ships, which narrowly squeeze between its steep, man-made walls.

The popular port of Nafplion has been called the most beautiful town in the Peloponnese. Its well-protected harbor was the object

of many attacks by the Venetians, Franks, and Turks, but the city was the only port not destroyed in Greece's War of Independence (1821–1829).

The Fortress of Palamidi, which sits high on a cliff over-



Noted for its olives and wine, the Peloponnese features charming villages and a diverse landscape.

looking the harbor, has been used for protection throughout Nafplion's history.

As the first capital of modern Greece, Nafplion contains a large number of elegant neoclassical buildings as well as numerous cafes and restaurants around its harbor.

Topped by a massive fortress on its summit, Mystra is a city of narrow streets that wind among houses, palaces, and churches.

The fortress was begun by the Franks in 1249 after the 4th crusade by William II de Villehardouin but was lost to the Greeks only 10 years later.

Mystra is noted for its many churches filled with 14th and 15th century frescoes which are considered to be among the best examples of Byzantine architecture.

Other attractions not to be missed are the Cathedral of Ayios Dimitrios and the frescoes in the monasteries of Brontochion, Pantanassa, and Perivlptos.

Called the Gibraltar of Greece, Monemvasia is a medieval city that spills down from a clifftop 880 feet above the sea on the easternmost point of the Peloponnese.

Actually an island connected to the mainland by a causeway and bridge, the city is crowned by the church of Ayia Sophia, high on the cliffs above the lower town. Its mixed Byzantine and Venetian architecture reflects its many rulers over the ages. The best time to see the city is at sunset when the towering cliff with its clinging settlement is lit

by the setting sun.

—Kostas A. Poulakidas

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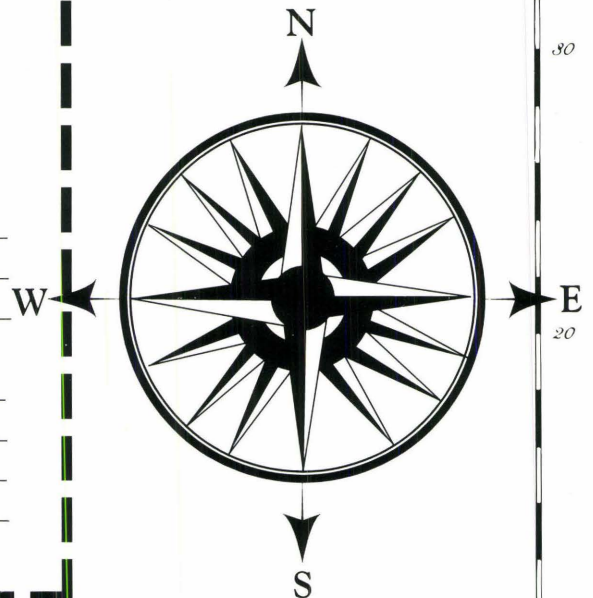
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ARTS & LEISURE

WRITER'S CORNER

Peter Mayle

Peter Mayle, the best-selling author of A Year in Provence and Toujours Provence, spoke with EUROPE Editor-in-Chief Robert J. Guttman about Provence, his upcoming novel, travel writing, and other humorous topics.

Can you tell us about the new book you have just finished writing?

Yes. I've written a novel. It's my first effort at fiction. It's coming out in June in England and in October in the United States. It's called *Hotel Pastis*, and it's essentially two stories woven together. One is about an advertising guy from London who decides to get out of the rat race and open a small hotel in Provence. And the other story is about a bank robbery that goes on in the area. And the

two stories sort of converge at the end. It's an idea that I had a long time ago



and I never got around to writing. I was sort of distracted from writing it by other books. I finished it last fall and, with a great sigh of relief, delivered it. We're looking forward to seeing what people are going to think of it.

Is this going to have a surprise ending?

Yes. I wouldn't like to give it away. It's not an attempt to emulate Dostoyevsky. I hope it's just a good read. It is a book to keep people engaged and amused while they're on a plane or something like that.

Is there any of your humor that we've seen in your other books?

Yes. I find it very difficult to take life too seriously so that I'm afraid it will have the same sort of feeling, yes.

Your book *A Year in Provence*, has been number one on the bestseller list for paperback books for 56 weeks. And *Toujours Provence* is on there also. Why do you feel your books have become so enormously successful?

I've asked myself that a lot of times, and other people have asked it as well. And I really can't give you a fast and easy answer. I suspect that it might have something to do with timing, which

was quite accidental on my part certainly. Perhaps they reflect a sort of pleasant relaxed life when the world is going through rather an unpleasant and unrelaxed time. And I suspect people like just to escape into them for a couple of hours and forget about Bosnia and taxes and the rain forest and all the 101 problems that everybody is assaulted with everyday on the news broadcasts and in the papers. That's partly it, and also people are very interested in anybody who sort of changes careers in life as dramatically as perhaps I've done. Because I was brought up to be a businessman, I worked in an office; I worked in London; I worked in New York. And the contrast between what I used to do and what I do now is very marked. People find that quite interesting.

You think people are jealous or envious or just think "maybe I'll do that in the future also"?

It depends where you ask the question. This [success] has caused quite a lot of envy in certain parts in the UK, for instance, because I get a sort of fairly consistently complimentary press in the UK in the form of journalists who, I can only assume, would like to have done what I did, themselves. The response in America has been very much more positive in that people say, "Yeah, I'd like to do that and maybe one day I will." The response in the UK, not from the public but from the press, has been more "why is

he getting away with it?"

And why are you getting away with it?

Just lucky, I guess. I took the risk. I wrote the books. It could have all gone terribly wrong, and I was just very lucky that it didn't.

Why did you choose the south of France? Why did you choose Provence?

It is physically very beautiful. The scenery is fabulous. I happen to like the climate, which varies from very, very cold in the winter to very, very hot in the summer. But it does have four distinct seasons, which I like. When it rains, it's over with fairly quickly, as opposed to the UK, where the rain is gentler and goes on and on and on and on. Whereas in Provence it comes down in buckets and after two or three hours it tends to sort of wash itself away. I like the scenery, and the food and drink obviously are very attractive. And I like the people; I like the French. And I particularly like the French who live down here, because they are obviously affected by the fact that they live in a Mediterranean part of the world and that makes for a very easy going sort of character. And this sort of character is very much more relaxed than the normal character. Coming from the north myself, I really appreciate the difference.

Other people have written about the south of France.



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What is it about the south of France?

It's been popular with people, with travelers for 2,000 years. The Romans came down, and they liked it, and they sort of settled here and built a lot of towns down here. It is a very, very seductive place in a physical sense. The air is wonderful; the light is extraordinary as artists have been discovering for hundreds of years, and you have a sense of great well-being down here. It's a very difficult thing to explain other than you do feel pretty good when you're living down here. It's very convenient, certainly for Europe, because you can get down here from Paris in an hour by plane or in four hours by train. You can get over here from London in an hour and thirty minutes.

Are you still having guests come all the time, and shall we tell our readers to come visit you?

They keep on coming. We've got it a bit better organized now than it was when we first moved in, because our novelty has worn off; they've been to have a look at us and gone off and maybe they're going to Spain or Greece or something like this. But we have a regular clientele now, and they tend to book up at the beginning of the year, and we see the same people in June, July, and August. But there're still a lot of surprises. I mean, an awful lot of people come up the drive with books to autograph and things like that. Which is actually quite interesting, because I didn't even know, for instance, that the book had been published in Japan until some people from Tokyo came up and asked for an autograph. And I had no idea the book was out in Japan.

How many books have you sold? Do you know how**many you've sold of *A Year in Provence*?**

It just went past the million mark in the UK last month. The figure in America is about 700,000. I would guess, overall, probably two million plus of that book. The other one is probably about a million, or million and a half.

I'll tell you exactly what I thought I'd sell and what the publisher thought. He thought it'd sell 3,000 copies, and I thought he'd be lucky to sell 2,500, but I could have the other 500 at reduced price, and I could give them away as presents.

Has this new fame changed your life?

Not really, no. We've got a slightly better car. We've got a Peugeot 405 instead of a Citroen Chevaux, which is sort of one step up. We buy better wine. And that's about it. I don't have any sort of terrifically expensive hobbies, like sailing or racehorses or anything like that. It's nice to have a nice sum of money just in case one of the kids needs it. I was able to help my son, who's a writer as well, and he's just done a trip from New York to Rio by car, and I was able to help him out with that a bit. So to that extent, it's nice to have a bit of extra money, but our daily life hasn't changed at all.

Where do you vacation? Do you have favorite vacation spots in Europe and America?

My idea of a perfect vacation is to be here without any work, any guests, or any visitors, but that very rarely happens. The place that we always go to, which is a complete contrast to here, is once a year my wife and I go to New York for three or four days, as a holiday, and it's actually rather nice to be on holiday in a town which is

so dedicated to everybody working. We go there because it is such a complete contrast to the life that we normally lead.

How much liberty do you take with facts in your books?

I embroider a bit. I change things around a bit for convenience or to make a story better, but essentially they're very accurate to the feeling of the area. Obviously I change some names from time to time to avoid embarrassing anybody, but essentially they're true and accurate. And I've had a lot of letters, funnily enough, from French people saying just that, that they are an accurate expression of how they themselves feel about their own part of France.

Is there any difference between American tourists and European tourists?

On the whole—just a very personal judgment because it's obviously just based on the experience that we've had of people coming up to the house—I would say Americans are on the whole much more open about their enthusiasm than Europeans. Europeans will shuffle up and they'll say, "Sign this, will you," and they'll go off again. And the Americans will really say, "This is great! Is this the house? Is this the table? Is this the dog?" And they'll be much more obviously enjoying themselves. That's one of the things that is a great difference between the American personality generally and the European personality. Americans tend to be more enthusiastic, more positive, more open than I think most Europeans.

Talking about a unified Europe, you're British, you worked in America, and you're living in the**south of France, do you see a unified Europe becoming a reality in the next 10-20 years?**

It will be sort of unified. I hope it doesn't get too unified, because it will be a great shame if countries lost their national personalities. A Frenchman is a Frenchman, an Englishman is an Englishman, an Italian is an Italian. I mean, it would be terrible if we all turned into some sort of homogenized European mongrel breed. I don't think there's much chance of that happening. But I guess that in 20 years time it's just going to be pretty unrecognizable, and you'll just be able to go from one country to another. The definition will blur between the edge of Italy and the edge of France, for instance, and those blurred definitions will probably spread further into each country. And I can't say that I'm all that excited about that prospect.

Do you miss anything about going to work in New York or in the advertising world?

Not a hell of a lot. I've discovered, and again, it's a great piece of luck, I've discovered how much I enjoy working on my own, because the great thing about writing is you do it, you approve it or you disapprove it, you edit it, and then you send it off; and then it's up to everybody else to say whether they like it or not. But you have 100 percent control, which is something that I really enjoy very much, whereas with office work, of necessity you're dealing with other people. A lot of your work is done in sort of committee, and you're never finished with it. I remember in advertising you could do what you thought was a great campaign. The client would think it was a great campaign, and then three days later he'd

ring up and say, "What are we going to do next year?" and you'd have to start all over again. Whereas, once you've written a book, you've written a book and it's off, it's out, and it's finished, and you go off to something else. And that I really enjoy. I can't with my hand on my heart honestly say that I miss working in an office.

BOOKS

Travel Books—The Latest Crop

Let's assume your bookshelf is already jammed with your garden-variety travel guides and that you've already made enough trips to Europe to have visited the major monuments and museums. If, on your next trip to Europe, you want to veer off the beaten path and find a little adventure, the following books can help you plan a very different European experience.

If the terms "apsidal chapel" and "blind arcading" mean something to you, *Architectural Guides for Travelers* (Chronicle Books, \$14.95) will be a welcome supplement to your travel bag. The latest addition to the series is *Medieval Tuscany and Umbria*, by Anthony Osler McIntyre, covering every significant palazzo, duomo, and piazza in these two glorious regions of Italy. Previous titles in the series include *Northern Spain: The Road to Santiago de Compostela*, *Chateaux of the Loire*, and *Islamic Spain*.

Remember that last trip to Lisbon? You had a day to kill before you returned home, and you just couldn't bear another walk around the harbor. *With Day Trips in Europe* (Hastings House, \$15.95) in your briefcase, you could have explored the ancient university town of Coimbra—just two hours away by train. Seventy day trips from 17 major cities are included,

with full travel directions, detailed maps, and walking tours.

Maybe you've got more than just a day to spend between meetings. That's when you'll be glad you have the latest volume in the *Driving Tours* series (Prentice Hall, \$19.00). Each offers guided car tours complete with detailed maps, photos, and recommended stops. Current countries featured in the series include volumes on the UK, France, Germany, Italy, Scotland, and Spain.

Travelers who've had enough of big city smog, traffic, and surly waiters will love the *Exploring Rural* series (Passport Books, \$12.95), whose individual titles include England and Wales, France, Germany, Greece, Ireland, Italy, Portugal, Scotland, and Spain. Each includes specific tours to help you meander through the most picturesque parts of the country, with information on accommodations and eating spots.

Now, if you're driving down the Autobahn on one of these great tours and suddenly the front wheel suspension on your rental car gives way, don't blame us if you don't know how to say, "I need a new piston rod seal," in German. You should have had a copy of *Let's Drive Europe* in your glove compartment (Passport Books, \$7.95). On page 68 of this 10-language phrasebook you would have easily found that the German for piston rod seal is *Kolbenstangendichtung*. And even if you couldn't pronounce it, you could point to it on the numbered and coded engine diagrams. This compact book can also avert sticky situations during border crossings, accidents, and medical emergencies.

If you don't want to fuss with piston rod seals and instead prefer two-wheeled transportation, make sure you peruse *England by Bike*

(Mountaineers Books, \$14.95), by Les Woodland, before you leave home. The 18 "geared-for-discovery" tours from Alnwick to the Isle of Wight will take you down country byways that have never even seen a traffic jam.

Mountaineers also publishes *100 Hikes in The Alps* (\$14.95), by Vicky Spring and Harvey Edwards. The latest edition includes hikes that are both easy and challenging, daylong or weeklong. You'll find hiking times, distances, elevation gain, sketch maps, and equipment information.

If you think the hills of Europe are alive with the sound of music, wait until you see *The Music Lover's Guide to Europe*, by Roberta Gottesman (John Wiley & Sons, Inc., \$14.95). This 434-page compendium of festivals, concerts, and opera will have you humming. Packed into this treasury of information is everything from ticket information for the Danish Ballet Festival to a complete listing of every opera house box office in Europe.

Even if you never leave home, browse through *English Village Pubs* (Abbeville Press, \$27.50), and you'll feel like you've spent a cozy afternoon in some charmingly named hamlet hoisting an ale or two. Author Roger Protz and photographer Homer Sykes have obviously done their research and assembled a beautiful hardback volume that celebrates the places where the British gather for good beer and warm cheer—like The Castle in Kent, where Anne Boleyn took shelter during a blizzard, or Hill House in Norfolk, where Sir Arthur Conan Doyle spun tales of Sherlock Holmes.

Karen Brown has made a career of unearthing delightful and often out-of-the-way hostelries in Europe's countryside. The latest results of her continuing research are *English Country Bed and Breakfasts*, *French Country*

Bed and Breakfasts, *Irish Country Inns and Itineraries*, and *Italian Country Inns and Itineraries* (Karen Brown's Guides, \$6.00–\$14.95). Previous titles covered Germany and Portugal. Browse through these guides before you leave home, then write, phone, or even fax your reservations.

The Oxford Illustrated Literary Guide to Great Britain and Ireland (Oxford University Press, \$45.00) is a little too hefty to pack with your travel iron, but you will want to enjoy it before leaving home. And depending upon your level of interest for British literature, you could even plan quite a delightful vacation around it. Glowing full-color photos and charming black-and-white prints will tell you who lived where and when, and what they did while there. Every author from Abercrombie to Zangwill is included in this gorgeous book.

If all this is a little too esoteric for you, then pick up a copy of *The Travel Trivia Handbook of Oddball European Sights*, by Nino Lo Bello (Citadel Press, \$12.98). There's the Laurel and Hardy Museum in Ulverston, England; a cowboy town in Germany dubbed "Kansas City;" a guide to raucous apes of the Rock of Gibraltar; and information on touring the sewers beneath Paris.

Last but not least, don't forget a copy of *The Pocket Doctor*, by Stephen Bezruhka, MD (Mountaineers Books, \$4.95). It really does fit in your back pocket and might be just what you need no matter what befalls you while in transit. This handy little volume covers everything from toothaches, allergic reactions, and tonsillitis to what to do about encounters with bats, bedbugs, and aquatic leeches.

Bon voyage!

—Elisabeth Farrell

Community Bookshelf

May-June

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XXVIth General Report on the Activities of the European Communities, 1992. *Commission, Brussels, 1993, 545pp.* Provides a general picture of Community activities over the past year. Chapters cover: European Union; the Single Market and the Community Economic and Social Area; External Relations; Intergovernmental Cooperation and Human Rights; and Community Law. \$30.00

Country Profile: Soviet Union, 1980 to 1991, Survey of the Final Years. *Statistical Office, Luxembourg, 1993, 142 pp.* Provides detailed information on many aspects of the Soviet Union prior to its break-up in 1991. Covers the scale and direction of trade flows, economic development and cooperation between the Soviet Union and the EC, climate, geography, population, health, communication, transport, and education. \$20.00

Thesaurus Guide 1992. *Commission, Brussels, 1993, 1,033 pp.* A guide to thesauri used in organizations around the world. Each entry lists: the languages in which it is available; format; the fields covered in it; total number of terms in the work; and contact name and address. \$110.00

Town-Twinning: A Europe of Towns and Cities. *Commission, Brussels, 1993, 188 pp.* Details the town-twinning concept, local and regional administrative divisions and the twinning situation in Member States, as well as the way local administrations are organized in the EC. \$17.00

European Economy No. 54: Annual Economic Report 1993. *Commission, Brussels, 1993.* Presents

analyses of economic prospects for 1993. Reviews the economic situation in 1992 and describes how the declining growth rate, unemployment, and inflation of 1992 will affect the 1993 growth. \$35.00

Earnings: Industry and Services 1992. *Statistical Office, Luxembourg, 1993, 285 pp.* Gives detailed statistics on the earnings of manual and non-manual workers in industry. Information is also provided on hourly gross amounts, gross monthly earnings, and more.

Iron and Steel Yearly Statistics 1992. *Statistical Office, Luxembourg, 1993, 167 pp.* Presents yearly statistics on the structure and economic situation of the European Community's iron and steel industry. Details information on employment, size of enterprises, consumption of raw materials, indirect foreign trade and prices. \$35.00

Directory of Community Legislation in Force and Other Acts of the Community Institutions, 20th Edition. *Commission, Brussels, 1993, 1,018 (Two volume set).* These volumes cover binding instruments of secondary legislation arising from treaties, as well as other legislation such as internal agreements. It also cites agreements made between the Community and non-member countries. Each entry gives the number and title of the instrument, together with a reference to the Official Journal in which it can be found.

The New European Community Political Map: Member States, Regions, Administrative Units. *Commission, Brussels, 1993, 1 page.* This full color political map of the EC has been updated to include the former

Soviet Republics that now make up the Commonwealth of Independent States, as well as a divided Yugoslavia. Measuring 79.5 x 105 cm (scale 1:4 000 000), the map features general statistics about Member States, plus the United States and Japan.

Plastic map: \$50.00
Folded map: \$10.00
Flat map: \$10.00

Portrait of the Regions. *Statistical Office, Luxembourg, 1992, each volume approximately 330 pp.* Compares some 200 regions of the EC. Geographical maps, graphs, tables and comments describe each region individually, including the following features: territory, structure and changes of population, lists of similar regions, economic structure, employment figures, labor costs, characteristics, production, productivity, and environment.
Volume 1: Germany, Benelux, Denmark \$140.00
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Report on United States Trade and Investment Barriers 1993: Problems of Doing Business With the US. *Commission, Brussels, April 1993, 90 pages.* Annual report on barriers and impediments facing European business in trading with and investing in the U.S. **Free**

The European Community and Human Rights. *Commission, Brus-*

sels, October 1992, 61 pages. Outline of the role of the EC in the area of human rights. Annex with official texts. **Free**

Strengthening Democracy in the EC. *European File/Europe on the Move, Commission, Brussels, 1993, 8 pages.* Discussion of EC decision making procedures and access to information. **Free**

Public Opinion About the European Community. *Central and Eastern Eurobarometer No. 3, Commission, Brussels, February 1993, 134 pages.* Results of an autumn 1992 poll of 18,500 people in 18 Central and Eastern European countries to assess public support for the EC. **Free**

The European Community and the Third World: Map of Cooperation Agreements. *Commission, Brussels, 1992, 4 pages.* Map and explanatory net on the network of cooperation agreements with developing countries, trade and development aid. **Free**

Southern Africa and the European Community. *Europe Information Development, Commission, Brussels, September 1990, 51 pages.* Overview and brief country by country look at EC development aid in southern Africa. **Free**

Publications April-September 1992. *Office for Official Publications, Luxembourg, 1992, 94 pages.* List of official sale publications issued between April and September 1992.

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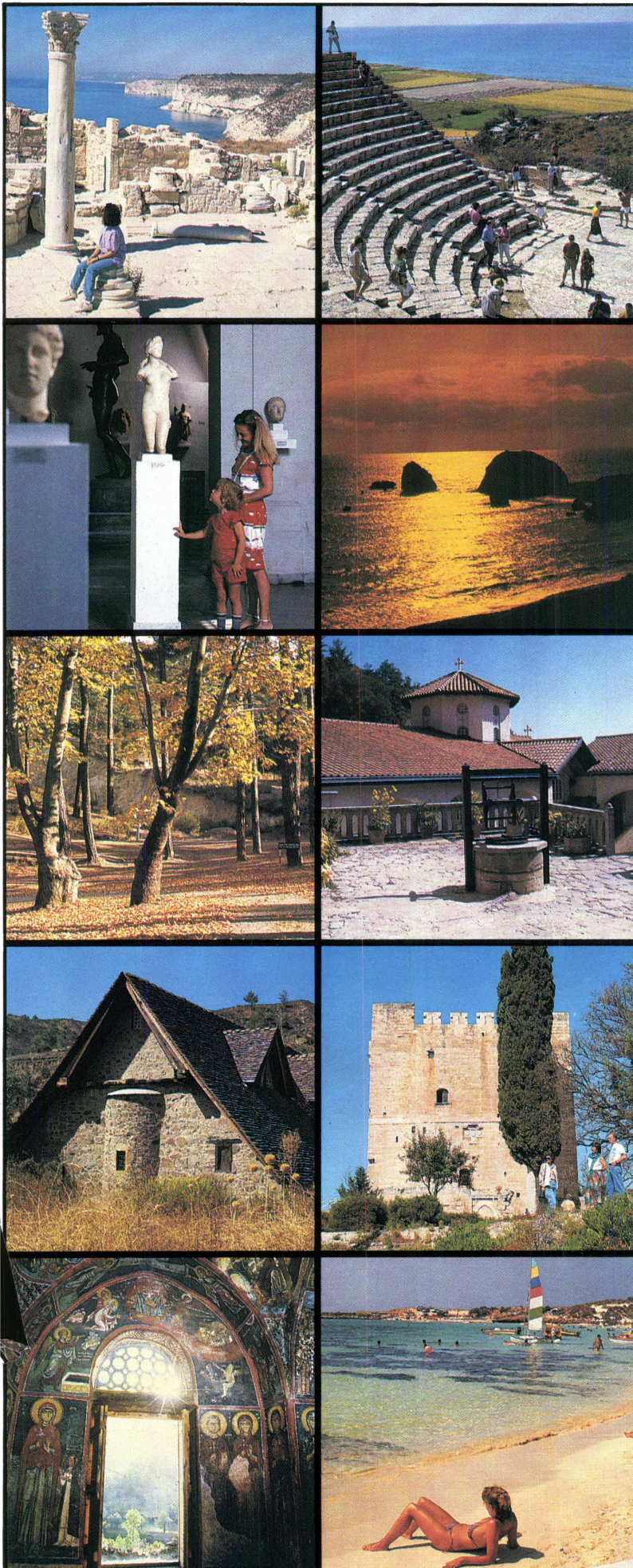
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