

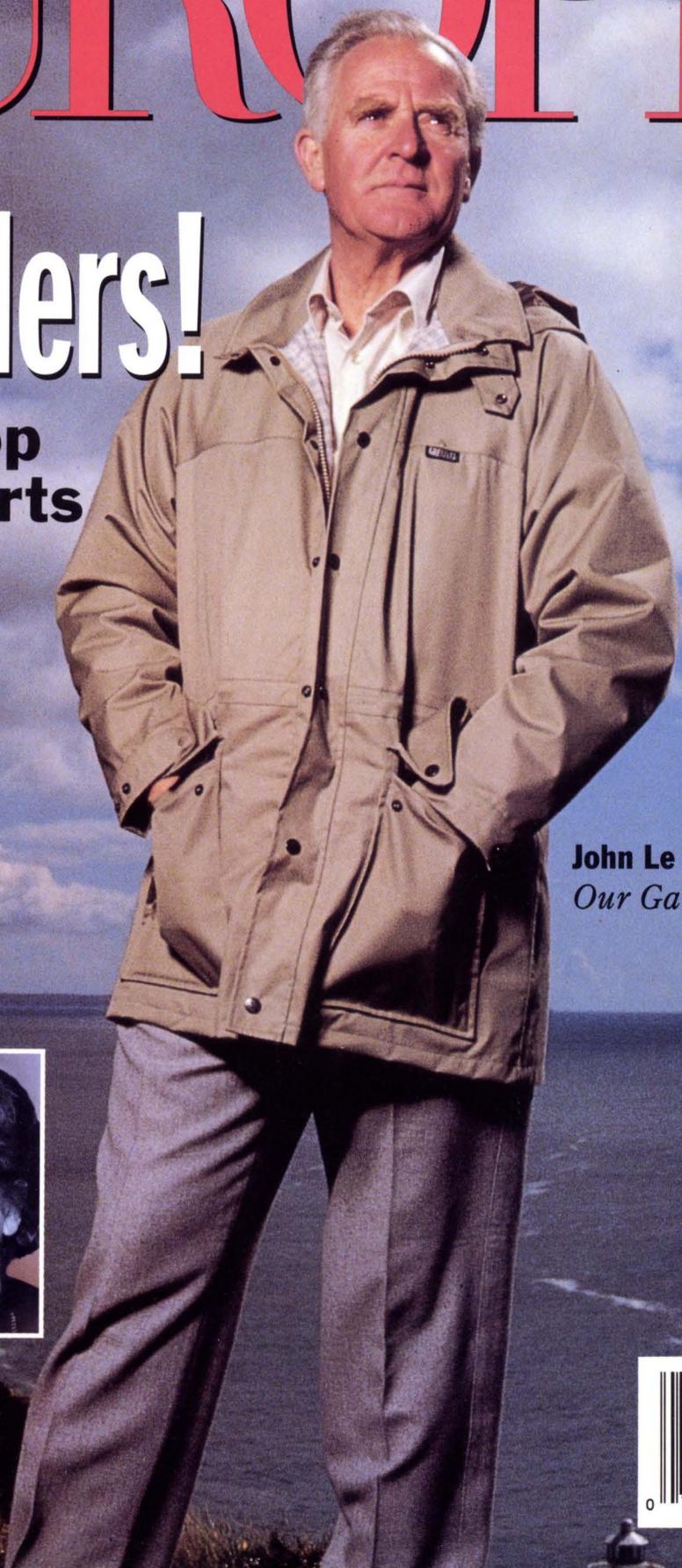
# EUROPE

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*Our Game*



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*The Glass Lake*



**P.D. James**  
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# PORTUGAL

ALL IN ONE



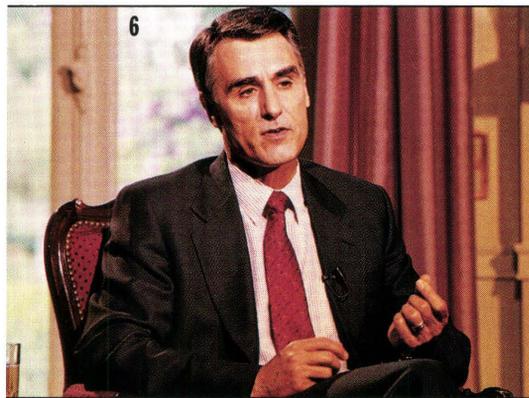
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Portugal

# EUROPE

MAGAZINE OF THE EUROPEAN UNION



6

## PORTUGAL

**Interview.** Portuguese Prime Minister Aníbal Cavaco Silva discusses Europe's changing role in the world. **6**

**Election Year.** The contest is on to see who will replace Portugal's prime minister in the upcoming election. *Peter Miles* **8**

**Next in Line to Lead?** The new head of the ruling Social Democrat Party, Fernando Nogueira now finds himself in a tough race. *Peter Miles* **10**

## BUSINESS

**Europe and the Information Superhighway.** European politicians and businesspeople are sounding the alarm that Europe risks falling behind the US and Japan. *Bruce Barnard* **12**

**Hardware the Hard Way.** Italian computer maker Olivetti has come a long way from its days making typewriters. *James Hansen* **14**

**King Compaq.** The Houston-based computer maker leads in Europe. *Peter Gwin* **16**

**G7 Information Summit.** The European Commission hosted a successful summit on the information revolution. *Bruce Barnard* **19**



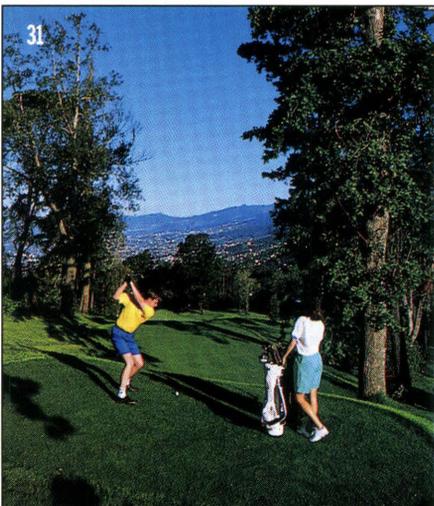
22

## PUBLISHING

**Interview.** Best-selling Irish author Maeve Binchy discusses her career as a novelist and her new book *The Glass Lake*. **22**

**Best-seller Invasion.** Reviewing the new best-sellers from European authors. **26**

**Special Section.** A country by country survey of some of Europe's best writers. **36**



31

## TRAVEL

**Portugal.** Tourism officials are trying to change Portugal's image to attract upscale travelers. *Peter Miles* **31**

**Minsk.** The Belarussian capital is trying to spruce up its image. *Peter Laufer* **33**

## DEPARTMENTS

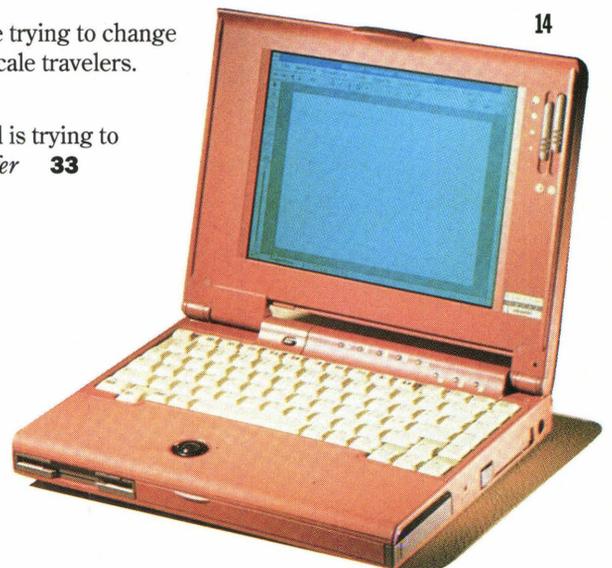
**2 Letter from the Editor**

**4 Eye on the EU**

**36 Capitals**

**44 Newsmakers**

**46 Arts & Leisure**

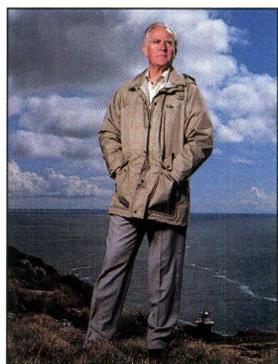


14

# Letter from the Editor

Americans enjoy reading novels written by European writers. A quick glance at the best-seller list on any given week will show that European writers are "hot" in the American paperback and hardback market for popular novels.

Irish writer Maeve Binchy has just published her latest novel, *The Glass Lake*, and it is already number seven on *The Washington Post* best-seller list. The number four slot on the *Post*'s list is held by British mystery writer P.D. James whose current book is called *Original Sin*. Britain's master of the spy novel, John LeCarré, has a new book, *Our Game*, that is already number one on the *Post*'s list.



Peter Høeg, a Danish writer, continues to appear on *The New York Times* paperback best-seller list with his hit mystery entitled *Smilla's Sense Of Snow*. His new book, *Borderliners*, very different from *Smilla*, is also selling well.

Throughout the past few years British writers Ken Follett, Jack Higgins, Len Deighton, Anne Perry, and Dick Francis, Italian writer Umberto Eco and Irish writer Roddy Doyle have also had best-selling novels in the United States.

*EUROPE* presents an exclusive interview with Maeve Binchy in which she discusses her new novel and why Americans seem to enjoy European authors so much.

The recent G7 ministerial conference on the information society hosted by the European Commission was well attended by leading computer and telecommunication CEOs from the United States and Europe. As Jacques Santer, president of the European Commission stated, "Europeans must be the drivers, designers, constructors, content providers, and financiers of the global information society, and not hitchhikers stuck on the sidelines of the information highway."

*EUROPE* profiles a leading European computer firm, Olivetti, and shows how it is a key player in the information age from personal computers to designing automated teller machines. *EUROPE* also profiles Compaq, the fastest selling personal computer in Europe, and asks what makes it so attractive to European PC buyers. We also present a who's who of the ever changing European telecom market.

Portugal is our EU country profile this month. In addition to an interview with Portuguese Prime Minister Anibal Cavaco Silva, our Lisbon correspondent, Peter Miles, looks at the upcoming elections and profiles the new head of the Social Democratic Party, Fernando Nogueira.

Each of our Capitals writers picks their favorite writer to profile from their country, and the writers are as diverse as East German writer Erich Loest to British writer Martin Amis to Dutch writer Adriaan van Dis.

I look forward to hearing your comments on the magazine.

Robert J. Guttman  
Editor-in-Chief

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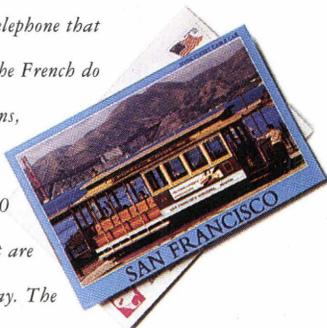
The magazine is a forum for discussion, and therefore its contents do not necessarily reflect the views of European Union institutions or of the member states.

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



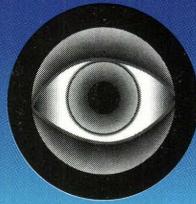
To take a trip to San Francisco, Claudine and Alain went online to book their flights, hotels and tours themselves. How? By using Minitel.

Everybody's *In France, the information superhighway*  
 talking *is not a dream. It's been a reality for over ten years.*  
 about the *And more than 14 million people can connect to it*  
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 on it. *shop and conduct business.*  
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*different services that are*  
*simply a phone call away. The*  
*system was created by the fourth*  
*largest telecommunication services*  
*company in the world. Who are we? France Telecom,*  
*the company that puts forward thinking to current use.*



 **France Telecom**

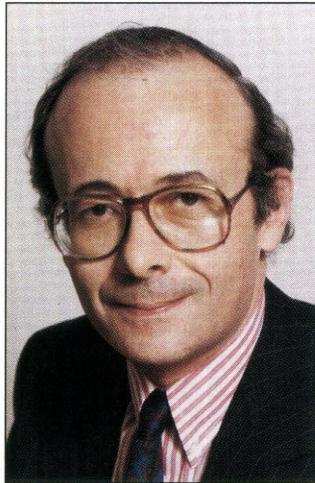
# EYE ON THE EU



Profiling  
Personalities and  
Developments  
Within the  
European Union

“It’s the best show in town,” a journalist remarked as he hurried into one of Sir John Kerr’s background briefings before a meeting of EU foreign ministers. None of his colleagues would demur. They all know what to expect from the UK permanent representative to the European Union.

What they get is a clear, succinct, relatively objective, and invariably humorous account of the business to be transacted. The humor has become legendary and was a key weapon applied in the long series of tough negotiating sessions leading up to the



Sir John Kerr

Maastricht Treaty in 1991. Kerr repeatedly had to argue

a case which went against the preconceived notions of a majority, and often all, of his 11 colleagues.

Yet he did it with such good grace that he got his way far more often than anybody expected. The result, as the world knows, was that—give or take a couple of opt-out clauses—the United Kingdom was able to sign the Maastricht Treaty.

Kerr will avoid a rerun of this experience in the run-up to the 1996 intergovernmental conference. By mid-summer he will be ensconced in Washington as the British ambassador to the United States, replacing Sir Robin

Renwick.

A scion of the Scottish professional classes, Kerr was born 53 years ago, one of four brothers. His father was a doctor and university professor of medicine in Glasgow and his mother a teacher, while several of his older relatives were Protestant ministers.

Kerr studied history at Pembroke College, Oxford, and seemed set for a career as an academic historian. As he tells it, he took his civil service entrance examinations more or less as insurance against not getting a college fellowship. When two letters arrived on the same



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day, one turning him down for a lectureship at Edinburgh University and the other offering him a place in the Foreign Office, he had no difficulty accepting.

This decision was further prompted by his desire to get married, and by the fact that his fiancée, Elizabeth Kalaugher, a fellow Oxford history student, was already working in the Foreign Office. "I used to hang around outside in my scruffy corduroy trousers at the end of the day, as she emerged from the office with the glitterati. I decided I'd like to join the glitterati myself, but I found it was not like that at all. I exchanged a life of leisure at the university for one where I'd actually have to work for my living."

Since then it has been hard work virtually all the way. After two junior postings, one in Moscow which he did not enjoy very much, and one in Rawalpindi, Pak-

istan, which he did, he has performed a series of high-powered jobs which have left him with little leisure and no time to develop any hobbies—other than his growing family, two sons and three daughters (including twins).

Kerr does not say so, but he was obviously picked out very early in the Foreign Office as a high-flyer. By the age of 30 he was already private secretary to the head of the Foreign Office, Lord Brimelow, and to his successor, Sir Michael Palliser. Palliser had been the UK permanent representative in Brussels, and it was he who convinced Kerr of the central importance of the EU. It has been his main interest ever since.

Subsequently, Kerr became the first Foreign Office man to act as principal private secretary to the chancellor of the Exchequer, the UK's minister of finance. "They were very encouraging when I ar-

rived at the Treasury," Kerr says. "They told me that only one person from outside had done the job before, and he died suddenly."

This spell at the Treasury was an invaluable experience for Kerr, giving him a much wider grasp of the whole range of government policy. This position was followed by a senior posting in the Washington embassy, after which he returned to the Foreign Office in 1987 as the chief coordinator of British policy toward the EC. This post was the best possible preparation for his present posting, which he once described to me as "the ideal job, much more interesting than being a bilateral ambassador."

He has presumably made an exception for the Washington appointment, which is the top overseas job in the British foreign service and a hugely demanding one. He should prove an excellent represen-

tative of the European Union as well as of his own country.

Kerr combines a razor sharp mind, an awesome capacity for detail, a clear strategic conception, and a strong belief in the validity of the European experiment. He is also a warm-hearted and highly civilized man. He is accessible and always seems relaxed. The only sign he gives of inner tension is his high cigarette consumption.

Kerr will probably stay in Washington for about four years, and will then complete his Foreign Office career with one further very senior post, perhaps in London. He refuses to speculate what this will be: his only admitted ambition is one day to complete the doctoral thesis he abandoned in 1965. His thesis is on what he describes as the "monumentally irrelevant subject" of the economics of the British East India Company 1784-1792.

—Dick Leonard



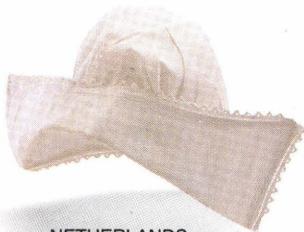
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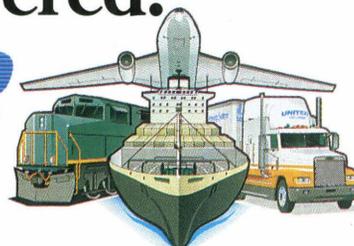
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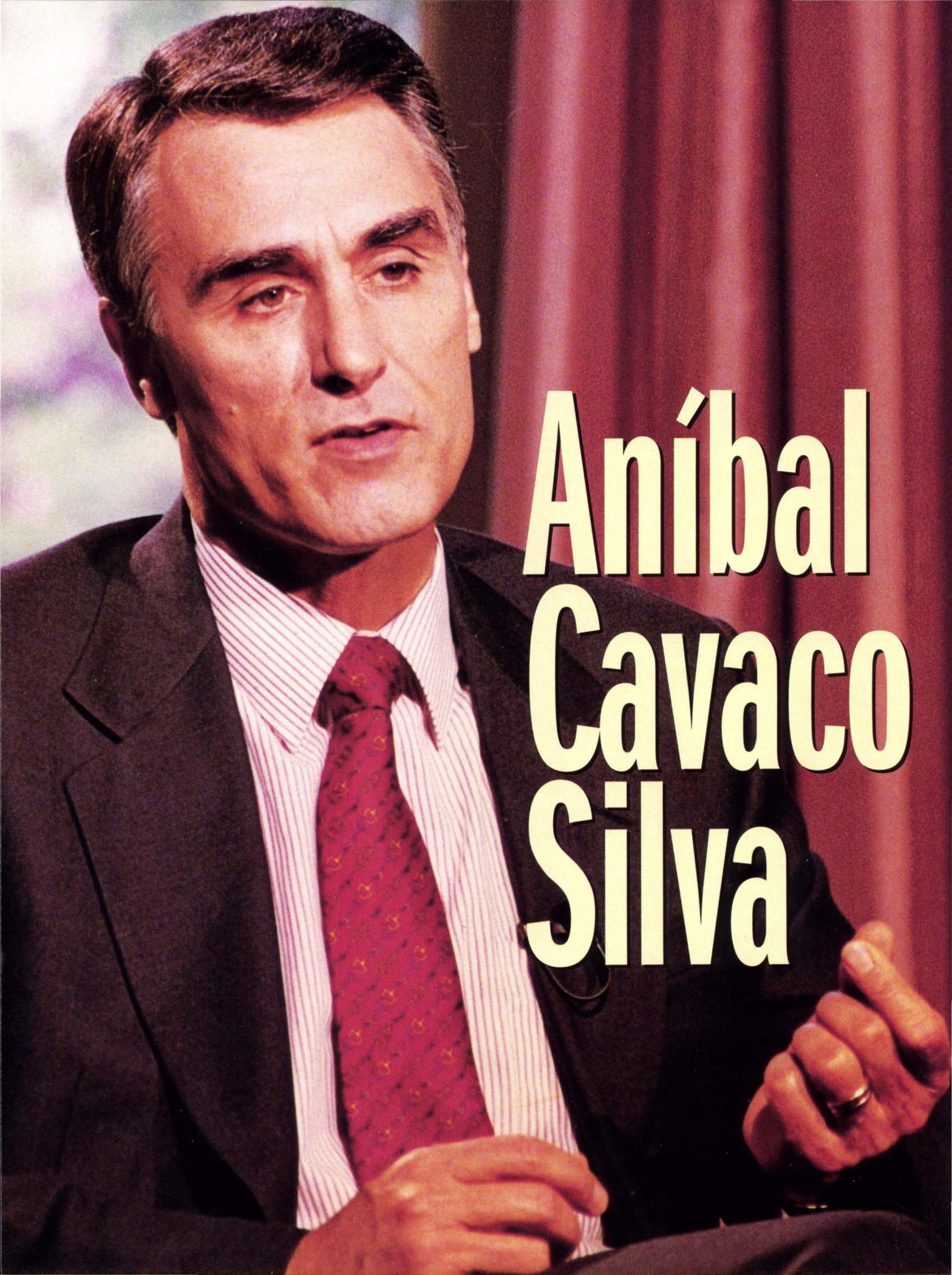
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A portrait of Aníbal Cavaco Silva, a middle-aged man with dark hair, wearing a dark suit, a light-colored striped shirt, and a red patterned tie. He is looking slightly to the right of the camera with a neutral expression. The background is a blurred indoor setting with warm lighting. The text 'Aníbal Cavaco Silva' is overlaid on the right side of the image in a large, bold, white font with a black outline.

# Aníbal Cavaco Silva

# Prime Minister of Portugal

**Does Europe still matter in the 1990s? Can Europe effectively compete against the US, Japan, and other emerging Asian nations in the 1990s?**

I do not think that, as an interested party, I am being biased if I reply with a clear, "Yes, obviously it matters," to the first part of the question. The European single market is the world's largest market, both in terms of quantity and of quality, and for instance, the way in which the recent negotiations of the Uruguay Round developed is evident proof of the importance of Europe's role in the world economy.

Europe is increasingly a force to be reckoned with in the world in the future, but it is fully aware that affirmation of its position will depend, to a great extent, on its competitive productive capacity within a context of increasingly open international markets. That is why it has paid great attention to developing the proposals contained in the white paper presented last year by the European Commission and which is entitled precisely "Growth, Competition, and Employment."

**Does the Transatlantic Alliance need to be strengthened? Is NATO still an effective organization? What role should the EU play in having its own military forces?**

The Transatlantic Alliance takes on special meaning. In the last few decades, this alliance has been one of the main pillars of the security and prosperity in the Western world. The defense of freedom, peace, respect for human rights, and a market economy are still the major objectives of the policies pursued both in the US and in Europe. Security and stability in Europe, now faced with new challenges, are still essential for the US as well.

That is why the continued North American military presence in Europe within the framework of NATO is justified and must continue to be the cornerstone of our security. The creation of a European defense identity should, therefore, be conceived and developed in close cooperation and compat-

ibility with NATO as provided for in the Treaty of European Union and confirmed at the 1994 NATO Summit.

**Do you favor a two- or three-speed Europe? Is this a realistic way to proceed or should all the member countries move forward together?**

I have expressed my opinion several times on all those concepts of European construction which are now so far removed from the principles which made that construction a success in the 1950s. Concepts such as a "Europe at various speeds" or a Europe with central and peripheral cores, if they were ever attempted, would only lead to the disintegration of the Union, bringing an end to this experiment which has brought so many benefits to the Europeans.

**Is there such an entity as Europe? Does Portugal really have much in common with Denmark or Greece?**

Yes, there is a European identity, based on cultural values which have been forged throughout many centuries of common history. There is a whole group of basic values which are shared by all and of which European construction has been based: democracy, respect for human rights, freedom, a market economy. The fact that we speak different languages or have different customs is more a factor of cultural enrichment than the symptom of far-reaching divisions preventing cooperation, solidarity, and permanent dialogue.

**Are you worried about the European Commission under its new President Jacques Santer? Will it be weaker than under Delors?**

On the contrary, we believe that Jacques Santer has all the personal and institutional conditions for proper fulfillment of his function as president of the Commission. We are convinced that his performance will result in a significant contribution to the Union and its member states. It might possibly be different from President Delors—who deserves every tribute—but then, the circumstances and challenges facing [President Santer] will also be different. ☺



Portuguese  
Prime Minister  
Aníbal Cavaco  
Silva spoke with  
*EUROPE* Editor-  
in-Chief Robert  
J. Guttman to  
discuss Europe's  
changing role in  
the world.

# Election Year

## Economic Upturn Expected

By Peter Miles

**This is an election year in Portugal, and after eight years of unprecedented political stability, the outcome of the election, which must be held by October, is uncertain.**

**After 10 years as leader of the ruling center-right Social Democratic Party (PSD) and prime minister, 55 year old Aníbal Cavaco Silva announced in January that he would not stand for reelection. However, he will stay on as head of the government until the general election. At its congress in Lisbon in February, the PSD chose Defense Minister and Deputy Prime Minister Fernando Nogueira as its new leader and as its candidate for prime minister in the election.**

Mr. Cavaco Silva, an economist, said he was standing down because the PSD needed new ideas, fresh energy, and a new style of leadership, but also because after working 12 hours a day, seven days a week, for 10 years, he wanted to dedicate more time to his family. Some observers felt, however, that he feared doing badly in the next election. There is also growing speculation that he is preparing to stand in next February's presidential election when Socialist President Mario Soares—barred by the constitution from running for a third time—ends his second five-year term.

Mr. Cavaco Silva can look back on an extraordinary 10 years. After leading a minority government for two years after 1985, his PSD won just over 50 percent of the vote in the 1987 elections, the first ever absolute majority in Portugal since the extreme right-wing dictatorship was ousted and democracy was restored in a left-wing military coup in



1974. In 1991, the Social Democrats even managed to increase their absolute majority to more than 51 percent.

Over the last two years, however, the government's popularity has waned. This decline was partly due to the economic recession, but also to a series of minor financial scandals within the PSD, as well as a certain unease among the Portuguese over being governed by an absolute majority for so long. Opinion polls have suggested that if the PSD wins this year's elections, it is unlikely to be with a third consecutive absolute majority.

However, the main opposition Socialist Party (PS), led by António Guterres, is even less likely to gain more than 50 percent of the vote, and the result is expected to leave the country in the hands of a minority government. In the 1991 elections, the PS won just over 29 percent, the Portuguese Communist Party (PCP) received just under 9 percent, while the right-wing Democratic and Social Center Party—which this year changed its name to Popular Party (PP/CSD)—polled 4.5 percent. If the PS came to power, it could probably only govern with the tacit support of the PCP. So, after a decade of stability—a word certain to feature prominently in the PSD's election campaign—Portugal could be heading for rockier political times. An institutional conflict between Mr. Cavaco Silva and Mr.

**António Guterres gives a speech in Portugal's Parliament.**



Soares—who has increasingly become the focal point for discontent expressed by trade unions, teachers, students, doctors, miners, and other groups—has been one of the most prominent features of recent political life.

The end of this political cycle—marked by Mr. Cavaco Silva's departure—comes at a time when the Portuguese economy appears to be picking up. Whether it is led by a PSD or a PS government, the country's economic goal will continue to be convergence with the richer countries of the European Union, in preparation for Economic and Monetary Union (EMU), which now appears less and less likely before the end of this century. For many years, after joining what was the European Community (EC) together with Spain in 1986, Portugal's economy expanded above EC-average—until the recession finally found its way to this southwestern corner of Europe. Portugal was not hit by the slump until 1993, when—as a country relying heavily on exports and foreign investment—it began feeling the effects of the recession in the rest of Europe, an effect that was compounded by the structural weakness of its own economy. It has also become clear that a significant part of the country's economic growth since 1986 has been due to the massive amounts of structural funds that have poured in from Brussels. They have mainly been used to improve infrastructures, such as expanding the highway system and the rest of the road network.

Opposition parties, however, point out, that little money was invested into restructuring Portugal's ailing traditional sectors, such as agriculture, mining, and textiles. Instead, they allege, much EC-EU money was simply used to cover financial losses and subsidize wages. This conclusion—according to independent analysts—is borne out by the fact that the country's economy has not become more competitive. Such a state of affairs is particularly worrying at a time when the EU is increasingly looking toward Eastern Europe and its prospective new members in that region. Already, Portugal—whose strength has traditionally been low wage costs—is finding that potential investors are channeling their money eastward. Not to mention that the current structural fund program runs out in 1999.

Mr. Cavaco Silva's main achievement—and one of his declared aims—is to have brought down inflation from around 20 percent 10 years ago to currently just over 5 percent. The economy began picking up in the second part of 1994. After negative growth of -1 percent in 1993, the figure for 1994 currently estimated is between +1 percent and +1.5 percent, and +3 percent for 1995. This year, Portugal's budget deficit is expected to fall below the 5.8 percent of GDP registered in 1994, while the public debt could rise to more than 70 percent of GDP this year. The EMU ceilings for budget deficit and public debt are 3 percent and 60 percent respectively. Even with the upturn in the economy, however, unemployment has been rising steadily.

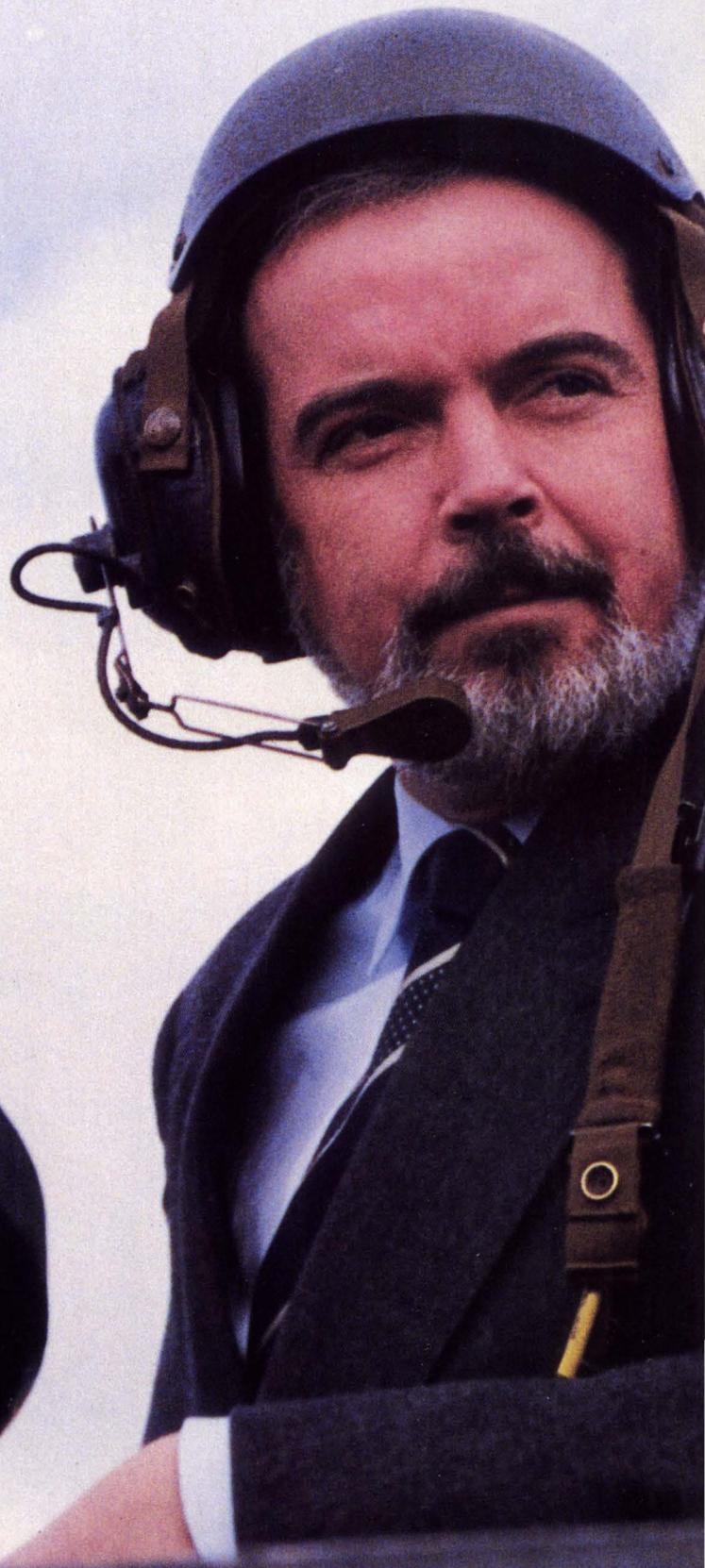
Despite Mr. Cavaco Silva's warnings, a Socialist-led government would probably change relatively little. What it would be expected to do, however, is to make more money available to the country's neglected health and education sectors, and the underfunded social security system. ☹

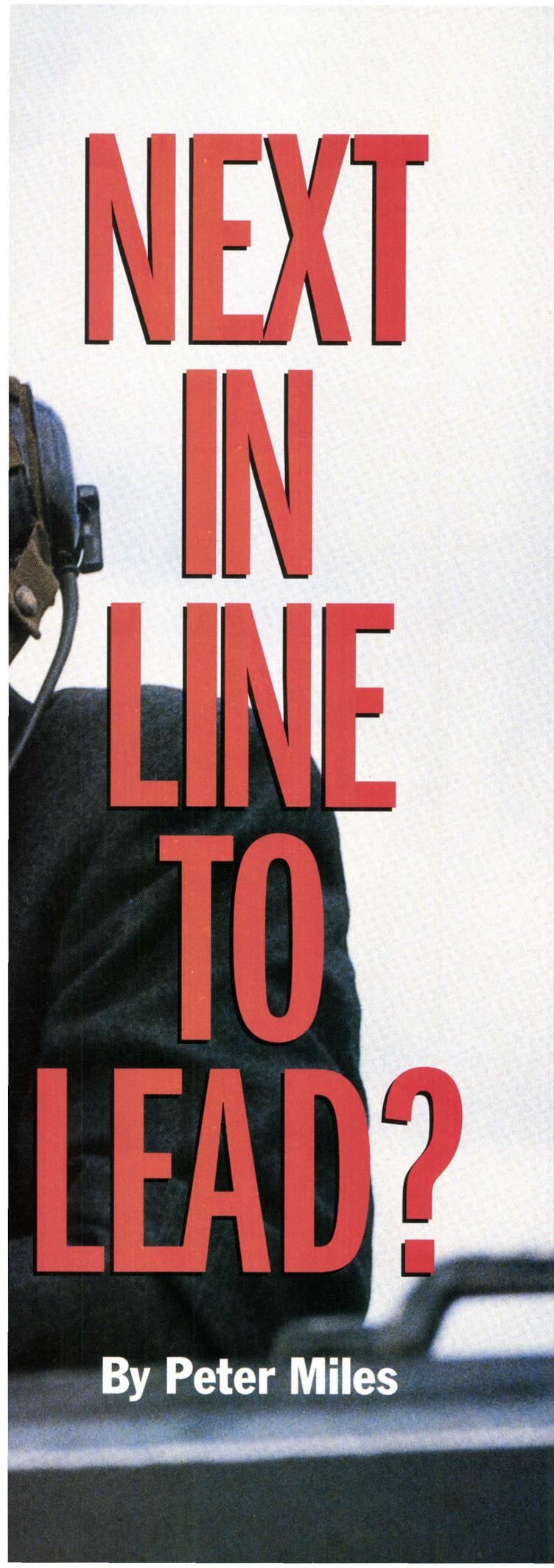
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*Peter Miles is EUROPE's Lisbon correspondent.*

**FERNANDO NOGUEIRA** had been the favorite to take over as head of the ruling center-right Social Democratic Party (PSD) ever since Aníbal Cavaco Silva announced he was abandoning the party leadership and would not stand for reelection as prime minister in this year's upcoming general election.

Nogueira, who is married with four children, was born in the northern town of Matosinhos, near Oporto, on March 26, 1950. He has a law degree from the prestigious University of Coimbra, and he has taken part in international missions organized, among others, by the Council of Europe and the Organization for Economic Cooperation and Development. He entered the government as secretary of state in 1983, was appointed justice minister in 1987, and took over as defense minister in March 1990. His main achievement is considered to be the reduction and reorganization of Portugal's armed forces. This was not an easy task for a civilian in a country where the army retains great prestige for having restored democracy by ending 48 years of extreme right-





# NEXT IN LINE TO LEAD?

By Peter Miles

wing dictatorship in a coup in 1974.

In the final months of 1994 and at the beginning of this year, however, his ministry was shaken by a series of scandals. First, a ship containing out of use ammunition suffered mysterious explosions as it was being sunk off the coast of Portugal. Nogueira was initially unable to give an exact account of what happened and later did so in differing versions. Then, he was obliged to confirm that a state-owned aeronautics company, Indústria Aeronáutica de Portugal, S.A., had serviced fighter planes belonging to the Angolan air force. This action appeared to violate Portugal's neutral position as one of the official observers in Angola's peace process. Shortly afterward, it was revealed that the same company, which is answerable to the Defense Ministry, had also serviced two Indonesian air force helicopter engines. This situation proved particularly embarrassing since Lisbon is involved in a diplomatic dispute with Jakarta over the former Portuguese colony of East Timor. Indonesia annexed the territory in 1976 before the decolonization process was completed, and Portugal is campaigning for the people of East Timor to be allowed to determine their own future. In both these cases, Nogueira said he had been unaware of what was going on, giving the impression that he had little control over his own ministry.

However, these scandals appear not to have harmed him enough to prevent him from winning the party leadership by a tight margin of 33 out of some 1,000 possible votes over his only remaining rival, the 38 year old foreign minister, José Manuel Durão Barroso. Nogueira's victory is seen as a reward for years of hard work as Mr. Cavaco Silva's deputy in the PSD leadership. Since the prime minister was mainly occupied with running the government, Nogueira was effectively in charge of the party, traveling around the country and staying in close contact with PSD district leaders. This contact appears to be why ahead of the party congress an overwhelming majority of local party leaders came out in support of the defense minister. But in view of Mr. Cavaco Silva's calls for a renewal of the party when he announced he was abandoning the PSD leadership, these close links at the same time left Mr. Nogueira with the image of a representative of the old party machine. As the congress approached, this image appeared increasingly to favor Mr. Durão Barroso, who is considered to be more independent of the party. Opinion polls showed clearly that while Mr. Nogueira had more support within the party, Mr. Durão Barroso was more popular among Portuguese voters. During the Congress, the balance appeared to shift toward the foreign minister. But in the end, delegates cast what is considered to be a narrow vote for continuity. Most observers feel it was also an option that took into account interests within the party, rather than the chances of winning the next election.

While Mr. Durão Barroso is thought to be more of a free market man, Mr. Nogueira is considered to belong to the more social democratic faction within the center right PSD. He has little charisma, and serious doubts persist, even among PSD members, about his ability to convince and capture voters. During Mr. Cavaco Silva's 10 years in power, the traditional existence of different political factions within the party appeared insignificant, as he managed to balance them with strategically clever nominations. However, should the PSD do badly in the next elections, this split could become more pronounced. ☹

European politicians and businessmen are sounding the alarm that Europe risks falling behind the United States and Japan in the race to the global information superhighway.

Europeans must prepare for the information revolution or become "hitchhikers on the information superhighway," according to Jacques Santer, the president of the European Commission.

"Unfortunately, when it comes to embracing information technology Europe has been reluctant to put its faith in market forces," says Lucio Stanca, chief executive and chair-

man of IBM Europe.

Europe's citizens, however, are rushing into the computer age. Sales of software and computer services in-

the highest followed closely by those in Japan, France, and Italy.

Europe's telephone costs are too high and the productivity of its workers too low, according to Eric Benhamour, chairman of the American Electronics Association's national information infrastructure task force.

Europe must match or undercut US telecoms charges immediately in one drastic move or risk "death by 1,000 cuts," Mr. Benhamour told an AEA meeting in Brussels.

The bottom line is that Europe lags the US in most areas, from the miles of fiber optic cable laid, the use of computers in the home and office, and the number of television channels available.

Europe is also struggling hard to keep up with Japan and the US in the manufacture of computers, semiconductors, and software. Europe's ability to survive has seemed to

# Europe gets up to speed on the **INF** **SUPER**

By Bruce Barnard

creased by nearly 9 percent last year to around \$74 billion and the number of personal computers sold soared by 14 percent to 11.8 million units.

But the key to Europe's success in information technology lies in removing the regulatory shackles from its \$150 billion-a-year telecommunications industry. The EU is committed to liberalizing its telecoms services and infrastructure by January 1, 1998. This is "a necessary but not a sufficient step," according to Santer.

The United Kingdom, the pioneer of telecoms deregulation in Europe argues that the full benefits of information technology will only flow when telephone charges have fallen to levels that make new service attractive to businesses and private individuals. "You cannot have an information highway that is fully accessible unless telecommunications costs are falling," said Ian Taylor, the UK's information technology minister.

The UK has the lowest telephone charges of any of the leading industrial nations, including the US, according to a recent survey by the International Telecommunications Users Group. Germany's charges are

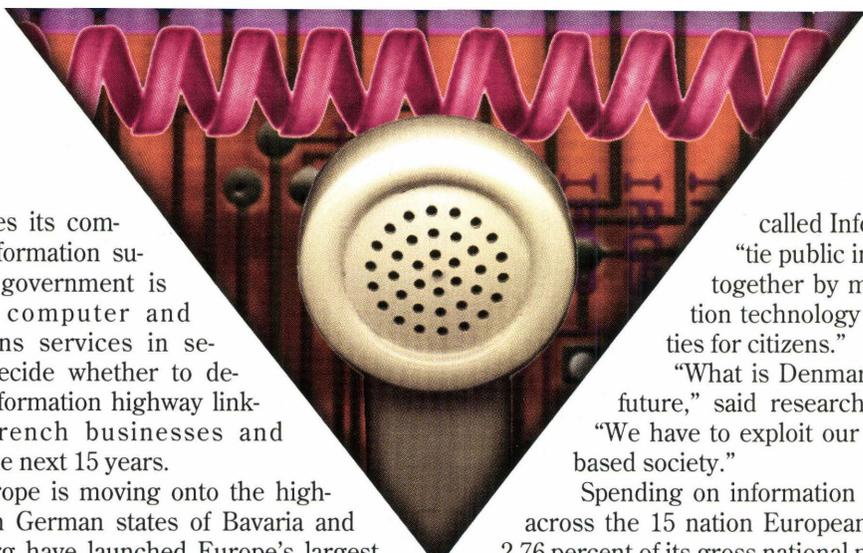
hinge on the availability of state subsidies and government contracts, hardly an environment conducive to the creation of European rivals to Microsoft and Compaq.

There is genuine concern that Europe will be overwhelmed by the US and Japan, graphically illustrated by the call by EU Commissioner Edith Cresson for a tax on the telecommunications industry to support Europe's multimedia industry.

Europe needs to ensure that the new information highway is not swamped by non-European products while the EU telecoms market is being liberalized. "Europe is as culturally and industrially challenged by the education and training software of Nintendo and Microsoft as it is by American television series," according to Ms. Cresson.

The commission has distanced itself from Ms. Cresson's remarks. France also failed to persuade its EU partners to back its call to tighten current restrictions on imports of foreign, i.e. American, movies and television programs and to extend them to new technologies such as "video on demand."

However, France's protec-



tionist stance belies its commitment to the information superhighway. The government is launching trial computer and telecommunications services in selected towns to decide whether to develop a national information highway linking 5 million French businesses and households over the next 15 years.

The rest of Europe is moving onto the highway. The southern German states of Bavaria and Baden-Wurttemberg have launched Europe's largest multimedia projects to establish the potential demand for teleshopping and other interactive media services.

called InfoSociety 2000 designed to "tie public institutions and companies together by means of modern information technology and create new possibilities for citizens."

"What is Denmark going to live off in the future," said research minister Frank Jensen. "We have to exploit our position as a knowledge-based society."

Spending on information technology varies widely across the 15 nation European Union. Sweden devotes 2.76 percent of its gross national product (GNP) to information technology and Germany just 1.19 percent compared with an EU average of 1.85 percent. Eighty-five percent of

# FORMATION HIGHWAY



**The biggest challenge facing European politicians and businessmen is to turn skeptical Europeans onto information technology.**

Said Dieter Spori, economics minister of Baden-Wurttemberg: "We are facing the alternative of whether the new jobs and the software which go with the information technology will be created in Baden-Wurttemberg or will it be delivered from the US or southeast Asia."

Meanwhile, Deutsche Telekom, Germany's public telephone monopoly, is changing its on-line computer service to give millions of Germans access to the Internet network. Initially, 700,000 people would be hooked up to services ranging from telebanking to newspapers on screen. Deutsche Telekom expects around 4 million people to be using its on-line services within three years.

Size is no indicator of a country's commitment to information technology. Denmark has just launched a national plan

Danish office workers have access to a computer compared with 57 percent in the UK and an EU average of 55 percent.

The biggest challenge facing European politicians and businessmen is to turn skeptical Europeans onto information technology. A disturbing survey of over 1,000 people working for large corporations in nine European countries showed a large proportion were not convinced by the alleged "benefits" of the multimedia revolution.

American business executives are continually seeking ways to use the new technology to improve their business methods, according to the survey by the Harris Research Center. By contrast, "their European colleagues lack vision. Indeed, the evidence in Europe indicates there is a clear split between what managers understand and what they intend to do."

Only half the Europeans polled said the introduction of new technology was keeping pace with the rest of the world—against 9 out of 10 North Americans. Nearly 90 percent of Americans spend part of their week working at home while one third of Europeans never work at home at all.

Changing Europe's mindset will be an uphill struggle. ☹

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*Bruce Barnard is a contributing editor to EUROPE and a Brussels correspondent for the Journal of Commerce.*

# Olivetti

## Hardware the Hard Way

By James Hansen

**T**he terraced vineyards stepping down the hill-sides overlooking Ivrea have been cultivated for 2,000 years. The old men who trim these vines see the buildings spread in the valley below where their sons and grandsons tend—instead of grapes—silicon micro structures, “object-oriented” programming tools, circuit boards, and all the paraphernalia of information technology.

Ivrea, founded around 100 BC as a Roman border post at the northern edge of today's Italy, is home to Ing. C. Olivetti & C. Spa, one of Europe's largest computer manufacturers.

Olivetti turns over \$5.5 billion a year manufacturing and selling personal computers, high-end work stations and mini-computers, office equipment, automatic teller machines, printers, and whatever else is necessary to a world increasingly living on the information superhighway.

As is perhaps fitting given its location, Olivetti is one of the world's oldest information technology companies. In an industry characterized by the young and the new, it was founded as a typewriter manufacturer in 1908.

Like many old-line companies Olivetti is coming under increasing pressure as the pace of change accelerates. The need to reduce overhead has forced the company to cut staffing more than 40 percent in five years from 57,000 employees in 1989 to less than 33,000 today.

Cost-cutting has reached the point where corporate lawns in front of the company's Ivrea headquarters are now allowed to grow long, and then they are cut, baled, and sold as hay.

Though final data are not yet available, Olivetti's losses for 1994 will reach around \$300 million in spite of these efforts. Spokesmen say, however, that the company hopes to break even in 1995.

The problem has been overdependence on a product which in some ways is too successful. Last year, Olivetti's Northern Italian plants built 900,000 personal computers, making it the largest European producer of PCs. They're good machines, but high Italian manufacturing costs mean that more efficient producers like America's Compaq are



tearing the heart out of Olivetti's profits.

Compaq doubled its PC sales in Italy in the last two years to 10 percent of the market. Olivetti lost half a point over the same period, falling to 19.5 percent. In Europe, Olivetti's share has seen slow but steady erosion, slipping from 6.5 percent of the market to just above 5 percent since 1989.

All of this is forcing Olivetti, overexposed in personal computers, to retrench in markets where it has a command-

Founded in 1908 as a typewriter manufacturer, Olivetti now produces PCs in addition to other high-tech hardware.



ing lead. The company is Europe's biggest supplier of "front office" banking equipment like automatic teller machines. It is the European leader in printers as well—1 million units leave the Ivrea factories each year.

Most promising of all is the company's worldwide strength in maintenance and professional services, such as network management and customer support. Such services constitute the fastest growing area in information technol-

ogy, and one where Olivetti is especially strong.

Altogether, maintenance and other services now account for roughly one-third of company revenues. Olivetti support center help-lines take 20,000 calls a day from a pool of 8 million support customers worldwide.

Though personal computers now account for only about 20 percent of Olivetti's revenues, they are still far too important a product to abandon. The company is attempting to improve margins by moving toward the high end of the market, concentrating on costlier "multi-media" machines equipped with CD-ROM drives, sound boards, and high resolution monitors.

It is also attempting to capitalize on what even competitors acknowledge Olivetti does best—design. Olivetti has always spent huge sums making its products look good and getting the ergonomics—the "human factor" aspects—just right. Though a price handicap, this extra care may be growing into an advantage as markets become more selective in their information technology purchasing.

This obsession with beauty has to do with the company's peculiar history. For generations of Italian managers, Olivetti was almost more a cause than a company.

Camillo Olivetti, a man ablaze with radical political ideas, soon turned the company he founded into a sort of continuing social experiment. By the 1920s, all employees enjoyed pension plans, free medical and dental care for themselves and their families, free libraries, literacy classes, and hot meals in the company cafeterias.

These benefits, normal enough for today, were considered at the time to be a wild and dangerous form of socialism, and the Italian secret police kept a close eye on Camillo. But the company's reputation for taking care of its workers helped Olivetti build a capable and fiercely loyal work force, bringing the company safely through both the Great Depression and the ravages of fascism and World War II.

For many years, all Olivetti executives, whatever their rank, were required to work for a year on the assembly lines before moving to a desk. This included Camillo's son Adriano, who took over the company on his father's death in 1943.

Adriano finished turning Olivetti into the corporate equivalent of a Renaissance prince. Famous artists produced advertising materials, and successful novelists wrote copy. The company single-handedly imported the disciplines of both psychoanalysis and urban planning to Italy for no very good reason except that it seemed the thing to do.

This idyll came to a painful and screeching halt in the early 1970s. A classic cash flow crisis forced the company first into the hands of the banks and, somewhat later, into those of Carlo de Benedetti, who still controls it.

De Benedetti is an able manager who is honestly and sincerely out for the money. He refocused the company's attention on business, took it heavily into electronics, and engineered a corporate turnaround that was a major success story of the 1980s. Olivetti's miracle has soured in this decade.

They've seen it all in Ivrea, including Hannibal's armies and their elephants marching through. Olivetti knows that bad streaks, like the elephants, come but then go. ☐

*James Hansen is a writer based in Northern Italy.*

# King Compaq

In 1981 the idea for the first Compaq personal computer took shape on a place mat at a House of Pies restaurant in Houston, Texas. What began as three Texas Instruments employees sketching a design for a first generation personal computer has since become the stuff corporate legends are made of and the great-grandfather of the most popular personal computers in the world.

According to figures released by Dataquest, a San Jose, California-based research firm, Compaq overtook IBM and Apple Computer last year to lead the world's personal computer market with a 10.3 percent market share (see chart). Compaq reported an even larger lead in Europe with a 13 percent market share in the last quarter of 1994. Worldwide in 1994 the company reported sales of \$10.9 billion, resulting in an astonishing almost \$1 million in revenue per employee.

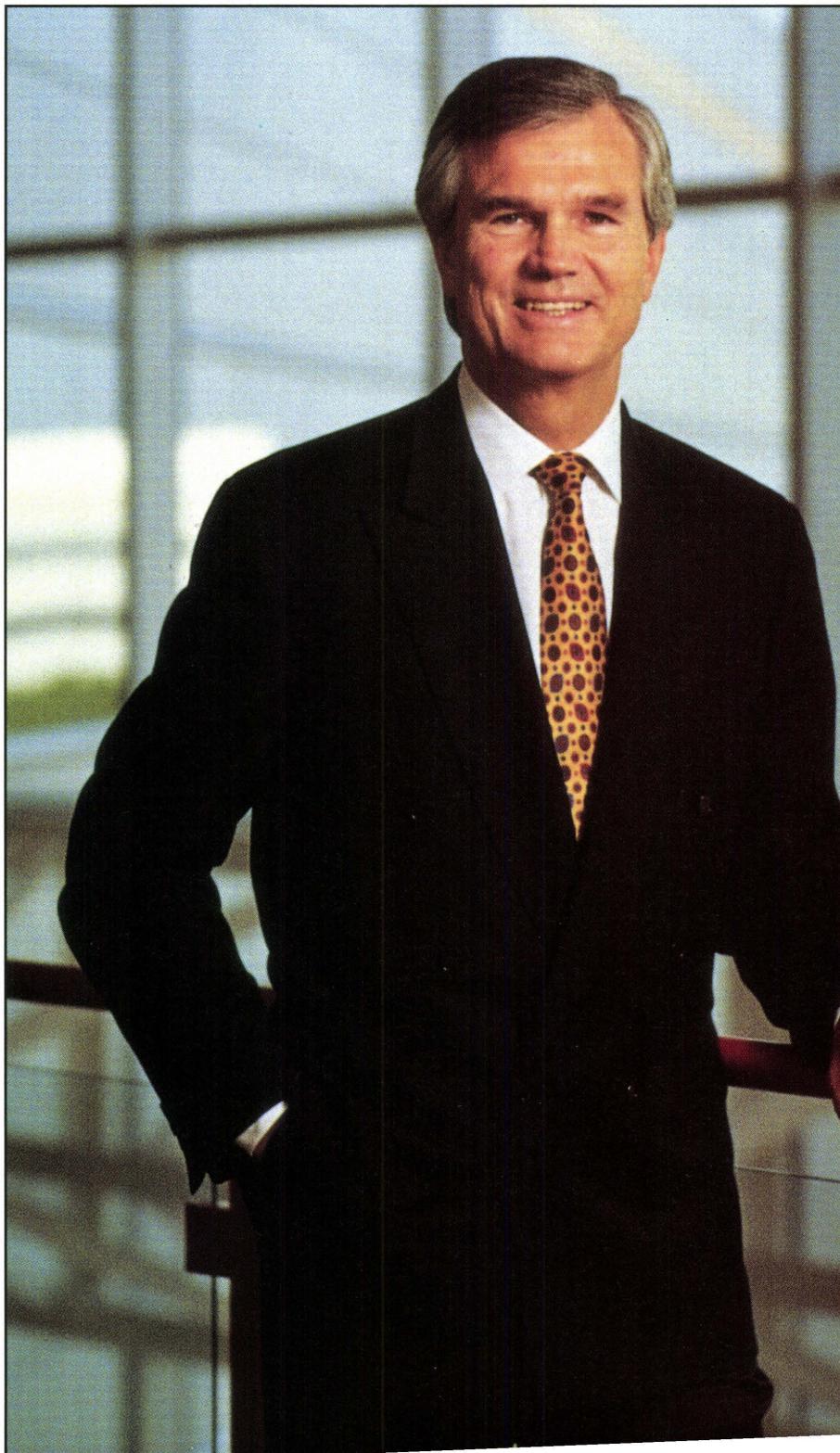
Not bad for a company founded only 13 years ago and one that has seen its share of turbulence on the way to the top. Since the beginning of the PC revolution, dozens of profit-making PC manufacturers have emerged in the market place, yet none has challenged the perennial leaders, IBM and Apple, in the way Compaq has. Now Big Blue and the Macintosh crowd are chasing the Houston-based Compaq.

Success, however, has not come easily nor without a certain amount of blood left on the floor. Compaq has seen highly publicized spats with chip supplier Intel and retailer Businessland.

## PC Maker Leads US and Europe in Sales

By Peter Gwin

**The German-born Eckhard Pfeiffer built Compaq's European operation from a \$20,000 investment into a \$2 billion business.**



The company also endured a management shake-up that saw CEO Joseph R. (Rod) Canion, one of the company's founders, replaced by Compaq's former head of European operations, Eckhard Pfeiffer.

Initially, Compaq had positioned itself to sell high end PCs to Fortune 500 businesses, a strategy pioneered by IBM and one that bore fruit during the 1980s. By 1991, however, the market had changed. Almost all the other PC makers were cutting prices, and Compaq, as well as IBM, was rapidly losing sales to low-cost clonemakers who were also selling to small businesses and consumers. Compaq's head of systems, Gary Stimac, was quoted as saying that IBM and Compaq had "created a pricing umbrella that allowed all the clonemakers to thrive. And when IBM lost touch with the pricing realities of the marketplace, we walked off the cliff with them."

Later that year, in what was seen as a controversial move, Compaq Chairman Benjamin Rosen fired the popular Canion and asked the company's chief operating officer, Eckhard Pfeiffer, to lead the company.

Although it may have all begun for Rod Canion at the House of Pies, Pfeiffer made his name in Europe. A 20-year Texas Instruments marketing veteran, he came to Compaq in 1983 with a reputation as a taskmaster. He cemented that reputation when he began building the company's European operation. A story that has become something of a Compaq legend has Pfeiffer being sent to Europe with a check for \$20,000. Six years later he had built a \$2 billion business, larger than the US operation.

As president, the German-born Pfeiffer immediately changed the company's tack, declaring that Compaq's aim would be to sell computers in every segment of the market. Where before the company had derived its core profit by selling expensive machines to companies, Compaq would now sell a large volume of less expensive computers to both consumers and businesses. That decision meant cutting prices in order to compete with bargain clonemakers like Dell Computer and Gateway 2000. It also meant introducing a consumer product line, which Compaq had not offered before, and boosting output to take advantage of economies of scale.

To supplement his new market strategy, Pfeiffer relentlessly slashed costs and streamlined the company's infrastructure. Managers were encouraged to rethink practically every company process to boost productivity. Engineers began eliminating extra parts and

screws by designing products with common components and snap-together construction. To cut storage costs for parts, the company persuaded major suppliers to locate operations in the Houston area from which Compaq could take delivery of parts and materials on an as-needed basis. The Houston plant added production lines and began operating round-the-clock, seven days a week.

One area of the company that came under special scrutiny was sales. Compaq reduced its sales staff by one third and with the remaining force implemented a work from home strategy. Time once wasted commuting to the office became time spent making sales calls and keeping in

#### WORLDWIDE PC MARKET

COMPANY	1993 SHIPMENTS in thousands	SHARE %	1994 SHIPMENTS in thousands	SHARE %	GROWTH %
Compaq	3,131	8.1	4,800	10.3	53
IBM	4,211	10.8	3,960	8.5	-6
Apple	3,664	9.4	3,955	8.5	8
Packard Bell	1,143	2.9	2,295	4.9	101
NEC	1,636	4.2	1,875	4.0	15
Others	25,058	64.6	29,635	63.8	18
Total	38,843	100.0	46,520	100	20

Source: Dataquest, January 1995

touch with headquarters via a modem-equipped notebook computer.

The sweeping changes brought immediate results as costs declined and Compaq introduced its first line of consumer PCs, but bringing the new-improved Compaq strategy to the European operation has proved to be a more complex proposition. Foremost among the challenges is the disparity among the computer markets in each of the European countries. "The UK market is not like the French market or the German market or the Italian market or the Scandinavian market," says Andreas Barth, Pfeiffer's successor as head of European operations. "If you look at the structure of the customers, the structure of the [distribution] channel, the buying behaviors, all of these are different from one country to another in Europe."

Compaq Europe, which is headquartered in Munich, has responded to this multiple market structure by establishing wholly owned subsidiaries in 19 countries. Each subsidiary is run by a local country manager who reports to Barth. "We have Brits in Britain, Germans in Germany, and so on," says Barth. "So we're still delegating the majority of the responsibility to the country managers and their organizations."

One especially difficult challenge in Europe surfaces when market differences directly affect the hardware. In the US, the vast majority of Compaq products use the same basic keyboard configuration. In Europe each country requires a different keyboard.

Language presents another problem. The computer buyer in Rome, for example, wants his PC to give prompts and instructions in Italian whereas the Stockholm buyer wants her computer to speak Swedish. Since more and more software is loaded when the computer is manufactured, Compaq has to ensure that units shipped to Italy can operate



**In 1987, Compaq built its factory in Erskine, Scotland, to supply the European markets.**

in Italian and so on. As a result, Compaq now loads multiple languages onto its computers. Once the unit is purchased, the user's first task is to choose the language in which the machine will operate. The computer automatically begins using the selected language and erases the other languages from its memory. Says Barth, "We can load five languages [on one computer], and since we need about 15 languages, we have three different models of [each] computer."

Uneven product acceptance presents another problem. For example, the English-speaking UK market benefits from the vast amount of US software. Says Barth, "In the UK you will sell only multimedia machines while the Italians will not be so hot on the multimedia machines...it has to do with the availability of software titles."

As Compaq continues to introduce bigger, faster PCs, the company risks outpacing some of the European markets. Barth points to this problem as one of the reasons for Compaq's lower market share in some of the Southern European countries. "We've been too fast in transitioning to Pentiums or the high level 486s while these countries still have a market for 386s." He admits that the situation has brought about some "tough discussions" with the country managers eager to make sales in those countries, but he says the volume doesn't justify continuing to produce an out of date computer.

**"Compaq is the industry leader for the foreseeable future. I suppose IBM hopes to retake the lead, but I wonder if realistically they believe they can."**

Even with the country-by-country marketing approach, Compaq spreads its overall corporate identity on a pan-European basis. Barth says that the subsidiaries all share the company's focus on quality and building customer relations. Although prices tend to be about 5 percent higher in Europe because of the greater cost of doing business there, the company tries to maintain consistent worldwide prices.

Compaq has also adopted a pan-European manufacturing and distribution strategy. In 1987 Compaq built its factory in Erskine, Scotland, to supply the European markets. Two years ago the company opened its Distribution Center Europe (DCE), located in Gorinchem, the Netherlands. The DCE serves as a central hub that efficiently distributes Compaq's full product range to its European subsidiaries. As a result, the company has ensured better availability of its computers to its resellers and their customers.

Certainly Compaq's success has aroused investors' interest. Shelton Swei, an analyst for Fred Alger Management, a Wall Street fund manager, says that Compaq can further boost its PC market share lead in Europe. "I think they can get 20 percent or higher within the next three years," says Swei. "While their lead over the number two competitor is fairly slim now...I think they will widen the lead."

So what's stopping IBM from mimicking Compaq's formula? "If everybody reads out of the same book, my experience is that often it's a question of execution," says Andreas Barth. "Often the simplest things are where people make mistakes."

Industry observer Richard Zwetchkenbaum of International Data Corporation agrees. "[Compaq's] ability to do these things (control costs, reengineer processes, and execute) better than their competitors gives them an edge and ultimately is associated with their increased market share." In 1995, he adds, "it would be very unlikely that one of their competitors would take away the top spot from Compaq."

Although analysts are generally hard pressed to name significant weaknesses or potential pitfalls, Zwetchkenbaum says that Compaq lost its lead in notebook PCs. "They were number one in 1993 worldwide. They lost that position in 1994, and companies like IBM and Toshiba continue to challenge them." He adds that "They really need to speed their time to market.... They really need to get some of the time element out of the processes of engineering, manufacturing, and delivering computers."

"I don't think they've made any significant mistakes this year nor do I expect them to," says Shelton Swei. "Compaq is the industry leader for the foreseeable future. I suppose IBM hopes to retake the lead, but I wonder if realistically they believe they can. Certainly I don't think they can." ☹

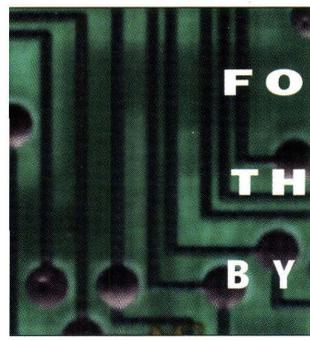
*Peter Gwin is EUROPE's managing editor.*

**THE EUROPEAN COMMISSION BELIED ITS BUREAUCRATIC IMAGE BY HOSTING A SUCCESSFUL SUMMIT ON THE INFORMATION REVOLUTION THAT IS CHANGING THE WAY PEOPLE LIVE, WORK, AND PLAY. THE WEEKEND GATHERING IN THE SPANKING NEW EUROPEAN PARLIAMENT BUILDING IN DOWNTOWN BRUSSELS PROVIDED A DAZZLING SHOWCASE OF**

**THE LATEST TECHNOLOGICAL WIZARDRY FROM THE UNITED STATES, JAPAN, AND EUROPE.**

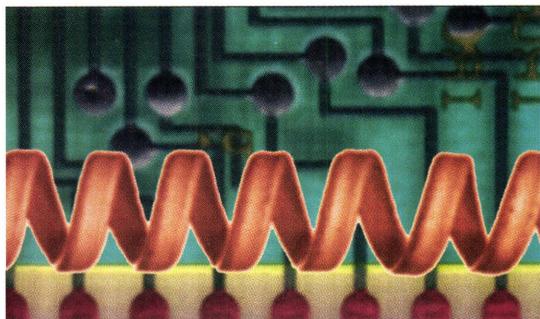
# **Information Society**

# **IT SUMMIT**



**FOCUSING ON THE CHALLENGE OF  
THE INFORMATION REVOLUTION**

**BY BRUCE BARNARD**



Europe refused to play the role of poor cousin at the first Group of Seven (G7) summit focusing on the information superhighway. There was plenty of soul searching about Europe's tardy response to the new information revolution, its high telecommunications charges, tolerance of monopolies, and support for protectionism when some 50 chief executives of the world's leading telecoms, software, and media groups met with ministers from the world's seven biggest industrialized economies.

But Europe is already traveling down the information superhighway, and although it lags behind the United States and, to a lesser extent Japan, it is narrowing the gap.

The US is no longer making all the decisions. Two days after the G7 summit, Bertelsmann, the giant German media group, announced the creation of a joint venture with a US computer on-line service, America Online, to build a mass market on-line information network that will blanket Germany, France, the United Kingdom, Italy, and Spain by 1997. Bertelsmann wants to get the service up and running before Microsoft, the world's biggest computer software company, launches its global on-line service in the fall. "We can't leave the future to Microsoft alone," said Bertelsmann executive Thomas Middelhoff. "Bertelsmann and America Online will compete with Microsoft worldwide."

The joint venture marks the first serious attempt by Europe to go "on-line." The vast majority of the 7 million subscribers worldwide to interactive on-line services, spanning everything from news to electronic shopping, are Americans.

The number of on-line Europeans runs to a few hundred, including 250 homes in the English university town of Cambridge, which are taking part in the world's first interactive television

## **The European businessmen and telecommunications ministers at the G7 summit signaled that the old ways are coming to an end. Europe's monopolies can no longer count on their governments to keep newcomers out of their markets.**

trial based on ATM (Asynchronous Transfer Mode) digital technology.

Leading European firms, including British Telecom, Alcatel (the French equipment manufacturer), Deutsche Telekom, and Telecom Italia, are among 37 companies in a consortium formed to develop global standards for telecoms and software.

Europe's computer and semiconductor manufacturers, which seemed to have given up the battle with their giant American and Japanese rivals a few years ago, have bounced back.

Philips, the Dutch electronics conglomerate, more than doubled its 1994 pre-tax profit to \$1.25 billion, thanks largely to a sparkling performance by its once troubled semiconductor division.

And Philips president Jan Timmer is sufficiently bullish about the future to insist the company will not abandon its digital compact cassette, compact disc, and interactive and high definition television despite continued marketing problems.

SGS-Thomson, the Franco-Italian state-controlled group, left for dead three years ago, is also back in business in a big way, amassing net profits of \$363 million in 1994 and \$160 million in 1993, raising cash for new projects including a \$300 million microprocessor plant in Phoenix, Arizona, which will start production this year.

Siemens, the German electronics group, is building a \$1 billion factory in Dresden to make 16 megabit memory chips.

However, Europe's semiconductors have a fight on their hands to stay in a fiercely competitive market. Philips, ranked twelfth in a league dominated by American and Japanese manufacturers, has a world market share of just 2.7 percent in 1993 compared with top-

selling Intel's 9.3 percent. SGS-Thomson lies in fourteenth place with a 2.4 percent market share, and Siemens trails at eighteenth spot with a share of just 1.8 percent.

But the Europeans are world beaters in other sectors. None more so than Nokia of Finland, the world's second largest manufacturer of mobile telephones after Motorola, with sales of 5 million units last year. Nokia quadrupled its 1994 pre-tax profits to \$884 million and is confident the good times will continue. "We have grown by 50 to 80 percent a year in our telecommunications business over the past three years, and we expect market growth to be similar over the next two years," said company president Jorma Ollila.

Nokia and Ericsson, the Swedish telecoms group, together supply about a third of the \$17 billion-a-year world market for mobile telecommunications equipment, a staggering achievement given that their combined domestic market is less than 14 million consumers.

European companies also have successfully developed the GSM digital standard which is used in more than 50 countries around the world.

Despite the efforts of these world-class firms, Europe risks being run off the information highway unless its governments swiftly unshackle the monopolies and protectionist barriers surrounding its telecommunications sector and create an open and competitive environment.

True, the European Union has set a January 1, 1998 deadline to liberalize all telecom services and infrastructures in the majority of its 15 member states. But that seems an eternity to companies straining to break into closed markets.

"The 1998 target date is almost three years away. And three years is a



**At the G7 Information Summit held in Brussels, Vice President Al Gore, EU Industry Commissioner Martin Bangemann, EU Commission President Jacques Santer, and other political leaders met with CEOs from high-tech companies to discuss the future of information technology.**

long time in the fast-moving world of information technology," said Robert Allen, chairman of AT&T. "Neither the dominant telecommunications organizations of Europe nor their multinational customers can afford to wait three years for the benefits of competition."

European companies are just as anxious to have open markets on their own turf. "The message is deregulate now," said Carlo de Benedetti, chief executive of Olivetti, the Italian computer manufacturer. "You cannot stop human progress. If the Catholic Church couldn't stop Galileo, then governments won't be able to stop things now."

On-line costs can be up to 10 times more expensive in Europe than in the US, according to Peter Job, chairman of

Reuters, the global news and business information group. This problem was graphically illustrated at the G7 summit in Brussels when several exhibitors involved in a US satellite photo transmission project spurned the high transatlantic line fees charged by Belgacom, the Belgian monopoly. Instead they used an indirect route via Scotland to take advantage of the much lower tariffs in the deregulated British market.

The European businessmen and telecommunications ministers at the G7 summit signaled that the old ways are coming to an end. Europe's monopolies can no longer count on their governments to keep newcomers out of their markets. At most they can only delay the day of reckoning.

The European Commission, the EU's executive wing, also made clear it will not backslide on deregulation, tolerate new monopolies, or support demands for tighter curbs on imports of US movies, television programs, or computer software.

"The information society will be achieved if we release the forces of the market," said Martin Bangemann, the EU's industry commissioner.

Five years ago a similar remark would have been controversial. Today it's plain common sense. ☺

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*Bruce Barnard is a contributing editor to EUROPE and a Brussels correspondent for the Journal of Commerce.*

# Maeve

# Binchy

The Irish author Maeve Binchy has a long list of international best-sellers to her name (*Light a Penny Candle*, *London Transports*, *Firefly Summer*, *Silver Wedding*, *The Lilac Bus*). Her latest book *The Glass Lake* was published last month in the US by Delacorte Press.

Her books have sold millions of copies worldwide. A number have been made into films, including *Circle of Friends*, which has just been released in the US by Savoy Pictures.

Maeve Binchy, 54, was born in Dalkey, near Dublin (where she still lives with her husband, writer and broadcaster Gordon Snell). She was educated at a Roman Catholic girls' school and University College, Dublin, before becoming a teacher at a Jewish girls' school in Dublin.

A letter to her father observing life in a kibbutz during a trip to Israel was published in the *Irish Independent*—the launch of her writing career. In 1969 she joined the *Irish Times*—and still writes a weekly column for the newspaper.

At her County Dublin home she talked—with the same self-deprecating approach and humor so valued by her own large “circle of friends”—to *EUROPE*'s Mike Burns.

## What is the theme of your latest book *The Glass Lake*?

It's really about a mother-daughter relationship. Like all of my books it's set in the 1950s—I was born in 1940 and all my heroines are born in 1940 to make possible absolutely minimal research. This girl, in the early 1950s, is only a child and is awfully worried about her mother, who doesn't look like anyone else's mother. Her mother is odd and behaves peculiarly. She's more beautiful than the other people in the village, and she keeps wandering down by the lake, instead of doing the things everybody else in the village would do—looking after the flowers on the altar of the church and buying cardigans in shops. One night her mother disappears and is presumed dead. She leaves a note behind and her daughter, fearing this was a suicide note, burnt the note in case her mother might not be buried in consecrated ground. The book follows the adventures of the family after that.

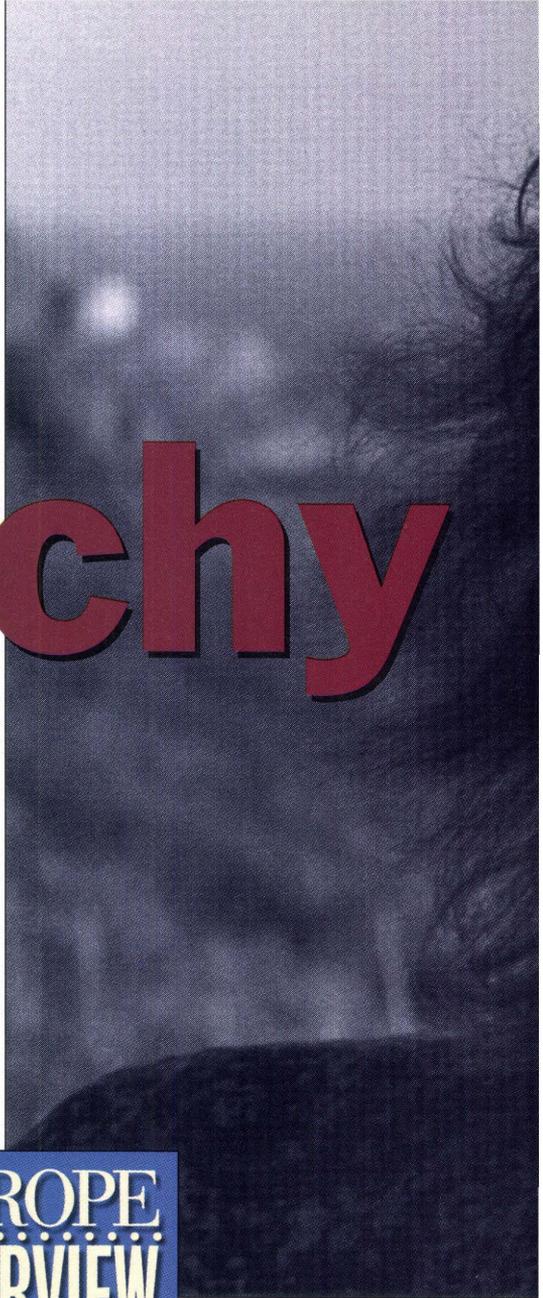
## Is this a traditional Maeve Binchy book?

It is traditional in the sense that it's back in the 1950s when we were a more enclosed society than now. Films and books were banned here—we weren't touched with the world in general around us, as I hope we are nowadays. It was a life that was very safe. All marriages lasted forever, even though they might have been terrible mar-

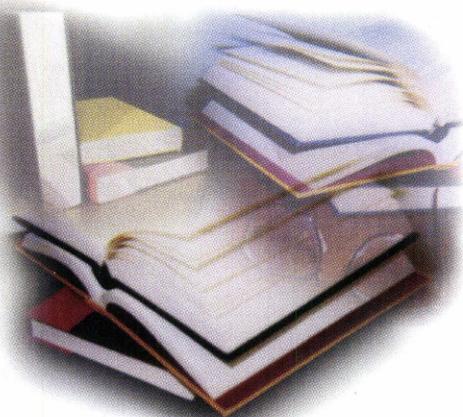
riages, so children never had to fear their parents being divorced. They did have to fear other things—that there wouldn't be a job for them and emigration was always a big problem. There was also an incredible fear of sex, which seemed to be the only sin that was ever talked about in church. We were terrified of it. The reviewer of one of my books said “this book is all about sex, but nobody gets any.” I thought it was the best review I'd ever heard, because I really must have the period right if this was what he thought.

## From the comfort of your home here in County Dublin, what is your perspective on writing?

I always loved writing because being Irish I'm part of a tradition of



EUROPE  
INTERVIEW





reduce a book of 600–700 pages to a 115-page script is really a work of art.

**Do you like the film?**

I love it...and this is not always the case with people who see their own works turned into movies. I didn't like the script when I read it. It was bold and cold and lacked any of the warmth I'd hoped the book had, but when I went to Hollywood and saw the film I was delighted with it. I thought it had all the warmth and spontaneity and innocence and confusion of our day in the 1950s. In fact it was a marvelous experience. It was like the years being rolled back seeing a dance they had filmed set in the 1950s. There were hardly any words to describe this; there were hardly words at all. I had no idea what the film was going to be like, but when I saw the dance it was almost like virtual reality—I was brought straight back into the 1950s, it was like a time warp. I felt that was exactly the way we were. They had gone to an awful lot of trouble to get it right, to get the feel of the period exactly correct.

**Do you remember how many books you've written, how many films or television programs have been made of your books?**

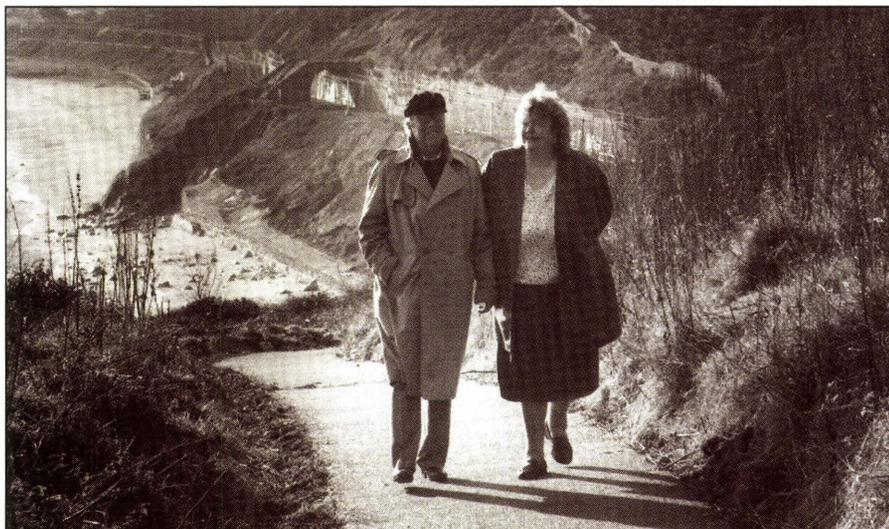
I've written 11 books altogether. This one—*Circle of Friends*—has been made into a Hollywood movie. Another one—*Echoes*—was made into a four-part mini-series for television in Britain and *The Lilac Bus* was made into a one-and-a-half hour television movie. I had no idea there was going to be so much interest and excitement in the actual filming for Hollywood because I'm very interested in books myself and I'm really more interested in writing the next book than anything else. I suppose that I won't ever really fall under the spell of it, but it was very exciting to go to a premiere and see all the hype and the enthusiasm. Of course, there are so many people's dreams wrapped up in it—not mine so much, because I think my future will always be in writing books. But so many people—the actors, the directors, the producers—have their dreams tied up in that one movie. I wish it much success because it has a great heart and it's a very attractive production. I also feel that the director, Pat O'Connor, and myself should be put on

storytelling. People love to tell stories in Ireland. No one has any time for a person who is a 'good listener' or has just a few crisp words to say. People prefer long, rambling stories and adventures about people. I love to hear about people—even people I don't know. If you were to tell me about people who were your neighbor's cousins in Australia I'd be interested to know about them if there was a good story. I love to hear a good story well told. I love to know all about people and their backgrounds, and I love to start with them when they were young, the same as in real life. If you've known somebody since childhood you're always interested in what the future holds for them.

**You've just seen the release of one of your**

**films in the United States—*Circle of Friends*. What is the essential difference between writing for the page and writing for films or television?**

In my case, I speak very quickly without much pause for punctuation, and I write very quickly without much pause for punctuation also. My books are 600 or 700 pages long, so I have quite a lot of interior monologue, and I have people thinking about what's going to happen next and analyzing what has just happened in the past. Writing for the screen is quite different. I didn't write the screenplay for my own film. I'd love to be able to, but it's a much crisper and brisker form, where the words are very short and where sentences seem to be one line each. To



The author and her husband, Gordon Snell.

**You have to center yourself and ground yourself and write a piece on a Wednesday of a thousand words. It also serves for me as a marvelous scrapbook of where I've been and the things I've done.**

a permanent retainer from the Irish Tourist Board for the rest of our lives because it makes Ireland look so beautiful. Ireland *is* beautiful, but the film was shot in an exceptionally beautiful part of Ireland, in a small town called Inistioge, in County Kilkenny, which they found for the movie and which is perfect.

**A mutual friend of ours said that you couldn't go to an airport in the world without finding a Maeve Binchy book on the bookstands. What is your appeal, particularly to the American book-buying public?**

It would be stupid of me to say at this stage that I don't know because obviously there is a huge amount of interest there. I think the most interesting thing that was said to me by Barbara Bush. Mrs. Bush was on the *Oprah Winfrey Show* and was asked who her favorite author was and she said I was. So I wrote and thanked her, and she said "come and see me." So, of course, I went to see her immediately...like would tomorrow be too soon! So I went there and over lunch—there were just seven of us—she said "It's funny, but I feel you and I have shared the same childhood. Which is ludicrous because I grew up as a Presbyterian in New England and you grew up as a Roman Catholic in Ireland. But you've managed to write about all the vulnerabilities and the innocence of what we had when we were young."

So I think that if there's anything in my books which people like—and I

think there must be because if they are translated into languages like Hebrew and Korean—there must be something universal in them. We've all been there. We've all loved people having loved us. We've all had alcoholic friends; we've all had disappointments and dreams that didn't come true; we've had people who betrayed us along the way. And these are the kinds of universal truths the world has.

**Do you think it's because you are an Irish writer that you are so popular in the United States?**

Well, I'm more a different kind of Irish writer in a sense.... I have more of an airport readership, which is what you said a few moments ago. I'm in the very popular end of the market, which is something I'm very proud of. I'm not an academic writer. I'm no Booker Prize winner writer. I'm really at the popular end, which is no bad place to be. But I'm not like a writer people would read and be able to quote and would study in universities. So, I don't think I just have the Irish market. I think I have mainly the women's market. I wouldn't be driving a Mercedes car if I was relying on the men to buy my books. It's mainly women who read them, but also it's not romantic fiction in the sense that "He pressed her to his manly bosom"...there has never been anyone pressed to a manly bosom in any of my books, I'm proud to say.

**How many million books have you sold?**

I don't know, and the reason I don't know is not because I'm hedging it, but it's because I had a friend once who went into television and he never stopped talking about 'the ratings.' Every time you met him he was talking about the bloody ratings. So I decided that I wouldn't actually start counting how many books I'd sold or what place I was on the best-sellers' list. It was a terrible, awful, awful warning to see someone who had once been so normal now so obsessed by 'the ratings.' All I know is that my books must have sold in several millions, because all the last books have sold at least a million each in the United States.

**Are the books in many languages?**

Twelve languages now.

**You mentioned that you think your books appeal more to women than men. You've been described to me as an up-market Mills & Boon writer. Do you find that offensive?**

No, I don't find it offensive. I find it wrong because in Mills & Boon people write to a formula. It's always girl gets man, girl loses man, and girl gets man back again. That is not the story of my books. Some of my books end either with a death or with someone taking a totally different route in life. If I have any philosophy it is that we have to be in charge of our own lives. When I was young we were told 'if you're good you'll be happy' and that is patently not

# *Inside*

# EUROPE

APRIL 1995

VOLUME III/NUMBER 4

## EUROPEAN HEADLINES

### ITALIAN TO HEAD WTO

Renato Ruggiero, Italian trade minister from 1987 to 1991, has been formally named director general of the World Trade Organization, which replaces the General Agreement on Tariffs and Trade (GATT). His candidacy received the support of the United States after it became apparent that Carlos Salinas, former Mexican president, was no longer a viable candidate.

Ruggiero will serve a maximum of four years at the Geneva-based organization, after which, at the insistence of the US, he will be succeeded by a non-European. The European Union cites his free market ideals as their main reason for supporting Ruggiero who has said, "If goods cannot cross frontiers, soldiers will do it."

Ruggiero has had global diplomatic experience, both in the private and the public sectors. He currently represents Fiat Motor Company. Before joining the cabinet in 1987, he served as Italy's ambassador to the European Community. Not limited to Europe, Mr. Ruggiero's other postings since graduating from the University of Naples include Sao Paolo, Moscow, and Washington.

### VE DAY CEREMONIES

President Clinton will go to Moscow for the commemoration of the World War II Victory in Europe (VE Day). The celebration will take place May 9 and will include a parade of World War II veterans. Vice President Al Gore will head to London for VE ceremonies there.

### FINLAND'S PARLIAMENTARY ELECTION RESULTS

Finland took a turn to the left when voters gave Social Democrats the majority in Finland's parliamentary elections. The Social Democrats picked up 15 seats, winning 28.3 percent of the vote over the center-right Center Party which lost 11 seats and received 19.9 percent of the vote. Paavo Lipponen, the leader of the Social Democrats and likely to be the next prime minister, said he wants Finland to play an active role in Europe. He said Finland should be ready to participate in the third phase of an eventual monetary union.

### ST. PATRICK'S DAY IN DC

Irish Prime Minister John Bruton spent St. Patrick's day in Washington. He met with President Clinton and gave a speech at the National Press Club about the future of the Northern Ireland peace process.

### GERRY ADAMS VISITS THE WHITE HOUSE

Gerry Adams, leader of Sinn Fein, the Irish Republican Army's political wing, attended a St. Patrick's Day celebration at the White House. He was in the US on a fund-raising tour.

### DINI NARROWLY WINS BUDGET VOTE

Italian Prime Minister Lamberto Dini won the go-ahead from the Senate to push through his deficit-cutting package amidst a high inflation rate (5 percent) which resulted from the devaluation of the lira and the tax increases introduced by Dini's budget.

### CROATIA ALLOWS UN FORCES

Seen by US and EU leaders as an important step toward preventing the widening of the war in the former Yugoslavia, Croatian leaders have agreed to allow the United Nations peace-keeping troops to remain in Croatia.

### CASTRO VISITS PARIS

Cuban leader Fidel Castro visited France after attending the International Conference on Social Development in Copenhagen. In Paris, Castro met with French President François Mitterrand at Elysée Palace.

### CHIRAC LEADS POLLS

According to recent polls, France's president Jacques Chirac, the mayor of Paris, is the front-runner to succeed François Mitterrand. Socialist candidate Lionel Jospin

## EUROPEAN HEADLINES (CONTINUED)

and Prime Minister Edouard Balladur are trailing Chirac. The final vote will be held on May 7.

### GREECE'S NEW HEAD OF STATE

The Greek Parliament elected Costis Stefanopoulos, 69, as the new head of state. Stefanopoulos is a conservative politician who heads the governing Socialists. He succeeds President Constantine Karamanlis, who restored democracy after

the collapse of the dictatorship in 1974 and brought Greece into the EU.

### RUSSIA'S REQUEST FOR WIDER ROLE IN G7 SUMMIT DENIED

The United States rejected Russia's request for an expanded role at the June G7 summit in Nova Scotia because of Moscow's continuing military offensive against Chechnya.

## NOTEBOOK: EUROPEAN TELECOMS

Europe's telecommunications sector is in a state of frenzy as public monopolies shore up their defenses against market forces that are being unleashed in the final countdown to deregulation and as private firms prepare to grab a slice of a \$150 billion a year market.

Germany, Europe's biggest telecom market, is at the center of activity as the Bonn government prepares for the privatization of Deutsche Telekom, the world's third largest telecommunications firm, which controls 93 percent of the soon to be liberalized \$45 billion a year market.

The European Union's telecom market isn't due to be fully opened to competition until January 1, 1998. But nobody is taking that date very seriously for fear of missing out on the wave of mergers that is rolling across once protected, hermetically sealed national markets.

The UK is still setting the pace 10 years after former Prime Minister Margaret Thatcher's trailblazing privatization of British Telecom. Deregulation has spawned more than 40 licensed operators competing against BT and climaxed last December when AT&T, the largest US long distance telephone operator, got the go-ahead to offer a full range of services in the United Kingdom.

The German government is determined to spare Deutsche Telekom an overnight exposure to British-style competition. Wolfgang Botsch, the post and telecommunications minister, has ruled out any possibility of competition on voice telephone services before the EU's January 1998 deadline.

But private telecom operators, utilities, and industrial conglomerates are equally determined to crack open a lucrative market awash with monopoly profits. Robert Fleming Securities, a London brokerage, estimates that the six biggest European telecom companies will generate a surplus—after capital expenditure, interest payments, and dividends—of more than \$4 billion, or about \$30 per telephone line, in 1995.

Thyssen, the German steel-based conglomerate which has teamed up with Bell South, the largest regional US operator, reckons that by the year 2000 the telecom market will have greater sales potential than the auto industry.

This potential bonanza has unleashed a wave of telecom investments by German utilities which have large and stable cash flows from electricity generation.

Veba, an energy-based combine, is buying a 10.5 percent stake in Cable & Wireless, the British-based international telecom operator, and plans to invest \$4 billion over the next 10 years in Germany alone, where it is aiming for a 10 percent market share and sales of over \$5 billion by 2003.

RWE, Germany's biggest electricity distributor, has joined

six smaller utilities to provide voice and data services along their own glass fiber cable networks.

Viag, whose activities range from energy and chemicals to aluminum drink cans and packaging, has formed a joint venture with British Telecom to offer voice and data services to German companies, and Daimler-Benz Aerospace has teamed up with Canada's Northern Telecom.

The private sector doesn't expect to generate much business in the near future as the bulk of the German market remains off limits to outsiders. Rather, the investments and strategic alliances are a down payment to enter a free market after 1998. The main aim of the Viag-BT partnership is to secure a license to offer voice services in direct competition with Deutsche Telekom.

The newcomers are jockeying for position before other private operators, from the US and Asia, move onto their turf to do battle with the domestic monopolies. The US industry, in particular, is determined to break big in Europe. AT&T and other US operators asked the Federal Communications Commission to block a planned \$4.2 billion joint purchase by Deutsche Telekom and France Telecom of a 20 percent stake in Sprint, the third largest US long distance carrier, unless Germany and France open their markets to foreign competition.

But Deutsche Telekom argues that its alliance with Sprint is limited to services which are already open to foreign competition in France and Germany.

The US firms are encircling the French and German markets. Before it won its British license, AT&T forged a joint venture with the national telecom companies of the Netherlands, Sweden, and Switzerland. MCI, the second largest US long distance carrier, joined up with BT in a \$5.3 billion deal.

But France and Germany offer the biggest opportunities. So much so that AT&T was said to have offered to invest in Groupe Bull, the troubled French computer manufacturer, in exchange for a license to compete in the French telecommunications market, Europe's second largest.

And the US invasion isn't restricted to pure telecoms. AT&T Capital, AT&T's largest financial activities unit, has just acquired an equipment leasing business with operations in France, the UK, Belgium, Italy, and Germany.

The shake-up in Europe's telecommunications market is only just beginning. The alliances "are only the first move in the battle for control over the global telecom markets of the future which will be accompanied by the radical restructuring of the industry," according to Analysys, a consultancy based in Cambridge, England.

Against this threatening backdrop, Europe's smaller tele-

## NOTEBOOK (CONTINUED)

phone monopolies in, for example, Belgium, Ireland, and Portugal, are desperately seeking white knights to buy minority stakes and help them to survive beyond the end of the decade.

Meanwhile, Europe's sleepy state-owned railways are finally waking up to the commercial potential of their in-house telecommunications networks, posing an additional challenge to the national monopolies in the run up to 1998.

In the most ambitious move yet, a consortium of 11 European railway companies, including Deutsche Bahn of Germany, France's SNCF, and British Rail, have joined forces with Global Telesystems Group, a US telecom operator, to create a company, Hermes Europe Railtel, which plans to lay fiber optics cable alongside Europe's rail tracks to offer cross-border telephone services.

The new company has already invited leading equipment manufacturers in Europe and the US to bid for contracts worth well over \$600 million for the first stage of the network.

Big business is the biggest supporter of deregulation, citing the cost benefit that flowed from liberalization in the United Kingdom.

The International Telecommunications Users Group found in a recent survey that the UK had the lowest prices for telephone calls for any of the main industrial nations, including the US. Germany's were the highest, closely followed by those in Japan, France, and Italy.

—Bruce Barnard

## EU NEWS

### EU-CANADA FISHING DISPUTE

The EU and Canada are trying to negotiate their dispute over fishing rights concerning halibut (turbot) in the international waters off Canada's east coast. Canada accused EU members of overfishing and seized a Spanish trawler just outside their 200-mile nautical jurisdiction, releasing it six days later. The EU insists that Spanish and Portuguese fishing vessels have a legal right to catch Greenland halibut in international waters. At press time, intense negotiations were still ongoing between EU and Canadian officials to reach a settlement which would cover the legal issues, quotas, and conservation issues.

### EU-SOUTH AFRICA

The EU is working toward a cooperation accord with South Africa and possibly the entire South African region. The EU has already agreed to give \$159 million this year for a reconstruction and development program in South Africa. Queen Elizabeth made a six-day visit to South Africa recently where she met with South African President Nelson Mandela.

### CONCERN OVER TURKISH TROOPS IN NORTHERN IRAQ

France, which currently holds the EU presidency, condemned Turkey's incursion into northern Iraq. German Foreign Minister Klaus Kinkel warned that the offensive could harm the newly reached customs union between the EU and Turkey.

About 35,000 Turkish troops crossed over the border into northern Iraq to hunt down Kurdish Workers Party (PKK) rebels who use bases in Iraq to wage their fight for a Kurdish state inside Turkey.

### EU, CYPRUS, MALTA PLAN TALKS

The EU plans to begin accession negotiations with Cyprus and Malta after the 1996 intergovernmental conference to review the Maastricht Treaty.

### EU HUMANITARIAN AID

As the number of world disasters has increased, the amount of humanitarian aid handed out by the EU has increased seven-fold since 1990. The EU is the world's biggest donor of humanitarian aid. It has given \$912 million to a total of 63 countries in the humanitarian aid office's (ECHO's) second year of existence.

#### WHAT THEY SAID

**"The clouds of war are darkening."**

—Richard Holbrooke, US assistant secretary of state for European and Canadian affairs, discussing Bosnia

**American was launched in a Russian rocket."**

—Dave Leestma, of NASA, on the day a US astronaut rode into space on the Soyuz rocket

**"A case can be made that Europe is the most promising market for the next several years."**

—Jeffrey Garten, US undersecretary of commerce, international trade administration

**"The information society will be achieved if we release the forces of the market."**

—Martin Bangemann, EU industry commissioner

**"Are we just acting before the world? Or are we really determined to raise social issues to the rank of peace and the economy?"**

—François Mitterrand, president of France, speaking at the recent UN summit in Copenhagen

**"The creation of a single currency is not affected."**

—Yves-Thibault de Silguy, EU economic affairs commissioner, on the devaluation of the Spanish peseta and the Portuguese escudo

**"It is a dollar crisis. It is not a European crisis."**

—Jacques Santer, European Commission president, commenting on the recent turmoil in world currency markets

**"I never thought I'd ever see the day when an**

## BUSINESS BRIEFS

**ABB**, the Swiss-Swedish electrical engineering group, and **Daimler-Benz**, the German industrial conglomerate, are joining forces to create the world's biggest rail equipment company in a \$60 billion a year market.

The new company, to be called **ABB Daimler-Benz Transportation**, will employ 22,000 people in 40 countries and will book orders worth around \$13.5 billion in 1995.

The merged company will be 40 percent bigger than its two main rivals, **Siemens** of Germany, and **GEC-Alsthom**, the Anglo-French joint venture.

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**Swissair** is close to acquiring a 49 percent stake in **Sabena**, Belgium's national airline, after the Belgian government agreed to trim the company's bloated security costs.

A deal was in sight after **Air France** said it was ready to sell its two-thirds stake in a company which holds a 37.5 percent stake in Sabena.

Swissair has been desperate to get a foothold in the European Union's airline market after Swiss voters rejected closer economic ties with the bloc.

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**Daimler-Benz Aerospace** (DASA), the German aircraft maker, has teamed up with South Korean and Chinese companies to build a regional airplane targeted at the booming Asian market.

The joint venture will prepare a feasibility study on a 100-120 passenger jet to replace a 100-seat aircraft built by DASA's Dutch subsidiary **Fokker**.

DASA's deal with the Korean consortium, which includes major companies such as **Daewoo** and **Hyundai**, came only weeks after it was excluded from a European regional aircraft alliance between **British Aerospace** and the Franco-Italian **ATR** consortium.

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**Luxottica** of Italy, one of the world's leading manufacturers of spectacle frames, launched a hostile \$1.1 billion takeover bid for **US Shoes**, the financially troubled US retailer which operates 2,300 stores selling women's clothes, shoes, and optical equipment.

Luxottica is already a major player in the US eyeglass frame market which accounts for nearly 40 percent of its \$500 million annual sales, and its shares have been trading on the New York Stock Exchange since January 1990.

Luxottica intends to sell US Shoes' clothes and shoe shops and keep its **Lens Crafters** chain, one of the biggest in North America.

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**Wellcome**, the British drugs firm, accepted a \$15 billion takeover offer from its major British rival **Glaxo**, creating the world's biggest pharmaceuticals company with worldwide sales of \$12.2 billion. Germany's **Hoechst AG** also moved to bolster its position in the fiercely competitive global drugs market, springing a \$7.1 billion bid for **Marion Merrell Dow Inc.** The deal will create the world's third largest drugs company after **Glaxo-Wellcome** and **Merck** of the US.

The bid is the latest in Hoechst's strategy of shifting its investments away from Europe to the faster growing North American and Asian markets. In 1993, it acquired 51 percent of **Copely Pharmaceutical** for \$550 million, and in 1987 it paid \$2.85 billion for Celanese, the US chemicals firm.

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**Volkswagen** crawled back to profitability in 1994 posting net revenues of \$100 million after raising overall sales by about 200,000 vehicles to 3.3 million, with the largest gains in the Asian and North American market.

VW's rebound is part of a general recovery in German industry last year when output rose by 3 percent and exports, mainly of traditional goods such as cars, chemicals, and machinery, by 9 percent.

The boom is expected to gather pace in 1995 and 1996 when earnings of the 30 biggest quoted companies are expected to reach an all-time high.

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**Volvo** reported the largest pre-tax profit in Swedish history as booming auto and truck sales increased its income by 40 percent to \$2.3 billion in 1994.

The turnaround, from a \$3.59 billion loss in 1993, was also helped by asset sales of \$5.77 billion, which enabled the company to eliminate its entire net debt.

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**BPB Industries**, the British plasterboard manufacturer, bid \$1.12 billion for **National Gypsum** of the US, completing its 10-year campaign to become the world's biggest maker of the house building product.

BPB has spent over \$1.5 billion on acquisitions since 1987 to win 50 per-

cent of the European market, and National Gypsum will give it 23 percent of the US market, the world's largest.

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**ING**, the Dutch Bank that has always lived in the shadow of its bigger, more aggressive Dutch rival **ABN-AMRO**, stole the limelight with its purchase of **Barings**, the 233 year old British merchant bank that collapsed after losing more than \$1 billion in derivatives trading.

ING shrugged off its image as a boring, staid establishment by striking the Barings deal in five days and fending off a last minute counter bid from ABN-AMRO.

ING's low profile doesn't do justice to the bank's aggressive pursuit of foreign business, with new offices opened in such off the track countries as Cuba, Bulgaria, Ecuador, and Ukraine.

ABN-AMRO brushed aside its defeat in the battle for Barings, taking consolation in a 13 percent rise in 1994 net profit to \$1.39 billion from \$1.23 billion in 1993, and hinting it will soon hit the takeover trail.

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Passport checks and internal border controls were officially scrapped on March 26 by France, Germany, Portugal, Spain, and the Benelux countries as part of the **Schengen Convention**, intended to promote the free movement of people and goods within the prescribed area.

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**21 Invest**, the joint venture company formed by the Italian **Benetton** and **Bonomi** families, is set to acquire the UK automotive manufacturer **Group Lotus** from **Bugatti International**. The takeover is tagged at \$59 million.

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**E. Merck**, the Germany pharmaceuticals firm, hopes to raise \$1.8 billion with a 25 percent stock issue later this year. It would be the biggest flotation of shares by a Germany private firm since 1986.

—Bruce Barnard

### INSIDE EUROPE Correspondent

Bruce Barnard

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

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true. I know many really good people who are not a bit happy. I don't think you have to be bad to be happy either, but I do think that people who manage to take control of their own lives and manage to act in their own lives are the ones who are ultimately happy. I have seen people around us who for years are stuck in the same old jobs and who have stayed in the same dreadful relationship and are terribly unhappy. Because they haven't had the courage to make a decision and realize that we are only here for a short number of years, and we must do the best for everyone around us and ourselves.

### Who are your favorite writers?

Irish writers I love are William Trevor and Brian Moore. Those are my favorite writers—both men, as it happens. Among American writers I like Anne Tyler, among Canadians I like Margaret Atwood and Alice Munro. I'm afraid I'm shamefully ignorant about European writers, although I'm a compulsive reader. I read a detective story a day—John Le Carré, Ruth Rendell, P.D. James, Ed McBain, Elmore Leonard. Because I'm mixing a lot with writers and publishers I often get books which people send me and say “you might like this one.” So I also read a lot of books in proof-stage now, which is nice—reading them before they come out.

### Do you ever want to be a William Shakespeare?

No. Not at all. My favorite was always Charles Dickens, and I'd much prefer Dickens, the storyteller. He had a cast of thousands in his books; he wrote very quickly; he wrote about the people of his time; and he wrote about the problems of his time. He wrote about people loving each other, which often led to disaster, and about their social conditions. People call it Dickensian England. I'm not arrogant enough to think about the things they might one day say about the Binchyian Ireland. But there is a kind of a place where the rosary was said and the angelus rang and people were afraid to lose their virginity because they thought that not only would they go to hell but that they'd get pregnant and everyone would talk about them and

no decent man would have them. That changed in my lifetime, that changed from when I was 20 to when I'm 54. It was amazing. I saw that whole change happening. The place has become a healthier society and less obsessive which is very pleasing. I'm not sorry that I lived through these times. I've made great capital out of them, and I've had a very happy life. But I think for the country in general it was much, much better that we emerged at the end of the 1960s as a much more liberal place.

### You started out as a teacher then transferred to journalism. You still write a weekly column for the *Irish Times*. Was this a fear at the start that your books wouldn't take off and that it was better to retain the day job or is it just because you like writing to a deadline?

Well, it certainly never crossed my mind that the books would take off, and I never intended to leave the day job. It never crossed my mind that I'd be doing promotional tours around the world instead of being sent to cover an inquest or a flower show or whatever other assignment I was sent on. Of course, once I realized that one was biting into the other I had to leave. But I still kept the column because people who read the *Irish Times* are the people that I talk to and meet and like in Ireland, and their opinions are the ones I value. So it's like a chat with friends. It's also a huge discipline. My husband Gordon Snell and I travel a lot. We were away for four months a couple of years ago, then two months last year. So it's a great discipline to write a piece every week. You have to center yourself and ground yourself and write a piece on a Wednesday of a thousand words. It also serves for me as a marvelous scrapbook of where I've been and the things I've done.

### You have suffered for almost 20 years from arthritis, which must affect your mobility. But I gather it has also led to publication of a book of your newspaper columns with all the profits going to help fellow-sufferers through the Arthritis Foundation?

The book is not about arthritis. I did a lovely series—it was lovely for me but I'm not sure it was lovely for anyone

else—where I was asked for advice by world figures about what they should do and also the general public. Questions like whether you should keep any silver in your home or should you give it away rather than being worried all the time that your house was going to be burgled—or whether if you were very drunk at a party should you ring up and apologize or should you hope everyone else was drunk too. Social advice in a very off-beat way. One of the articles I wrote was about arthritis, how you should deal with people like myself who have arthritis. You must not say ‘they have a touch of arthritis.’ Let us be the judge of whether we have a touch or a blast of arthritis, thank you. People don't like to be talked about as if they didn't exist. People have often said to Gordon “do you think Maeve can manage the stairs?” I can't believe but they've said it standing in front of me, two feet away from me. So I decided I'd write a kind of polemical piece, which was very successful. There were hundreds of letters saying “Right on, we've always thought this and what can be done about it” because arthritis doesn't kill you. So I decided to do something about it, gathered all my pieces together as a little book. It's being published this month, and the entire profits will go to the Arthritis Foundation so I hope it's a success.

### I know writers never like to speak about their next work, but I'll risk it. What's your next book?

I think I'm going to write a sequel to *Circle of Friends* because [the characters] are all only 19 when the book ends. I don't usually like sequels, but at least I'll be writing it myself, and I have an idea that I could set in the same village. This time it involves an American, not just a mysterious stranger but someone who has to come to that village, and I think the characters that are already there will provide a good backdrop for him. But I don't have to make up my mind until next September, which is quite a long way away. ☺

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*Mike Burns, based in Dublin, is a writer and former correspondent for RTE Irish Television. He interviewed former Irish Prime Minister Albert Reynolds in EUROPE's April 1994 issue.*



# Best Sellers

## New Releases From Europe's Best-selling Authors Top American Book Charts

It is well known that many Americans are enamored with European exports—cars, clothes, shoes, furniture—and fiction. Fiction? It may come as a surprise to many Americans that several of the names that regularly grace the US best-selling lists are those of European writers. Indeed, the following seven books are recently published works by well-known European authors and whose books regularly turn up on US best-seller lists.

### Angel of Death

By Jack Higgins; G.P. Putnam's Sons; 314 pages; \$24.

"Times change. And men change with them. Irish people north and south of the border, Protestant and Catholic, want peace. Twenty-five years is too long."

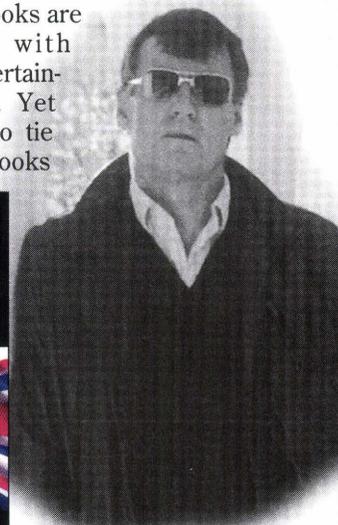
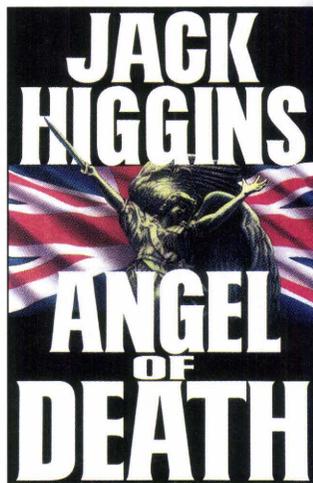
No, you're not reading the words of the prime minister of Ireland or of the United Kingdom or of some peace activist talking in the real world of today. These are the words of Sean Dillon, former IRA terrorist and master of disguises, who is now working, believe it or not, for an elite anti-terrorist unit of the British government.

Does this seem somewhat implausible. It definitely is but *Angel of Death*

is a very exciting, enjoyable, and just plain good old-fashioned fun book to read.

I started reading Jack Higgins several years ago when I was looking for a book to read at the beach. The book I read then was *The Eagle Has Landed*, and I have been a Higgins fan ever since and have read all of his recent novels.

Higgins' books are far-fetched with lively and entertaining dialogue. Yet he does try to tie each of his books



into some historical event. Whether it be some little known happening in World War II, when many of

his novels take place, or in present day events, such as the current peace process in Northern Ireland, Higgins hooks the reader from the very first pages.

You'll have to read his other novels to find out how Sean Dillon, noted terrorist, former actor and a hired gun with a sense of humor and a warm, friendly personality—quite a contradiction—became a member of a British group trying to eradicate terrorism in Northern Ireland. Forget that Dillon tried to blow up the British prime minister several novels earlier, he has since been rescued from certain death in war-torn Yugoslavia and enticed to join the British government.

*Angel of Death's* plot involves a renegade terrorist group that indiscriminately kills without any sense of purpose. Enter Sean Dillon, Brigadier Charles Ferguson, and Detective Chief Inspector Hannah Bernstein of Scotland Yard. Working together these three track down the rogue terrorists who include a famous actress, a Russian agent, a professor, and Rupert Lang, the undersecretary of state at the Northern Ireland office. As always, Higgins gives the reader a fascinating assortment of characters who engage in very witty and humorous conversations along with numerous action-packed scenes throughout the book.

Throw in a famous Catholic US senator, a secret meeting with the president of the United States, a terrorist disguised as a nun, fast-moving motorcycle scenes, and many shootings, and you have another excellent Jack Higgins novel.

—Robert J. Guttman

### Borderliners

By Peter Høeg; Farrar Straus Giroux; 277 pages; \$22.

As a follow-up to the internationally successful *Smilla's Sense of Snow*, Peter Høeg shows us his sense of time, irony, and brutal detail in his newest work, *Borderliners*.

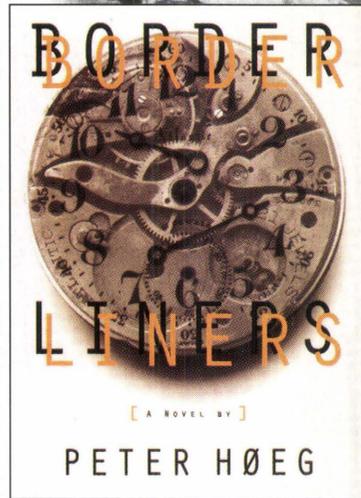
The Danish author first broke into the American consciousness with the hugely successful *Smilla*, published in 1993 and now being made into a movie by fellow Dane, Bille August. At age 37, Høeg has been around the vocational landscape, working as a dancer, an actor, a sailor, and a mountain climber. *Borderliners* is his fourth work of fic-

tion and a departure from the action-packed *Smilla*.

This modern Danish Dickens tale is set at an exclusive private school outside Copenhagen whose headmaster, Mr. Biehl, rules with an iron fist. Life at Biehl's Academy is strictly regimented and permeated with fear. Any behavior that does not dovetail with the school's mission, from drawing outside the lines to getting out of one's seat without permission, is severely punished. The narrator, Peter, has been admitted, despite his "average (borderline) intelligence" and orphan status, as part of an experiment. The story centers around Peter's attempt—along with the other "borderliners," Katarina and August—to discover the experiment's purpose.

Unlike *Smilla's Sense of Snow*, this novel contains no evil plot for the narrator to expose, unless you consider the school itself to be an evil plot: 12 years of assessments and tests that presume to enlighten even as they erase original thought. Actually the "borderliners" were not, Høeg seems to say, really borderliners. It was just that they did not do what was expected of them. Their inadequacy was not anything real, only perceived through the filter of social norms. It is a subtle judgment and thought-provoking. There is no triumphant overturn of the educational system's cruelty toward children at the end, just a small victory that allows Peter to pursue his dreams of having a family that he never had.

In fact, nothing much happens in *Borderliners* in the way of action. Høeg's task seems to be to write a treatise on the concept of time. At first it seems as if the violence and abuse are just so much salt and pepper to make a bland plot more interesting. Don't ex-



pect *Smilla*-type action here. *Borderliners* is a very different read. And yet anyone who has read *Smilla's Sense of Snow* will recognize Peter Høeg's trademark knack for surprise attack and clever irony. It is a one-two punch: The narrator's almost deadpan account of gruesome violence and abuse keeps us intrigued, albeit revolted, throughout the philosophical digressions. Fingers are broken, boys are raped, yet these scenes are presented objectively and dispassionately. But if this apparent objectivity leaves any doubt about who deserves our sympathy, we are guided by Høeg's unmistakable irony.

*Borderliners's* greatest feat is synthesizing the themes of time and education in a way that challenges our perceptions of both. There is an uncomfortable conspiracy between school and time: School is where we learn the tyranny of time. Our lives are conditioned with the bells, the schedules, the measured ascent from grade to grade. Høeg's strength lies in his ability to take exception to the everyday, to imbricate the grand themes with the mundane and thus question our most basic assumptions about life.

—Tina Lund Andersen

### The Glass Lake

By Maeve Binchy; Delacorte Press; 584 pages; \$24.

Best-selling novelist Maeve Binchy does what she does best in her latest book *The Glass Lake*—she tells a good story. Binchy, Ireland's most popular female author, explores the inner complexities of the men and women who live in the small Irish village of Lough Glass during the 1950s and 1960s.

Her characters are rich, each a story in themselves. She paints her characters—unique and intricate—as one would beads to form a kaleidoscope

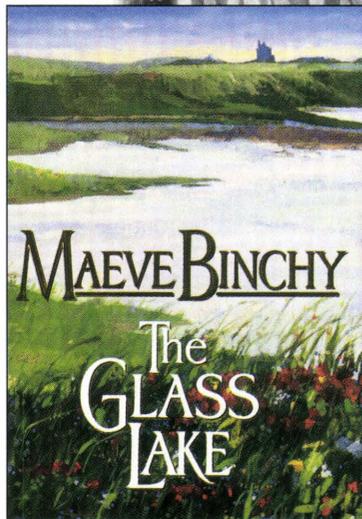
pattern, the parts together producing an even richer image as a whole. From the town drunk to the sage nun who lives a hermit's life, the myriad inhabitants of Lough Glass give the village its identity.

Binchy crafts *The Glass Lake* around a mother and daughter relationship. Kit, sensitive and bright at 12 years old, already possesses her mother's uncommon beauty, but she is acutely aware that her mother, Helen, is unlike other mothers in Lough Glass. With her ravishing good

looks and despondent air, Helen prefers to walk along Glass Lake rather than join with the other village women in town gossip or playing golf. Her answer to her unhappiness is solitude. Helen's dissatisfaction with small-town life and her doting husband plague Kit, who seems to be the only one who realizes her mother's sadness.

When Helen disappears and the family boat is found overturned in the lake during a storm, the town presumes her dead. Kit is sure her mother committed suicide, the ultimate sin, when she finds a letter in her mother's handwriting addressed to her father. Thinking she is saving her mother's soul, she burns the letter without reading it to ensure a proper Christian burial for her.

However, Helen is alive and living in London with the one man she truly loves. She changes her name and enters a new life with her attractive, but unfaithful, lover and establishes herself in the business world. However, a passionate love and a successful career cannot fill the void left by the abandonment of her two children or the painful reality of what she has done.



Not quite halfway through the book, the story reaches the expected moment when Kit, now a young woman of 18, meets her mother. The rest of the novel deals with a mother and daughter struggling to re-define their relationship.

In *The Glass Lake*, Binchy illustrates an Ireland where things aren't as black and white as laid out by the Catholic church; a place where premarital sex as a sin is questioned by the town's young people; and where the truth and doing the right thing isn't always clear or easy.

Although *The Glass Lake* is not in the genre I usually read, I found myself wrapped up in Binchy's skillfully crafted story. From now on, I will keep an eye out for her books when I pass the best-sellers in the book store.

—Natasha Schlegel

### Wild Horses

By Dick Francis; G.P. Putnam's Sons; 319 pages; \$23.

In vintage Francis style—an amalgamation of murder and horse racing—*Wild Horses* is a fast-moving, first-class mystery.

Thomas Lyon, a descendent of an English horse racing family and rising filmmaker, comes back to his hometown in Newmarket, England to make a film about a mysterious death that took place there 26 years before. A horse trainer's wife was found hanged in a stable, and the circumstances surrounding her death were never revealed: Was it suicide or was it murder?

Beginning with

a cryptic confession from an old friend on his deathbed, Thomas unearths long buried secrets surrounding the woman's death. Applying a filmmaker's analysis of the plot, Thomas begins to organize the pieces of the puzzle, creating a whole new list of suspects—from the dead woman's husband to the film's disgruntled scriptwriter. In doing so, he puts his own life in danger and the future of the film in jeopardy. After a series of bizarre attacks, he begins receiving packages with 10-inch knives enclosed and notes demanding "Stop this film or die!"

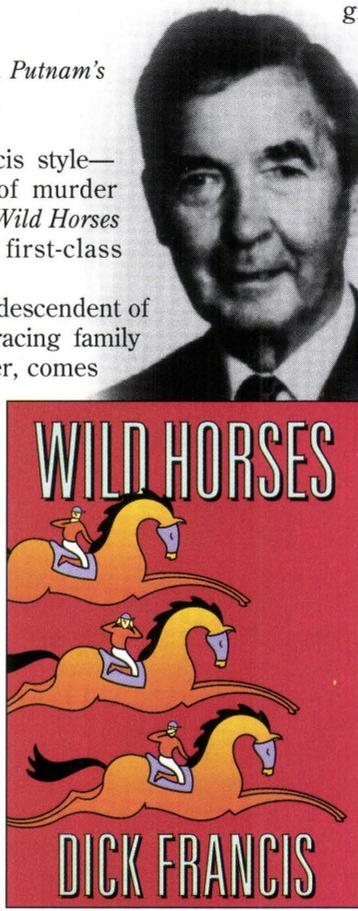
"I hadn't known there was a genie in the bottle, but genies once let out couldn't be put back," Thomas says and resigns himself to the dangerous task of solving the mystery while preserving the integrity of the film as a work of fiction. For Thomas and those involved in the world of racing and filmmaking, these are (as Thomas's film is aptly titled) *Unstable Times*.

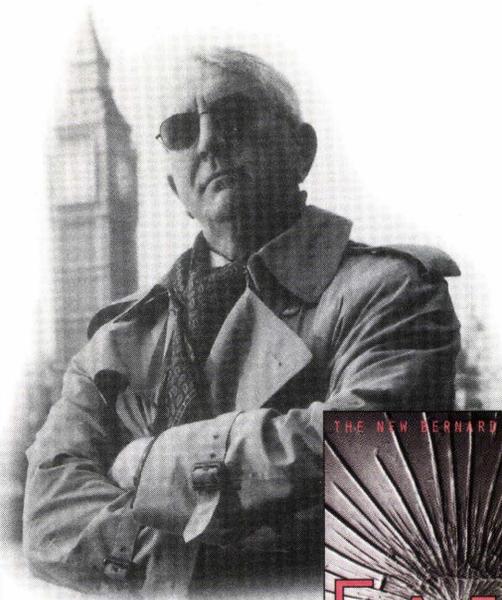
In *Wild Horses*, the boundaries between reality and illusion blur: Thomas uses the film, loosely based on a real conundrum, and filmmaking to solve the mystery. Where reality begins and illusion ends is amorphous; however "life—both real and imaginary—is loud and vigorous in Newmarket."

Dick Francis, has achieved international fame for his thrillers that take place in the world of horse racing. Francis is an astonishingly prolific writer. *Wild Horses* is his thirty-third novel, and he is currently working on his thirty-fourth—due to be released this fall. Mystery and horses have proved to be a winning combination for Francis and a major hit with his readers.

After zipping through *Wild Horses* in one sitting, I have discovered a taste for Francis's fiction that I must have inherited from my mother who has read all of his books.

—Natasha Schlegel





### Faith

By Len Deighton;  
Harper Collins; 337  
pages; \$24.

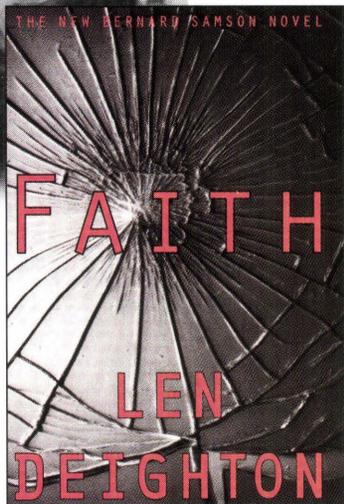
“How old-fashioned you are, Bernard. How does a puritan such as you survive in our big bad world?”

Welcome to the world of British spy Bernard Samson in the 1980s before the fall of the Berlin Wall and the end of the cold war. Don't expect to find a James Bond-type of secret agent when you read the continuing story of Bernard Samson. He is almost the exact opposite of James Bond. I would call Samson the working class type of spy.

Samson didn't go to the right schools in London and isn't part of the old boy's network. In fact, his wife, Fiona, is the darling of the department and has a much higher rank than her husband.

The regular cast of Deighton characters return in *Faith*, from his pretentious boss Dicky Cruyer to the proper Bret Rensselaer, who is causing a stir in the department because he is coming back to some unspecified high-level position, to Frank Harrington, who has Samson's father's old job as head of the Berlin office, to Werner Volkmann, Bernard's best friend and part time colleague in spying, to Bernard's former girlfriend Gloria.

*Faith* can be read on its own but it certainly helps to have read the other six Bernard Samson spy novels including *Game, Set, Match, Hook, Line* and



*Sinker*. One should also read the book where it all began and the best of the series, *Winter*, which tells the story of two brothers growing up in pre-World War II Germany and where Samson first appears in Deighton's fiction.

*Faith* begins a new Samson trilogy and finds Bernard reunited with his wife, who, after a stint as a double agent for the East, has come back from “the other side,” and they begin to repair their lives together. She and her wealthy father are determined to find out how her sister was killed by the East Germans (this took place in a previous book). New evidence comes to light in this matter as Bernard attempts to bring out a communist agent with the code name Verdi. As always, the trail leads from London to East and West Berlin.

*Faith* provides a perceptive look at British attitudes and customs plus quite a bit of be-

hind the scenes wheeling and dealing. Everyone is always trying to move up in the intelligence bureaucracy while poor Bernard Samson is always sent out on the dangerous missions.

Will Bernard return to Gloria? Will Fiona recover from her time in East Berlin? Will the killers be found—or is Fiona's sister really dead? Who will get the top slot in Bernard's office? Is Bernard getting too old for his forays into East Germany to bring out agents?

These and other questions will most likely be answered in Deighton's next novel about the life and adventures of Bernard Samson. The books are enjoyable to read because the reader becomes comfortable

with all of the characters and is interested in how everything turns out in the end.

Deighton has succeeded in making a fairly ordinary person into an interesting spy. As a person who has read all of the Samson novels I look forward eagerly to the next installment on Bernard Samson and company.

—Robert J. Guttman

### Original Sin

By P.D. James; Alfred A. Knopf; 416  
pages; \$24.

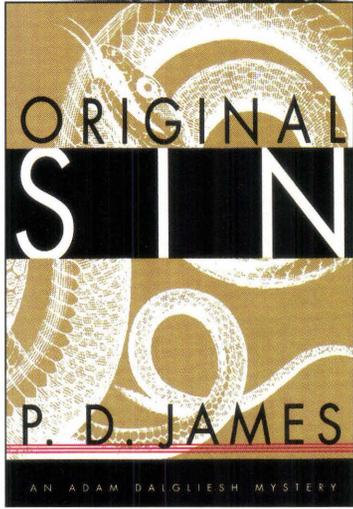
“Kate remembered one of the first lessons she had been taught as a young detective constable: know the victim. Every victim dies because of who he is, what he is, where he is at one moment of time.”

Detective Inspector Kate Miskin and Inspector Daniel Aaron team up with their well-known boss, Commander Adam Dalgliesh of the New Scotland Yard, to solve a series of murders—or were they just accidents—at the ironically named Innocent House, home of the struggling Peverell Press.

The author provides very clear, precise, and in-depth character studies of the partners of Peverell Press, the junior workers, and the temporary employees at the publishing firm in its distinctive building overlooking the River Thames. She also provides an inside look at the private lives of the detectives trying to solve the mysterious deaths and discover the identity of an anonymous practical joker who takes manuscripts and sends false faxes, further complicating their work.

While the story revolves around the future of Peverell Press and its key partners, the novel also provides a wonderful account of British society, manners, and attitudes.

When Commander Dalgliesh meets at a private club to discuss the strange happenings at In-



nocent House with an acquaintance who wants the detective's expert advice, a waitress dressed as a nurse takes his order. Dalglish nonchalantly asks why she is dressed as a nurse and not as a waitress.

His friend replies, "Because she is one, I suppose. She is a midwife, too, I believe, but we have no call for that here. I suppose we've gotten used to it. I doubt if the members would feel at home if she stopped wearing it now."

This type of humor and a look at the eccentricities of the British add greatly to this rousing murder mystery. Seemingly every facet of the key suspects' lives is discussed in great

detail. Everyone certainly has his or her own motives for committing these murders—or are they just accidents.

*Original Sin* has all the right ingredients necessary for a murder mystery—suspense, intrigue, gossip, complex characters, a strange conclusion, and a novelist who writes with a crispness and clarity one rarely finds anymore.

I had never read P.D. James's work before, but she can now count me as a regular reader. James can tell a story which keeps you up all night long. After all, that's what a mystery is all about.

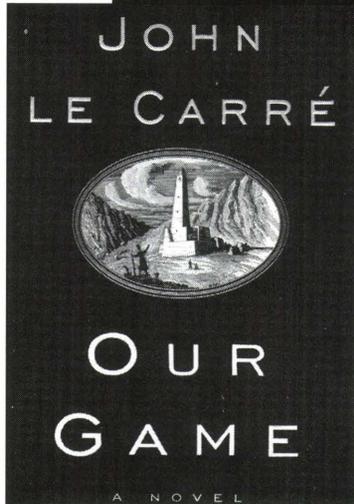
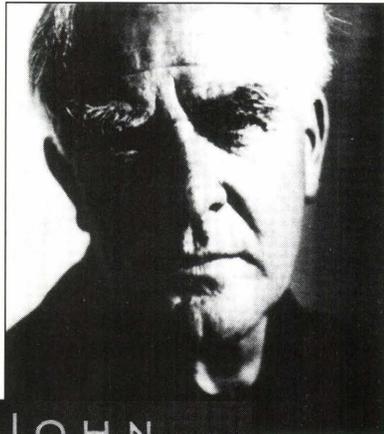
—Robert J. Guttman

### Our Game

By John Le Carré; Knopf; 403 pages; \$24.

"After the cold war it got worse. On both sides of the Atlantic. More corrupt, inward, conformist, intolerant, isolationist, smug. Less equitable. I'm talking Larry talk, Marjorie. I'm talking the renegade humanist who wants to save the world."

Sadly and regrettably, many would argue, the world really hasn't gotten better since the end of the cold war. In fact, many including John Le Carré



would say, as he does in his excellent new novel *Our Game*, that the world has become more chaotic and less stable, as witnessed in places such as Chechnya where open warfare has exploded.

Fans of Le Carré (I include myself among this illustrious group having read all of his novels—my favorite was *The Little Drummer Girl* and least favorite was *The Night Manager*) will be more than satisfied by his latest book which brings the reader back to his specialty—the spy novel.

Even though George Smiley and the original headquarters building are no longer around *Our*

*Game* still finds Le Carré on top of his form even in the post cold war era.

Tim Cranmer has literally been put out to pasture, or in this case he has been put out to tend his new winery in the beautiful British countryside. Since the British no longer need as many spies in the post-cold war era, they are downsizing, and Tim has been let go. Fortunately, he has a sizable inheritance to keep him going in his retirement.

However, the double agent that Tim used to supervise, Larry Pettifer has disappeared. Larry, an extreme and very naive humanitarian who believes he can save the world through his actions, has left the country. Larry is more than just a "Joe" who Tim used to supervise. He and Larry have been friends since their school days and have a unique relationship.

Also missing is Tim's current girlfriend, Emma, who also supports a range of lost causes around the world. Tim is called back to headquarters which has been moved to a rundown and seedy part of town to be questioned about his friend's disappearance.

The people at headquarters do not think Larry has left London without Tim's

knowledge or assistance. And Larry has been implicated in the disappearance of a former Russian spy, Konstantin Checheyev, a native of Ingushetia in the Caucasian mountains. Headquarters informs Tim that they think Larry and Checheyev have stolen millions of dollars to support the Ingushetians in their war against the Russians.

Tim takes off after his friend and girlfriend, and one is not ever certain which one he misses most. His travels take him back to Moscow and eventually to Ingushetia.

As in the majority of Le Carré's novels, most of the action takes place in the minds of the key characters. In this instance, most of the plot occurs in Tim's mind. We never hear from Larry. Everything we know of Larry is from Tim's remembrances of his friend and former colleague.

Substitute Ingushetia for Chechnya (the two are geographically situated next to each other), and you have a novel that reads like the daily headlines. As I was writing this review the headlines blared out "Fierce Fighting in Chechnya Belies Russia's Claims of Victory."

The guerrillas fighting the Russians in Ingushetia tell Tim, "We are the victims of the same prejudices that prevailed in Tsarist time. Communism brought us nothing but the same. Now Yel'tin's government is full of Cossacks, and the Cossacks have hated us since the dawning of the earth...We are oppressed, we are stigmatized, we resist."

*Our Game* is very timely in light of the tragedy now taking place in Chechnya. The dialogue and descriptions of the battles occurring in Ingushetia could have come from the daily newspaper or our television screen.

*Our Game* is not without its problems. Larry's character may be a bit far fetched in his simplistic view of the world and how to make it better. Also, at times Tim's dialogue is hard to follow as he continuously skips back and forth between the present and the past.

But then readers don't enjoy Le Carré because he is simple and easy to read. We read Le Carré for his complexities and for the sheer pleasure of his prose and plot. As the legion of Le Carré readers anxiously await his next novel may I offer a suggestion: Bring Smiley back! ☺

—Robert J. Guttman

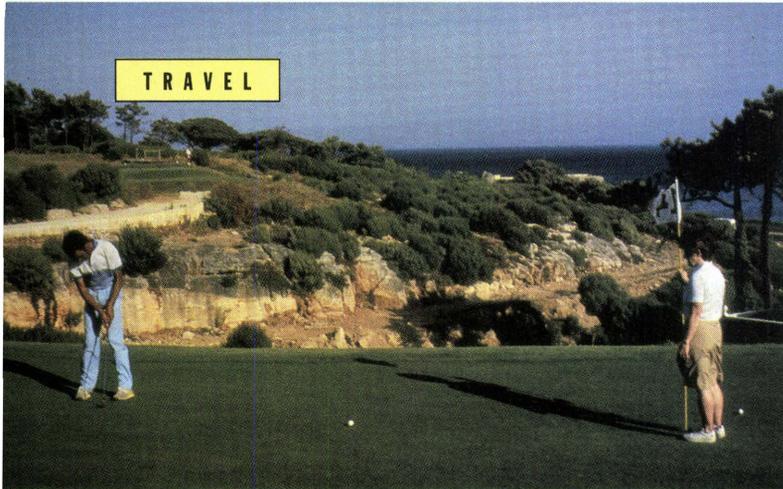
Portugal's tourism sector—vital for the country's economy—is picking up after a disappointing 1993. Figures for 1994 show an increase in tourists of around 9 percent, following a drop of 5 percent in the preceding year. The number of visitors from the United States was up by almost 4 percent.

In fact, tourism is the first sector in the country to come out of the recession. Portugal tends to lag behind the rest of the European Union in terms of economic cycles, so as these countries recover, their vacationers can once again afford to travel abroad—and Portugal is benefiting.

# PORTUGAL

## TOURISM GOES UPSCALE

By Peter Miles



Several other factors contributed toward last year's improved performance. They include favorable escudo exchange rates against the dollar and Europe's main currencies, but also the fact that Portugal's North African competitors—such as Tunisia and Algeria—suffered serious security problems. Such circumstances have always benefited Portugal, Spain, Italy, and Greece.

Last year saw great strides in marketing and improving Portugal's image. This boost was partly due to the fact that in 1994 Lisbon took its turn as European Capital of Culture, but also thanks to the American Society of Travel Agents' (ASTA) decision to hold its annual congress in Lisbon in November. This event, which brought some 6,700 travel representatives to the Portuguese capital, was the largest event of its kind ever held in Portugal. Based on previous experience with ASTA congresses, the country's tourist authorities expect the number of US visitors to increase considerably this year.

According to data from hotels and travel agents based on bookings in the US and Europe, 1995 is expected to be even better than last year. "We shall not only have more tourists," Luis Correia da Silva, vice president of Portugal's Institute for Foreign Trade and Tourism (ICEP), said at January's Lisbon Tourist Fair, "we shall also have a better class of tourist." More tourists spending more money is the key idea in Portugal's current promotional drive and its efforts to reduce both the negative effects of economic cycles and an almost exclusive dependence on the summer season. For some years now, the government has been attempting to get away from its "sun and beach" image and promote a wider and more upmarket variety of tourist products. This strategy relies on diversifying and attracting visitors to other parts of

## For some years now, the government has been attempting to get away from its "sun and beach" image and promote a wider and more upmarket variety of tourist products.

mainland Portugal, as well as the island of Madeira.

The main problems have been that the primary tourist region, the southern Algarve coast, is heavily dependent on British, German, and Dutch package tourists. Although their numbers had increased steadily before the recession, receipts were dropping, as tour operators slashed their prices and hotel and restaurant owners complained that these vacationers were spending less and less during their stay. Also popular with European visitors are short trips to Lisbon, including a few nights at a hotel and maybe renting a car.

Promotional efforts are currently focusing mainly on incentive and congress travel, rural tourism, and golf. The US, which in 1994 accounted for a mere 1.1 percent of all visitors to Portugal, is among the main target areas for this upmarket drive.

Rural tourism is still a largely unexplored area. It builds on Portugal's advantage of having a comparatively unspoiled environment and its heritage of marvelous country homes, many of them carefully renovated and adapted to welcoming tourists. This type of holiday requires a rather more independent and adventurous tourist who is prepared to venture off the beaten track and who gets some excitement out of exploring the country. Rural tourism also provides an excellent opportunity to escape from the stress of everyday life. The Alentejo is one region the Portuguese are very keen to

promote as part of the focus on rural tourism. It features vast rolling plains covered with olive and cork oak trees and well-kept, whitewashed villages.

Another "product" the Portuguese tourist authorities are keen to promote, especially in the US, is golf. Golf courses can be found all over the country. The most northerly one is the Vidago Golf Club. Designed by McKenzie Ross, it has nine holes and is located between Oporto and the Spanish border. But the country's leading courses are to be found in the Algarve, topped by the

San Lorenzo Golf Club in Quinta do Lago. This 18-hole course, laid out by Joseph Lee, is beautifully located in the Ria Formosa nature reserve on the shores of the Atlantic. Just outside Lisbon, the 18-hole Quinta da Marinha course at Cascais, designed by Robert Trent Jones, Jr., also offers a breathtaking view of the Atlantic. The semi-autonomous island of Madeira also boasts several courses. They include the brand-new Palheira Golf Club overlooking the Bay of Funchal. This 18-hole course was opened as recently as June 1994, a fact pleasantly disguised by its 200 year old trees.

For 1995, Portugal is also counting on an increase in religious tourists, many of whom—including large numbers of US visitors—may already be familiar with the Marian shrine at Fatima. However, this year also sees celebrations marking the 800th anniversary of the birth of Saint Anthony. Saint Anthony was born in Lisbon, but he is most commonly associated with the Italian city of Padua. The commemorations end on June 13, the day the people of Lisbon traditionally pay tribute to him with colorful and lively street parties. And in its promotion efforts, Portugal is already looking ahead to the next great event it will host in Lisbon: Expo '98, the century's last world exhibition, whose theme will be the oceans—a fitting image for this country of once great seafarers and explorers. ☉

*Peter Miles is EUROPE's Lisbon correspondent.*

**A look at a real slice of the former Soviet Union, but for the adventurous traveler, a few surprises...**

# MINSK

**By Peter Laufer**

**I**f you missed the opportunity to witness life in the Soviet Union and want a glimpse of what it was like, stop off in Minsk. Although even unfortunate Minsk is modernizing and Westernizing slowly, the capital of Belarus seems almost frozen in Soviet time.

"We want to show that Minsk is like any other European capital," the producer of the television magazine *Kapital* told me about his work. We were watching one of his shows together in his production office, a converted room in the downtown Yubileynaya hotel. Labeled "luxury class" by the government and costing foreigners over \$50 a night, the Yubi-



**At an open market in Minsk Belarussian women sell their produce which may or may not be tainted by radiation leftover from the Chernobyl explosion in neighboring Ukraine.**

leynaya—and most Minsk restaurant food—is spartan by world standards.

A pretty Belarussian actress is the host for *Kapital*. She introduces viewers to intriguing people and places in Minsk, and her telegenic charisma combined with careful editing actually make Minsk seem romantic. But in reality, there is little alluring about Minsk besides beautiful Slavic women, and try as *Kapital* might to depict it so, Minsk is not like any other European city.

Lenin still stands statuesque, looming over Independence Square. The image of the founder of the KGB, Belarussian Felix Dzerjinskij, is also still on display. The lighted sign in front of a factory, which produces, among other scientific items, Geiger counters, flashes the time, the temperature, and the current background radiation reading. A locally produced Geiger counter can be had for about \$40, more advanced Western models cost a couple of hundred.

**An American friend of mine, living and working in Minsk, offers this advice to the traveler worried about food safety. “Eat anything that looks good because then it could not be of Belarus origin.”**



Minsk sidewalks and streets are crumbling, and the buses are jammed and in need of paint and repair. One bus—it must have been sent over from Germany—bizarrely works the Minsk streets with Berlin markings and carrying an advertisement for *Neues Deutschland*, the former official East German communist party organ. Even the new English-language guide to the city is forced to acknowledge that Minsk is famous as one of the “saddest and ugliest cities of the former Soviet Union.”

Private stores show off fancy goods, at Western European prices, prices few Belarus citizens can afford to even consider. The state-subsidized shops and restaurants offer little that's appealing: gray meats, wilted fruits and vegetables. Pitiful looking babushkas waste away along the sidewalks holding up their merchandise: a plastic pocketbook here, a pair of out-of-style shoes there.

Minsk's history is full of terrible superlatives. Virtually the entire city was destroyed by the Nazis, along with a quarter of its population. The rebuilt city is filled with endless rows of tedious and crumbling, Stalinist-style, block buildings. Belarus was devastated again in 1986 when Chernobyl exploded. Although the power plant is in Ukraine, the winds were blowing north and heavy fallout covered a quarter of the republic. Belarussians continue to

live in the contaminated regions, farming and eating radioactive produce.

An American friend of mine, living and working in Minsk, offers this advice to the traveler worried about food safety. “Eat anything that looks good because then it could not be of Belarus origin.” But for most Belarussians, such an expensive solution is not possible and the reality of the aftermath of Chernobyl never leaves them. They worry about their sickly children and wonder if their ailments are Chernobyl caused or just easy to blame on the disaster. Statistics too often suggest the former. As just one example, cases of pediatric thyroid cancer continue to spiral upward.

One of the Belarussians I worked with in Minsk explained that soon after Chernobyl burned, he bought a Geiger counter and tested all his family's food. He quickly stopped using the device because all the readings were dangerously high,





and he had no alternative food supply. Another colleague explained why he never even bought a Geiger counter. "What the eyes do not see," he said, "the stomach will accept."

Belarus actively solicits international help for its recovery from the still largely unknown effects of the Chernobyl tragedy. Minsk charities providing help especially for children include Children in Calamity, For Children of Chernobyl, and the Salvation Army.

Despite the sorry realities of Minsk today, there are intriguing diversions for the tourist passing through, in addition to seeing remnants of the Soviet society. And Minsk is not hard to find for the adventurous traveler. The Berlin to Moscow train stops in Minsk as do many luxury cross-continental buses. Lufthansa flies in from Frankfurt, offering expensive Western competition to the national carrier, Belavia.

Hotel trinket shops offer traditional hair bands woven from wheat stalks. Another national specialty, herb-flavored vodka, is a bargain. Tourist shops also offer preserved gourmet Belarussian mushrooms to take home, although mushrooms are one of the food-stuffs most contaminated by Chernobyl.

**The Russian Orthodox Church of the Holy Spirit, built in 1602, is one of the few remaining architectural landmarks to survive the Nazi and the Soviet eras.**

One of the most interesting sites to check out is the closed museum of the Institute of Ethnology and Folklore of the Belarus Culture. Filled with exhibits designed to prove the existence of a distinct Belarus national culture, the museum cannot afford to stay open to the public. Nonetheless the persistent visitor can persuade one of the scientists working there to show off the museum's treasures, which include antiquated farm tools and household goods recovered from homesteads abandoned by people living in villages evacuated after the Chernobyl accident. Museum workers have been traveling into these contaminated zones in recent years, collecting folkloric artifacts. The handmade implements and furniture are brushed clean in the field with soap and water, tested for radiation, and—if they are deemed safe—brought to the museum in Minsk.

One specialist told me she made three trips to poisoned villages before she realized she should wear protective clothing. As do so many Belarussians, she takes a fatalist attitude toward the danger. "I fight the consequences of radiation with red wine," she said and laughed.

Miserable though the physical Minsk may be to travelers accustomed to the bounty of most European capitals, the long suffering people of Belarus do their best to show off what they have and succeed admirably in extending warm hospitality to the few foreign visitors who add Minsk to their itinerary. ☺

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*Peter Laufer is the author of several books on Russia and Eastern Europe, including Iron Curtain Rising.*

# CAPITALS

AN OVERVIEW OF  
CURRENT AFFAIRS  
IN EUROPE'S  
CAPITALS

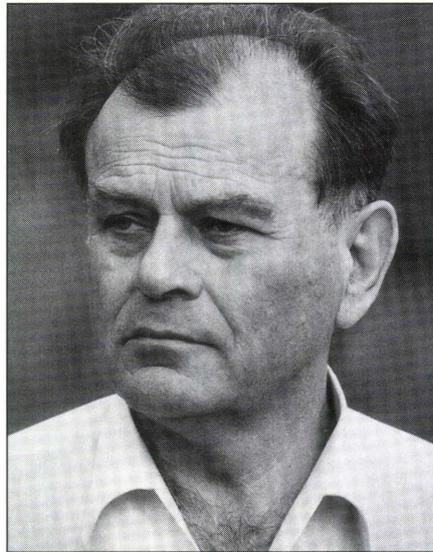
This month *EUROPE* asked each of our Capitals correspondents to profile a well-known writer in his or her country.

## BERLIN

### ERICH LOEST

**E**rich Loest, an East German writer from Saxony, embodies the contemporary history of a country which was divided into two completely different political systems for more than 40 years. This contemporary history for Loest is "still emitting thick smoke." The son of a businessman, Loest, 69, was born in the East German town of Mittweide near Chemnitz. At the age of 17 he was drafted into the army in the last phase of World War II.

After the war, he initially trained as a journalist and moved on to become a freelance writer in Leipzig. He became prominent in East Germany with his war novel *Boys Who Survived*. He became popular with the tales *Love Stories* and *Sport Stories*, and the Berlin novel *The Westmark Continues to Fall*. A convinced communist and member of the communist party SED, Loest was going strong. He had no problems with the communist regime until he personally witnessed the tragedy of the workers' uprising on June 17, 1953. The East German workers peacefully protested against their lives in bondage and excessive productivity quotas. "I saw the demonstrations and how they were savagely put down by the So-



**Erich Loest**

viet tanks. I was devastated," he recalls.

This key experience had a lasting effect. Loest became very critical of the communist regime, and his critical openness brought him seven years imprisonment in the notorious concentration camp of Bautzen. "When I left the prison, I missed seven years of my life," he says, "and I needed another seven years to get well—to gain some money and self confidence." Loest calls the lost time in Bautzen "the killed time." When he settled down in West Germany in 1981, he wrote about his imprisonment in an auto-

biography, *A Rift in the Earth*. It was his first foray into the world of Western literature. Numerous successful novels followed revealing a realistic descriptive gift, but the themes still came from his Eastern environment. Commenting on this time, Loest says: "I came from Leipzig to the West and wrote four books which I would have liked to have written in East Germany, but nobody would have published them. Then I realized that I ran out of ideas. I did not quite know what this meant when the Wall fell. I went back to Leipzig, and I was able to begin where I'd left off, bringing in my Western experience."

After his return to Leipzig in the former East Germany, Loest came into public attention not because of his writing, but because of what the Stasi (the former East German secret police) wrote about him. He was shocked to discover that some of his best friends had been regularly reporting on him to the Stasi. He published his Stasi files, giving an insight into their oppressive practices.

Loest had not given up his place in Bonn. "When I spend some time in Leipzig, I am homesick for my garden on the Rhine, so I have become a commuter between Bonn and Leipzig," he says. He has also become a bridge builder between East and West. What separates Germans most of all? "It is the 40 years of different experience," Loest says. "In the euphoria of reunification nobody thought about these differences which are now surfacing everywhere. It was wrong to assume that all problems could be settled with money." He says that the West expects too much of the East Germans. All of a sudden, the Easterners were confronted with so many new things. They had to learn how to find their way in a new capitalistic and democratic system, and on the steep climb "they often make mistakes." The notion that West Germans handle East Germany as their colony infuriates Loest. "Colony is a stupid and wrong term. You exploit a colony, but West Germany transfers at least DM 150 billion (\$100 billion) each year to East Germany so

you cannot talk about colonization.”

Last April Loest was elected president of the Writers Association which is notorious for its internecine squabbles. The members, who elected Loest almost unanimously, hoped that his personality would overcome the breach between East and West. As a first step to bring East and West German writers together, Loest has launched a “Poland Plan” which both groups support. He is convinced that an improved relationship between German and Polish writers would bring a united Europe closer. The theme of the Leipzig Book Fair this spring will be “Poland,” and until then, the Writers Association has organized some 50 German-Polish readings.

Will the hard work which the Writers Association demands interfere with his literary output? Loest laughs and reveals that he has a new project in the pipeline. He has meticulously amassed data on the history of the Leipzig revolution of October 1989 when the tanks stood ready to crush the courageous citizens’ peaceful demonstration. “In my new book *Nikolai Church*, I neither glorify nor condemn.”

—Wanda Menke-Gluckert

## LUXEMBOURG

## GEORGES HAUSEMER

Georges Hausemer is part of a new generation of Luxembourgish writers who are pursuing new approaches in their fiction and poetry, moving away from the sentimental, traditional voices of older writers toward the sometimes minimal yet provocative renderings of life’s ordinary challenges and triumphs.

At age 37, Hausemer is one of the Grand Duchy’s most prolific and interesting writers, having already published more than a dozen works (poems, stories, novels), beginning with *Polaroid* in 1981, a collection of poems. Most recently he has published a collection of short descriptions of somewhat inconsequential snippets of life entitled *Shooting Hornets* after a game he

played as a child.

In his novels, Hausemer says that he focuses on contemporary, “small” moments, showing “everyday life behind facades, the heart of people, their inner connections.” He views these events with acuity, providing greater detail and more appreciation of these times than the superficial, cursory examination given by the media. Fiction, he says, quoting the German writer Friedrich Schiller, should “disturb people’s satisfaction.” The tone of Hausemer’s prose is ironic, sharp, critical, and humoristic. His poetry, he says, tries to “explain the inexplicable, to make clear what is not clear.”

One example from *Shooting Hornets* illustrates some aspects of his work. He describes a man who crosses the Grand Duchy border from France. The man is lost and does not know where to go, and so he simply waits on a park bench through the night.

By virtue of being surrounded by France, Germany, and Belgium, Hausemer says life in Luxembourg affords writers unique perspectives that outweigh the Grand Duchy’s lack of such indigenous cultural resources as an opera, orchestra, or major university. Writers from Europe such as Franz Kafka, the early Peter Handke, and some younger French authors like Jean Echenoz have been key influences for him. Americans, too, including contemporary fiction writers Raymond Carver and Donald Barthelme, are sources of inspiration, Hausemer says.

Hausemer questions literature that has goals. “You must write what you feel and let the reader take what he wants out of it. There is a danger for writers if they think that literature has to fulfill a purpose, to have goals. Morality and moralizing is, in my opinion, not the task of the writer.”

In Hausemer’s view, Roger Manderscheid is a major Luxembourgish writer. His major work is a trilogy in Letzebuergesch, the Luxembourg language, about the years before, during, and after World War II. Guy Rennewig is another. He has

written stories about immigrants, the country’s intelligentsia, and the impact that the 1968 student riots have had on the participants. Jean Portante, who was born in Luxembourg from Italian parents, also writes about immigrants’ life in the Grand Duchy in his most successful novel, *Mrs. Haroy or the Memory of the Whale*.

Hausemer is working on a new collection of short stories, following his 1992 collection, *The Spaniard in My Room*. One story focuses on a man losing his job in mid-life and the difficulties that he faces in finding a new way in life. Hausemer says that this story shows moreover his “formal way of treating subjects, that is with a certain distance, confident in the power of the imagination of readers.”

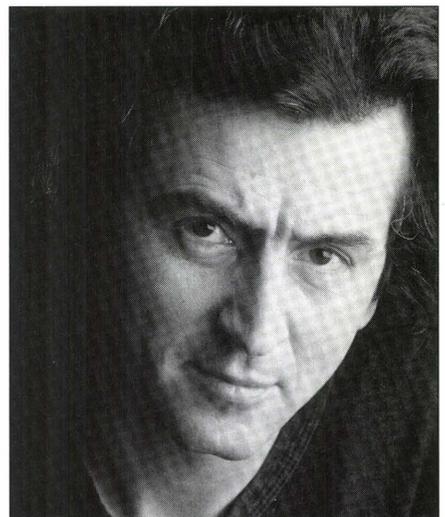
With Luxembourg being the European Capital of Culture, the country’s writers will assuredly gain more recognition from Europe’s other regions this year.

—James D. Spellman

## PARIS

## BERNARD-HENRI LÉVY

His initials—BHL—sound like a deli sandwich, but Bernard-Henri Lévy himself is not the kind of man to park his couturier-clad derriere on a snackbar stool. The only sandwiches France’s most glamorous philosopher and writer likes to eat are like the ones he sent out for in 1975 when he launched an “alternative” daily newspaper, *l’Imprévu* (the Unforeseen), which folded after just 11 issues. The “sandwiches” were canapés from a 5-star restaurant, washed down



Bernard-Henri Lévy

**In his novels, Hausemer says that he focuses on contemporary, “small” moments, showing “everyday life behind facades, the heart of people, their inner connections.”**

with vintage champagne, and the bill came to \$15,000.

Lévy loves luxury. His world is one of chauffeur-driven limousines, exclusive hotels, designer clothes, and beautiful people. His trademark "uniform" is a white silk shirt, enticingly unbuttoned to show his manly chest. But behind the dark, smoldering glance lies an erudite, energetic, continually questioning mind.

From the very start, Lévy has stood out from the crowd. Born in 1948, the cosseted son of a well-to-do Jewish industrialist, he attended all the right schools where he was noticed for always attracting the prettiest girls while still managing to make excellent grades.

After having graduated with a degree in philosophy, he traveled to Bangladesh in 1971 to write a book—his first—on the war of independence there. The manuscript caught the eye of Françoise Verny, an editor with the prominent French publishing house Grasset, and so did Lévy, when she summoned him for an interview. "I saw rising before me a young man like a figure from romantic fiction, with his long black hair and pale complexion," she gushed. "He was a prince in the elegance of his manners and the casual ease of his dress." (Even back then the white shirt was worn wide open.)

The besotted Verny found him a place at Grasset as an editorial consultant, helped him sort out his expensive sandwich bill, and was rewarded for her confidence in him in 1976 when Lévy became a media sensation as the leader of the half-dozen young thinkers who called themselves "*les nouveaux philosophes*." The essay he published in 1977, *la Barbarie à visage humain*, in which he challenged the left's post-war flirtation with Soviet communism, was hailed as the manifesto of the "new" philosophers and caused an uproar among France's intellectuals.

Every one of Lévy's books since then has aroused strong passions and heated debates. Besides communism he has attacked nationalism, fundamentalism, populism, racism, and fascism. In the 1980s he branched out from philosophy to fiction, producing two novels which both won literary prizes, but not the coveted Goncourt (France's top literary honor) which he was after.

In recent years he has broadened his range even further. In 1990 he launched a magazine, *la Règle du Jeu* (The Rules of

the Game); in 1991 he wrote a book and four-part television series on the history of 20th century intellectuals; in 1992 he published a play, *le Jugement dernier* (The Last Judgment).

On stage, the play starred the beautiful actress Arielle Dombasle. Lévy married her in 1993 to the sound of popping champagne corks, and flashbulbs on the French Riviera.

Believing that ideas should be backed up by action, Lévy is also a passionate—and much publicized—political crusader, visiting such hot-spots as Cambodia, Afghanistan, Ethiopia, and most recently the war-torn former Yugoslavia. Out of his indignation at the rest of Europe's indifference to the plight of the Bosnians, he produced a highly acclaimed film entitled *Bosna!* which he presented at the Cannes film festival last May.

His latest work, published last November, is an essay entitled *la Pureté dangereuse*, in which he denounces the dangers of religious fundamentalism. As always, the book has the French arguing furiously over its merits; as always, they wonder if Lévy's thoughts are really as deep as his cleavage; and as always, he is basking in the publicity.

—Ester Laushway

## ROME

### SUSANNA TAMARO

If 1994 was for Italy the year of Silvio Berlusconi in politics, wrote the venerable daily newspaper *Corriere della Sera*, then it was the year of Susanna Tamaro in literature.

At first glance, Berlusconi, the extroverted industrialist who invented a political party and threw himself into Italian politics, would seem to have nothing in common with a fragile author who has fascinated her readers by using a simple writing style to craft heartfelt stories. The two do share the fact that, despite their popularity with the general public, they have unleashed violent irritation among journalists and opinion makers.

Just as the press (for once) found itself united in attacking Berlusconi, making life impossible for him, so the most

famous literary critics joined to denigrate Ms. Tamaro when her third book, *Va dove ti porta il cuore* (Go Where Your Heart Takes You) was conquering the best-seller lists.

But the critics appeared to be out of step with the general reading public. In just a few months, *Va dove* sold one million copies, even more than the better-known Umberto Eco sells. The book is in its nineteenth edition, and there is a contract to make a film based on it.

The story, part autobiography, is on the surface very simple: a grandmother writes a diary for her granddaughter, who she raised and who has now left for America. The old woman, as becomes clear as the book progresses, is dying. She tells her granddaughter the story of her life as a middle-class and well-off, but unhappy, woman. She tells of the pain she suffered because of her daughter (the girl's mother), a 1960s protester whose life was ruined by ferocious psychoanalysis and who died in a car accident. What appears is the eternal and unresolvable contrast between generations of women, illusions of feminism, a sadness and the solitude that nothing can alleviate.

Perhaps it is the negative reference to a recent political era that alienated a great number of critics and the European intelligentsia, perhaps it is the attack on psychoanalysis, or the bourgeois atmosphere of the book. The fact is that the critics preferred her two previous books—*La testa fra le nuvole* (Head in

the Clouds), written in 1989, and *Per voce sola* (For Solo Voice), 1991—which sold few copies, but rather than telling tender stories, dealt with assassinations, child abuse, hysterical pregnancies, and other cruel happenings.

The 38 year old Tamaro is a striking woman. Small and thin, she keeps her red hair cut very short ("She looks like an unruly boy," a magazine wrote about her). Her two passions when she isn't writing are crocheting and

karate. Having endured an unhappy childhood spent far from her mother and under her grandmother's care, Ms. Tamaro caught Federico Fellini's attention. The great director was ill and

**Ms. Tamaro is, as was Gelsomina, a child of her times, and her life and her writing reflect all of its contradictions.**

wasn't able to read *Va dove ti porta il cuore*, but he did meet the author shortly before he died. He was so taken with her that he re-baptized her "my Gelsomina," the name of a character in his famous film *The Street*, in which sweet Gelsomina was played by his wife, the actress Giulietta Macina.

Ms. Tamaro is, as was Gelsomina, a child of her times, and her life and her writing reflect all of its contradictions.

—Niccolò d'Aquino

## DUBLIN

## JOHN BANVILLE

John Banville has for 25 years been writing novels which from the start attracted international attention as evidence of an exciting new talent in Irish imaginative writing. But his profound themes and intellectual, but often dazzling, style of writing has meant that he is not usually found on the best-seller lists of popular fiction.

For most of his writing career, he has also been obliged to work in full-time journalism to earn his living. He is at present literary editor of the *Irish Times*. His new novels always attract the appreciation of influential critics, and finally in 1989, he was short-listed for the prestigious Booker prize for fiction for his novel *The Book of Evidence*. He failed to win it but soon afterwards won the valuable GPA award for which the late Graham Greene was the adjudicator.

This year, when he will turn 50, sees the publication of his tenth novel, *Athena*, and a full-length critical study of his work. His brother is also a novelist, and his sister has recently written an autobiographical memoir of the family's early days in Wexford, a coastal town dating from Norman times in the southeast of Ireland. Banville, who is married and has two sons, now lives in Howth on the seacoast close to Dublin.

Banville's early novels were on the

"Big House" theme in Irish writing in which the author explores the fate of a decaying Anglo-Irish gentry engaged in a sometimes brutal confrontation with a modern, independent Ireland. Then followed a trilogy dealing with the 17th century astronomers and scientists Copernicus, Kepler, and Newton, in which Banville discussed the tensions between attempts to create astronomical systems and the chaos which seemed to lie behind them. Again the critics were deeply impressed but the readership even in Ireland was limited.

With *The Book of Evidence*, Banville broke new ground and attracted a wider readership by writing a modern murder story with some resemblance to a series of sensational murders a few years previously which had fascinated the country. The murders even had political fall-out when the murderer was eventually tracked down to the apartment of the then attorney general. He was forced, as a result, to resign his post although he had no idea that the man whom he regarded as a friend was the prime suspect. Banville was surprised at the popular success of the book following years of being resigned to a narrow audience and mused to an interviewer that "maybe success is based on misreading."

He says that there are two distinct strains of Irish writing which come from Joyce and Beckett. "Joyce looked at the world and accepted it in all its chaos and folly. Beckett can't accept the world. He stands aghast to it. Even the moments of lightness make it all the worse. I would belong to that strain that can't accept the world."

At the same time, Banville confessed that he was coming to realize that maybe his ideas about how one should live were "too solemn" and that he had forgotten "about the element of play in art, as in life." He looked forward to letting in more of the spontaneity and chaos of life in future work. But he would be worried if he kept winning literary prizes.

—Joe Carroll

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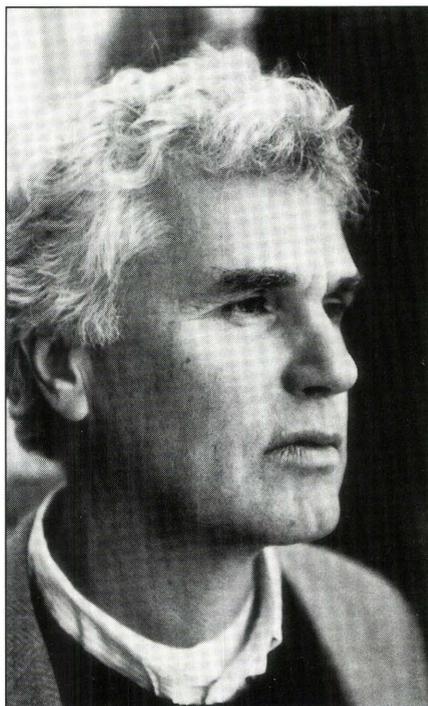
—Joe Carroll

## AMSTERDAM

## ADRIAAN VAN DIS

In a way, Adriaan van Dis, 48, cultivates his style. He's fashionable, well mannered, and speaks perfect, almost artificially articulated Dutch (he's also fluent in other languages). His popularity was originally based on his monthly television program on literature *Here is Adriaan van Dis*, but nowadays he is dedicating all of his time to writing. His latest book *Indische Duinen* (Dunes of the Dutch Indies) is in its sixth edition in six months time and is prominent on the national best-sellers list for fiction.

Van Dis studied Afrikaans, the language spoken by the descendants of



Adriaan van Dis

Dutch colonists in South Africa. As a student, he developed his love for literature and his habit of learning parts of books by heart. He's a bit of an actor. After he started his professional career as a journalist, he soon moved to presenting a television program on literature. There his national reputation was made. He presented both famous and little-known writers from all over the world, introducing their books to the Dutch public. Being interviewed by Van Dis on television almost certainly meant that the sales of one's book would go up. In the age of the electronic media, he vigor-

ously defended the culture of the written word and the freedom of print. Not by coincidence, he is currently the president of the Dutch society for the defense of Salman Rushdie, whom he interviewed several times for television.

In 1983, Van Dis published his first book *Nathan Sid*. It was a light, largely autobiographical short story about his youth in a Dutch village near the sea. Later on, he moved to travel writing, closer to the style of Bruce Chatwin than of Paul Theroux. He went to Morocco and China, toured South Africa's Cape province, the heartland of the Dutch-descended Boers, and traveled through Africa. Popular travel books were the outcome of each of these trips.

His latest book, *Indische Duinen*, also autobiographical, traces the roots of his youth. Just after the war, his mother and two half sisters came from the Dutch East Indies and settled in the Netherlands. Adriaan, born in the confusion of the refugee-home, searches for his father. The trauma of the war, the loss of the West Indies, the postwar reconstruction, all these elements of Van Dis's novel are still vivid parts of Dutch history continuously debated in the Netherlands. In a sense, Adriaan van Dis, the outsider, is the essential insider, whose writing is as clear and perfectly pure as the Dutch skies of his native village near the sea.

—Roel Janssen

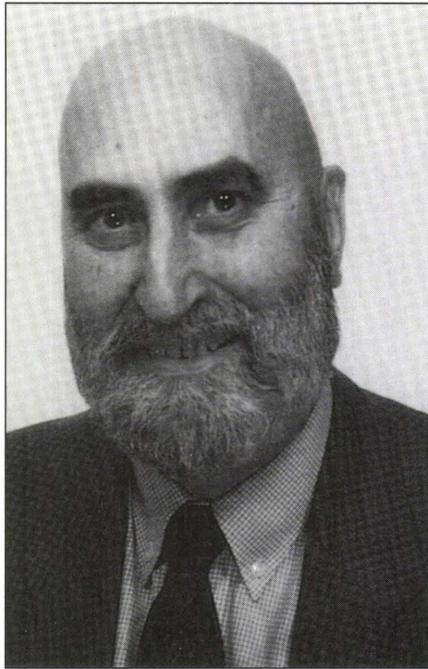
## MADRID

## RAMON LUIS ACUÑA

“My greatest fear is that Yugoslavia could be a rehearsal for the future,” says Ramon Luis Acuña, the author of *Las Tribus de Europa* (The Tribes of Europe), a study of nationalism across the continent published in 1993 by Ediciones B. of Barcelona.

In his book, the veteran journalist explains the histories of Europe's minorities and nationalistic movements from the Baltic republics in the north to his native Spain in the south.

At the same time, with insight, a thorough grounding in the subject matter, and interviews with such European heavyweights as Vaclav Havel, Helmut Schlesinger, and Bernard-Henri Lévy, Acuña provides the reader with a useful history of European unity and shows how nationalism could work peacefully in the Europe of the future.



Ramon Luis Acuña

He is particularly interested in and worried about the people in the former Eastern Bloc. The fall of communism five years ago put an end to a system which kept nationalistic tension suppressed for the greater good of the state. Since then, a sometimes ugly and potentially dangerous tribalism has emerged in the region, with the worst examples in the former Yugoslavia.

“Since World War II, manifestations of nationalism in Western Europe have been largely peaceful with two notable exceptions: Northern Ireland and the Basque Region, and those are low level terrorist conflicts,” Acuña told *EUROPE*.

“However, currently in Eastern Eu-

rope there are two full-blown wars, in Bosnia and Chechnya, directly caused by nationalism.”

Acuña himself is a Gallego, a native of the northern Spanish region of Galicia which has a nationalistic tradition of its own. Before leaving Galicia, he earned a law degree at a local university and then went on to study journalism in Madrid and Paris.

From 1971 to 1984, Acuña worked for the Spanish news agency EFE in Paris, New York, London, and Copenhagen. Following a three year stint as a foreign editor and roving correspondent at the Madrid daily *ABC*, he is now back at EFE as an editor on the foreign desk and is the Madrid correspondent for the French daily *Le Figaro*.

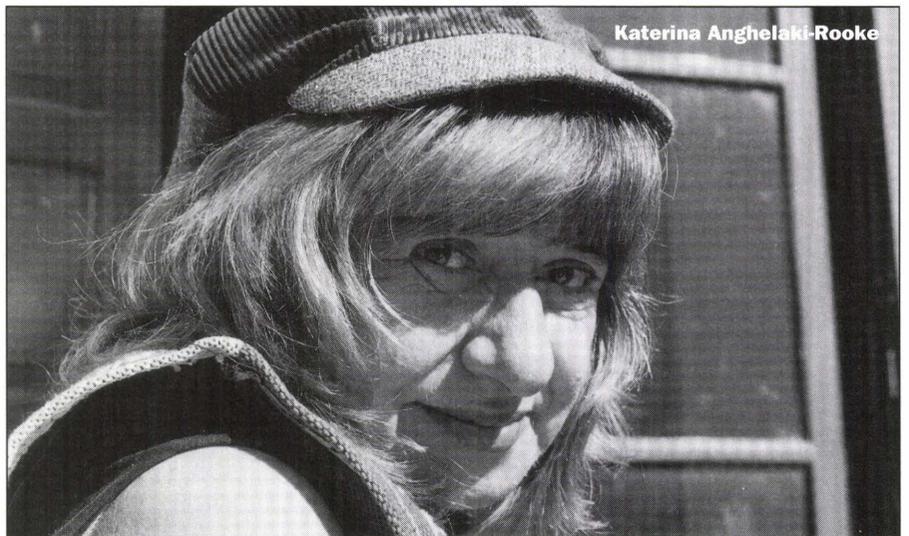
In his book, Acuña claims that the solution to resurgent nationalism is for the former Eastern Bloc states, and indeed all European nations, to become part of the European Union. “So as not to fall again into catastrophe...the Europeans must unite,” he writes, and it must be “a voluntary union clearly based on democracy, development, and human rights.”

—Benjamin Jones

## ATHENS

## KATERINA ANGHELAKI-ROOKE

Greece may be short on novelists, but it has always produced its fair share of poets—including two Nobel prize winners in the past 30 years. Recently, women poets and novelists have become more prominent. “Maybe the best poetry is being written by the women these days. They have a different eye on the



Katerina Anghelaki-Rooke

world, from the inside looking out," says Katerina Anghelaki-Rooke, a leading Greek poet.

Rooke acknowledges that Greek poets only have a small audience because modern Greek is a relatively inaccessible language. "Greek is what you call a 'little language,' and it is never going to be read by hundreds of millions of people," she says. "But modern Greek is relatively young; it's still fresh and malleable, and if you're a Greek writer you have a bit of a feeling of mission."

Exuberant and fond of other poets' company, Rooke looks outward herself. Her work has been translated into 11 languages. She has taught poetry and Greek literature at Harvard and makes regular lecturing and poetry-reading tours across the US and Canada.

But she writes in Greece in an old house surrounded by a pistachio orchard on the island of Aegina. It belonged to her grandparents, Greek refugees from Asia Minor in the 1920s, and then became her family's summer home. Now as Athens "becomes more difficult to live in, Aegina is where the real work gets done," she says.

Aegina is also where she knew Nikos Kazantzakis, the author of *Zorba the Greek* and Greece's best-known novelist. Kazantzakis helped get her first poem published when she was a teenager after spending her childhood writing poems and short stories. "I can never remember not writing," Rooke says. "I dictated fairy tales to my mother before I could even form letters myself."

Rooke describes herself as an "existential poet who writes about life and death and love and things like that." She says with a little note of regret that, like other Greek intellectuals, she wanted to write about politics in the years when Greece was ruled by a military dictatorship, "but I didn't have the weapons—my poetic idiom was already formed. But on the other hand, the air of your times comes through. I think you can detect the times through my poetry."

She has published a dozen collections of poetry since 1963 and translated the work of other poets into Greek, including Dylan Thomas, Samuel Beckett, and a specially commissioned acting version of Shakespeare's *Measure for Measure*. But she finds it difficult to translate her own work, preferring to have someone "with a native eye" take the final decisions on her draft.

Recently she has been working on a long poem *Lupiu*, based on a cruise around the Black Sea last year with an international group of writers. "It's about the melancholic atmosphere of the cities of the Black Sea—Constanza, Varna, Odessa, all sad places," she says.

She is now thinking of writing a series of love poems for old people. "There's a prejudice that poetry is a young thing's activity," she says. "It is true there are years when I haven't written a line, but till now, poetry hasn't let me down."

—Kerin Hope

LISBON

ANTONIO LOBO ANTUNES

António Lobo Antunes is one of just a handful of Portuguese writers who is named regularly as a possible candidate for the Nobel Prize for Literature. Two others have been Miguel Torga, who died earlier this year, and José Saramago.

Lobo Antunes emerged in the 1980s as one of Portugal's most important post-revolutionary authors. He was born in



Antonio Lobo Antunes

Lisbon in 1942, took a university degree in medicine, and continues to work as a psychiatrist at the capital's Miguel Bombarda Hospital. Many of his novels have been translated into English and a variety of other languages. They include *South of Nowhere* (1979), *An Explanation*

*Of The Birds* (1981), *Act Of The Damned* (1985), and *The Natural Order Of Things* (1992).

*South Of Nowhere* was written in Lobo Antunes's autobiographical phase. It is set in Angola before the fall of the Portuguese dictatorship, and it is one of the first books to deal with the country's colonial wars, a subject which the generation that fought in Africa still finds hard to talk about. According to Antunes, "the first books you write always tend to be autobiographical; it's a way of putting the past behind you so that you can really get on with writing..." *An Explanation Of The Birds* marks the beginning of a second phase, in which Antunes writes about his country rather than about people.

The author has described himself as a profoundly psychotic person. He agrees with Sigmund Freud's statement that life is merely a battle against depression. Thus, Lobo Antunes attempts to transform his own depression into what he calls "fertile depression," writing in order to maintain a certain balance. It is not surprising, therefore, that death and madness are themes that turn up constantly in his books. Lobo Antunes himself, however, prefers to put it in terms of "love or absence of it." "True," he says, "death is always there, but life without death is inconceivable."

It has often been said that the Portuguese are a nation of poets, and it is interesting to hear Lobo Antunes's opinion on that subject: "One of Portugal's greatest ambiguities," he says, "is its literature. It doesn't exist. We have poets. And if we manage to name five novelists, that's already saying a lot."

—Peter Miles

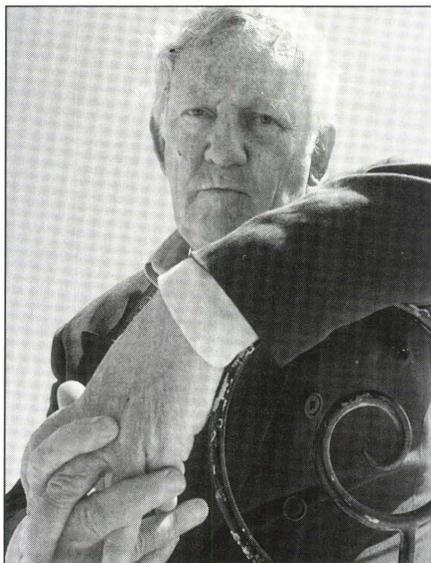
BRUSSELS

HUGO CLAUS

Only one Belgian author has ever won the Nobel Prize for literature. That was the dramatist Maurice Maeterlinck back in 1911. He wrote in French.

The odds are that the next Belgian laureate will be a Flemish author, writing in Dutch. His name could well be Hugo Claus.

Claus, a versatile character, is a painter, poet, essayist, translator, script writer, and film director. Yet it is as a novelist, and especially as the author of *The Sorrow of Belgium* that he is likely to be honored.



Hugo Claus

It is not a work with which many Belgians feel comfortable. Nor does Claus feel comfortable in his native country, with which he has had a love-hate relationship. Now aged 65, he has lived abroad for many years, most recently in southern France, but returns periodically to tease and excoriate his countrymen.

Partly autobiographical, *The Sorrow of Belgium* struck a raw nerve because it deals largely with the widespread collaboration of the Flemings with the Nazi occupiers during World War II. The collaborators included both of Claus's parents. His father, a fervent Flemish nationalist and a fantasizer, served a prison sentence after the war because of his having boasted to neighbors of his imaginary connections with the German High Command. Claus's mother was infatuated with a German soldier, and he himself spent three weeks as a member of the Nazi youth movement before dropping out.

He also dropped out of school at the age of 15, ran away with a woman friend of his mother, and performed a series of mainly menial jobs before ending up in Paris, where he joined a group of avant-garde artists called Cobra, which included Karel Appel and Pierre Alechinsky.

He wrote his first novel as a result of a bet with a publisher friend that he could not write an American-style best-seller within a month. The result was *The Duck Hunt*, reeled off in three weeks, which won a major literary prize in Flanders.

After that he never looked back, and

his colorful life, including three marriages (one, briefly, with Sylvia Kristel, the Dutch star of the soft-porn *Emanuelle* films) could itself provide the raw material for several further novels.

*The Sorrow of Belgium*, recently turned into a multi-part television series, is a complex book, but it tells the reader more about the psyche of the Flemish people (the majority group in Belgium) than any other work. It is a best-seller in the Netherlands and Belgium, much admired in France, and has gained a wider international reputation since the English translation was published by Viking Press in 1990. It is probably a matter of time before it wins the approbation of the Swedish Academy.

—Dick Leonard

## COPENHAGEN

## JØRN RIEL

**S**elling more than 1 million copies is a feat for any author. Selling more than 1 million copies in Danish, a language spoken by little more than 5 million people, is a miracle, as any publisher will readily testify. The perpetrator of this miracle is Jørn Riel, 63, awarded the golden laurels as Author of the Year by the Danish Association of Booksellers in January.

Jørn Riel was in Kuala Lumpur, Malaysia, when the award was announced. His absence was no coincidence. He has never had any need to draw upon the support of fellow authors, and he has never sought public recognition of his work. He can and does write anytime and anywhere, but until recently he was considered to be a shy and reticent person. Now he lectures frequently.

For the past 45 years he has seldom spent more than two weeks a year in his native country. For 13 years he lived in Greenland, which has provided the subject matter for a fair por-

tion of his 40 books. He lived alone an entire Arctic winter—seven months—manning a meteorological station in northeast Greenland and making good use of his training as a wireless operator.

One of his books describes the first discovery of North America by the Viking chieftain Leif the Happy, setting sail from Greenland, who named what he found *Vinland* (Wineland). Riel is fascinated by the meeting of the Viking and Native American cultures, because it is so different from the later much more violent meeting of European and Indian cultures when Columbus took the credit for discovering the Americas 500 years later.

Riel is a storyteller, some reviewers call him a modern version of the old Nordic sagas from Iceland. Riel prefers to call himself a teller of yarns, a yarn being a sailor's story, that Riel defines as a truth that could be a lie, or a lie that could be a truth. Ten of his books belong to this category. His other books demonstrate the wide scope of his talent, for they include novels, crime stories, and

humor. A number of them have been translated and well received, especially in France, which is no easy market for a foreigner.

Since the age of 15 he has been a globe-trotter, starting in war-torn Europe, then Greenland, Pakistan, Thailand, where he worked for the United Nations. Everywhere he made copious notes for his books, one of the newest ones using Stone Age people of New Guinea as his subject matter. Riel lived with a tribe for three weeks to do research on the spot. Riel believes that there are many common philosophical and lifestyle traits between the Eskimos and the ancient peoples of Southeast Asia. Anthropologists

would probably call this a real sailor's yarn. But Riel tells it well.

—Leif Beck Fallesen

**Riel is a storyteller, some reviewers call him a modern version of the old Nordic sagas from Iceland. Riel prefers to call himself a teller of yarns, a yarn being a sailor's story, which Riel defines as a truth that could be a lie, or a lie that could be a truth.**

MARTIN AMIS

**M**artin Amis, regarded by many in the UK as the leading novelist of his generation, has pulled off the financial literary coup of recent times. He has persuaded publishers Harper Collins to pay him \$750,000 for his most recent novel, even though few believe it can earn more than half that amount.

The new novel, *The Information*, is all about literary jealousy—about a man driven mad by the fact that a friend of his earns huge amounts of cash from his novels. Amis himself is accused of being jealous about the large sums earned by his peers Julian Barnes and Ian McEwan.

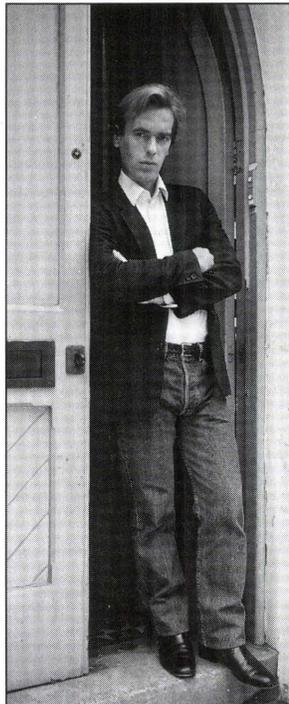
Publishers and some British authors were aghast at his audacity. Some complained that he was taking money out of the market that might otherwise have been paid to struggling writers. The author A.S. Byatt dismissed his huge asking price as “a kind of male turkey cocking.”

Amis, 44, son of Sir Kingsley Amis, renowned author of *Lucky Jim*, has become the British writer most praised by reviewers, most imitated by beginners and most adulated by the literate young in the last 20 years.

Nicholas Lezard, the literary editor of *The Modern Review*, says that even among his greatest critics, the consensus is that as far as contemporary British fiction writers go there is no one to touch Martin Amis.

His critics say that since the success of his first novel, *The Rachel Papers*, he has become increasingly interested in the trappings of his own fame. His insistence on a huge advance is seen as a part of that syndrome.

On the basis of sales of his previous books, *The Information* is unlikely to earn back its advance. Though accredited as a genius at home, his books do



Martin Amis

not sell well abroad nor translate successfully to film. But as Harper Collins's bid proves, publishers looking for literary respectability are prepared to pay for an exceptional writer to add to their list.

In order to push through the record deal, Amis dumped his long-time British agent and brought in the American agent Andrew Wylie, referred to as “The Jackal” because of his ruthless negotiating tactics.

When Wylie achieved an \$850,000 advance for Salman Rushdie some years ago, he argued that if publishers could be persuaded to pay big sums for good novels they would promote and sell them with the energy they otherwise devoted to bad ones.

The question boils down to whether Amis really is worth all this money and the publicity. By most calculations, his novels simply do not sell enough copies.

But his view is: “People’s interest is so volatile, so short-term, and so much is competing for their attention, you have to get fame just in order to get readers. I don’t want to sell books,” he said, “but I do want a readership.”

The policy appears to be to get all the money up front, don’t wait to get extra royalties of sales exceeding the advance, squeeze as

much money as possible out of the publisher before you deliver the product. It sounds just like one of the characters in a Martin Amis novel.

—David Lennon

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## NEWSMAKERS

He is already known as the father of the controversial abortion pill, RU486, but French scientist **Dr. Etienne-Emile Baulieu** is likely to become far more famous, and more universally popular, for his latest discovery. He has found a drug that may slow down the effects of aging and help to prevent some "old-age" diseases like rheumatism, memory loss, osteoporosis, and certain cancers.

The drug, DeHydroEpiAndrosterone, or DHEA sulfate, is a hormonal steroid produced by the adrenal glands. It makes its first appearance in our blood at around the age of seven and gradually builds up to a peak at about 25, after which it decreases slowly, until at 70 only 10 percent of its highest levels remain.

Dr. Baulieu, who works in Paris for the French Institute of Health and Medical Research (INSERM), has produced DHEA in pill form and is busy conducting rigorous studies to test its effects. When 13 men and 17 women between the ages of 40 and 70 were given small daily doses of DHEA for 12 weeks, they all felt noticeably better, were more mobile and had less painful joints. They also produced more of the growth hormone known as IGF1, which tones body tissues, bones, and muscles.

Longer-term results are now needed before DHEA can definitely be hailed as the anti-aging pill of everyone's dreams. But if it fulfills its early promise, it could come on the market within the next 5 years. It is cheap and easy to produce, easy to take, easy to absorb and eliminate. In fact, the only negative finding Dr. Baulieu has come up with so far, is that DHEA does not seem to have any effect whatsoever on anyone's sex drive.

•••

Known for over 30 years as the *enfant terrible* of modern music, French composer and conductor **Pierre Boulez** outraged the music world as much with his views as his avant-garde compositions. He once called opera "a dead thing" and suggested that all opera houses should be blown to bits. Now he has reached an age where his idiosyncrasies are accepted and even celebrated. He turned 70 on March 26.

The milestone birthday is being

marked with numerous concerts and events throughout the year, of which the most important one is a worldwide tour reuniting Boulez with the London Symphony Orchestra, of which he was principal conductor from 1969 to 1971. Having begun in January in London, then moved on to Paris in February and March, the tour is now proceeding to New York, Vienna, Linz, and Tokyo.

•••

Not content with having a handful of his musicals onstage in London at any given time, **Andrew Lloyd Webber** has earmarked 1995 as the year he will conquer the continent of Europe. Two theaters, one outside Frankfurt, Germany, the other in Basel, Switzerland, are being



Later this year, **Cameron Mackintosh** will open his popular *Les Misérables* in its own theater in Duisberg, Germany.

built for the sole purpose of showcasing his musicals.

The one in Germany, already dubbed "Lloyd Webber's Bayreuth," will seat 1,500 and is due to open on September 1 with the German premiere of *Sunset Boulevard*. The 1,600 seat theater in Basel will raise its curtain on June 1, with the full-scale London version of *The Phantom of the Opera*. Both productions are hoping to run for at least four to five years, with all the profits going straight into the coffers of Lloyd Webber's Really Useful Theatre Company, making him even more phenomenally rich than he is already.

•••

When two big egos are brought together, there is often a chance of collision rather than collaboration. Yet when **Jonathan Miller**, one of Britain's best-known opera directors, commissioned **Giorgio Armani**, one of Italy's foremost fashion designers, to dress the cast of

his production of Mozart's *Così fan Tutte* at London's Royal Opera House, the encounter went without any temper tantrums.

Armani's understated, untheatrical style is not an obvious choice for the overblown world of opera. But after having mounted four productions of *Così* in lavish period costumes, Miller wanted his fifth version to be in modern dress, with everything as normal as possible. "When you have this absolute normality," he said, "the singers are liberated, and they really go for it."

Armani dressed the cast in outfits based on his spring-summer collection: soft pant suits for the two female leads, impeccably cut suits for the men. Only in the final scene did he allow himself a little opulence, dressing the two women in lustrous, beaded wedding dresses with flowing floor-length veils.

•••

On the slopes he is known as "la Bomba." Off them he has the reputation of a fast-living playboy. The Italian ski racing phenomenon **Alberto Tomba**, 28, who swept to double gold victory at the 1988 Olympics in Calgary, is news wherever he goes. This winter he has skied more brilliantly than ever, with a run of 10 straight wins in the two technical specialties in which he competes—the slalom and giant slalom. Last month he was crowned overall World Cup champion.

Tomba's extraordinary gifts as an athlete have been fine-tuned for the past five years by a dedicated group of six. "Team Tomba" consists of two coaches, a masseur, a manager, a ski technician, and a physical trainer, who all work him mercilessly at his training base in the Dolomites. According to **Jure Kosir**, the young Slovenian skier tipped to be Tomba's successor, the Italian is currently "so strong, so flexible and powerful in the legs, he seems to be able to ski in a lower position than any of us."

His private life is as flamboyant as his skiing. He is the son of a millionaire, collects racing cars and fine wines, and is dating a former Miss Italy whom he met in 1991 when he was one of the judges who selected her. But he claims that he no longer parties as much as he used to. "Once it was three girls until 5 a.m.," he laughs. "Now it is five girls until 3 a.m."

—Ester Laushway



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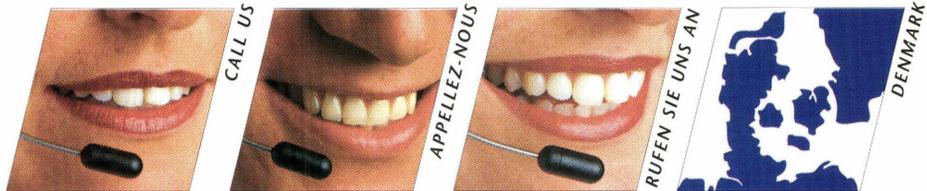
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# ARTS & LEISURE

## FILM

### EURO AIM'S LAST STAND?

On the surface anyhow, it was business as usual for Euro Aim, the marketing arm of the EU's Media Program, at this year's European Film Market. Held last February in conjunction with the Berlin International Film Festival, the market hosted 1,200 buyers and sellers from Europe, the US, China, Brazil, and Hong Kong.

But one day before the start of the market, the European Commission approved a proposal for a restructured audiovisual support program dubbed Media 2, which, if adopted, could seriously jeopardize many of Euro Aim's efforts to help finance and promote the productions of its 7,000 members. Among those efforts are the EuroAim booths at a number of film and television markets in Berlin, Cannes, Marseilles, and Milan.

"The stands provide a joint presence for makers as well as offering them preferential rates to attend the events," says Pasqual Cosse, communications coordinator for Euro Aim.

They also provide access to specialized data banks with detailed information on new media projects, buyers, and financiers. Other Euro Aim efforts include screenings which showcase finished works for potential buyers and also pairing independent producers with investors and distributors early on in the production stage.

Marketing European productions, while vital to their success, is not high on the list of EU priorities for the coming decade, especially since the audience for such films is shrinking, not only in the US but overseas as well. Since the early 1980s, European annual attendance for European-made films has declined from 600 million filmgoers to just 100 million. To build a more commercially oriented



Although BBC projects like *Priest* have adequate financial backing, the EU has helped European independent filmmakers.

industry that will compete directly with Hollywood in world markets, the European Union has requested a budget of \$492 million for Media 2, or double the funding received by Media 1, which was launched in 1988 and expires at the end of 1995. In the proposal, the Media Program's 19 divisions are pared down to three: training, media development, and, by far the greatest recipient of funds, distribution (\$326 million).

The EU has decided to focus its efforts primarily on distribution, which now is splintered among hundreds of European companies, few of which are transnational. "We had to insure that our projects would get out there, not just in Europe, but in other countries as well," Jean-Michel Baer, director of culture and audiovisual at the European Commission, has said. But Euro Aim's Cosse considers the vision "short-sighted" because it takes the emphasis off producing quality products.

Euro Aim, which will fall under Media 2's distribution budget, has a proposed budget of \$12 million, a mere 2.5 percent of the total budget and less than half of its current, five-year allocation.

In Berlin, Nicolas Steil, general director of Euro Aim, expressed his frank con-

cern about the proposed program. "We were ranked second best Media action line during the Media Program audit. Now suddenly we discover [our budget] is non-existent," he told *Moving Pictures*, a trade publication. Steil added that the new proposal is prohibitive to smaller and mid-sized companies with no internal marketing structure because it calls for participants in the distribution initiative to put up 50 percent of the minimum guarantees. "Only big distribution companies such as PolyGram, Chrysalis, or Canal+ can afford to do such a thing."

Wolfgang Richter, director of DocFilm, a small, German production company, screened his documentary *Radio Star: the AFN Story* at the Berlin market. A long-time Euro Aim member, Richter said he has found its services helpful. "We have different languages here, which make it difficult to establish contacts with financiers in other countries." As for Media 2, Richter said it's "not useful. The thinking now is to increase film budgets in Europe to compete with the American majors. But," he added, "the success of a film has little to do with budget and much to do with audience acceptance."

According to Pasqual Cosse, since 1989, 300 new film and television productions have been screened each year for 100 international buyers at Euro Aim's annual event in San Sebastian. Two-thirds of the works screened are for television, and says Cosse, approximately 250 deals result from the annual event. "Several buyers are opening slots for European independent product," Cosse said citing the Knowledge Network in Canada as one example.

Despite its tenuous future, Euro Aim plowed ahead in Berlin, announcing a service that will disseminate information about new projects to potential funders. The Financiers Club, as it is called, is an

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extension of the Rendez-Vous Finance and Coproduction Market, which Euro Aim has organized annually since 1992. The idea behind the Financier's Club is similar to that of the market—to find film and television projects in the \$2-million range with international potential and arrange meetings for their producers with bankers, guarantors, distributors, coproducers, and broadcasters—only the club will function on a year-round basis unlike the market which lasts just four days a year. To date, Euro Aim has signed on 36 funding and distribution professionals from the US, Canada, and Japan. Ranging from Belgium's RTBF to Japan's Nippon Development Finance, the UK's BBC, and the US's October Films, the companies will receive advance notice on 10 or so new projects prior to major markets.

Response to Euro Aim's announcement was positive, although Cosse said initiatives such as Rendez-Vous and the Financier's Club may be jeopardized if the budget cuts imposed by Media 2 come to pass. While the proposal makes its way past the Council of Ministers to the European Parliament, a special Social and Economics Committee, and an ad-hoc working committee this year and next, dollars are likely to be juggled between programs. But Cosse is not optimistic that Euro Aim, with no lobbying structure in place, has the muscle to win back its lost funds.

### THREE FILMMAKERS WORTH WATCHING

**B**ritish director **Antonia Bird** was the Pied Piper of the Berlin International Film Festival last February. Immediately following the European premiere of her first feature film, *Priest*, Bird received a thunderous standing ovation from the crowd of international critics and locals who packed the cavernous theater.

Prior screenings at both the Toronto and Sundance International Film Festivals had helped to generate a buzz in Berlin and had added Bird to the roster of filmmakers, including Quentin Tarantino and Jane Campion, fortunate enough to pen distribution deals with US



**Antonia Bird, director of *Priest*, was hailed as a rising star at the Berlin Film Festival.**

heavy-hitter Miramax.

But the Berlin audience's adulation for the film, about an idealistic young clergyman forced to confront his homosexuality, didn't end with the ovation. So enthralled was the crowd with Bird's tender handling of a powerful script, which also takes on the taboo subject of incest with great compassion, that they continued to applaud while following the director, who had looked on from a balcony seat, out of the theater.

Bird began her career directing plays at the Royal Court Theater in London but adapted her skills to television when in 1993 she directed *Safe*, a 65-minute documentary about homeless teens surviving on the streets of London. "I found that my forte was directing for the camera," she says. *Safe's* executive producer, George Faber, then asked Bird to direct the BBC-funded *Priest*, and filming, which took place in Liverpool, began almost immediately. By 1994, Bird had completed her third project, *Mad Love*, which she calls "a 1990s love story," for US-based Touchstone Pictures. One contrast the director notes between working in Hollywood and in Europe is that "In Europe you get what you want by being responsible and polite," while the reverse applies in the States.

One of the spicier offerings at this year's Berlinale, *Salto al vacío*, belonged to Spanish filmmaker **Daniel Calparsaro**. The story of a young woman searching for love in an imaginary Western city ravaged by industrial decay, *Salto al vacío* began as a super low-budget production (\$38,000). But as shooting pro-

gressed Calparsaro secured bank financing, pre-sales with Canal+ Espana and RTVE, and 20 percent equity from Fernando Colomo PC.

Not bad for a Basque-born, Madrid-raised Generation Xer whose only completed project prior to finishing film school (which he attended in New York) was *WC*, a comedic short film about a man in need of a toilet.

Still under 30, Calparsaro has his sights set high, and why not? In 1994, the two top-grossing Spanish films, *Todos los hombres sois iguales* (\$2.8 million) and

*Los Peores años de nuestra vida* (\$2.3 million) were either directed or written by individuals well under 40.

The hour-long *Paradise Framed*, directed by **Paul Ruvens** of the Netherlands, was another of the most talked-about films at this year's festival. The talk, however, was not all positive. Ruvens' futuristic vision about a multimedia artist who creates a hermetic utopia was screened with two other AIDS-themed films produced by the Amsterdam-based Red Hot Organization.

At a question-and-answer session following the screenings, an audience member who said he was HIV-positive lambasted Ruvens for not directly addressing the disease in the film.

Ruvens, who cowrote *Alaska*, winner of the 1989 Oscar for Best Foreign Student Film, responded by saying that AIDS awareness has been taught in the Netherlands for years, so instead he had chosen to deal with issues such as loss and grief. He also took on the media and pop culture by infusing the film with unsettling images, which range from jarring (the hands of a woman being raped repeatedly in a Bosnian prison) to bizarre (an obese man belting out a Jennifer Holliday tune).

Whether or not those who see the film are satisfied with its handling of delicate subject matter, chances are they will not forget Ruven's grotesque images anytime soon.

*Michele Shapiro, based in New York, is the managing editor for The Independent Film & Video Monthly.*



## FINANCING EUROPEAN INTEGRATION

### *Europe – a continent on the move*

Europe continues to move towards economic, social and political integration. The European Union has recently welcomed new members, and is co-operating closely with the new democracies in Central and Eastern Europe.

The European Investment Bank, the European Union's long-term lending institution, raises its resources on capital markets to finance investment projects that promote European integration.

Establishing an integrated European market requires capital investment for balanced development between regions and countries, efficient trans-European networks in transport and telecommunications, protection of the environment, secure energy supplies and industrial competitiveness.

The EIB helps implement the European Union's external co-operation policy by financing projects within the framework of agreements and conventions that non-member countries have with the European Union.

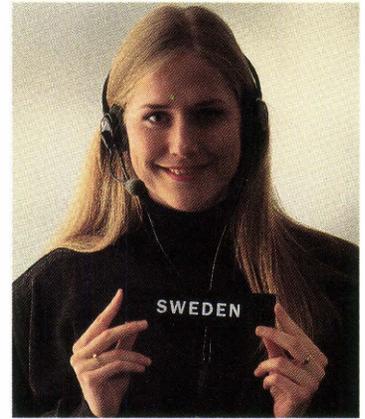
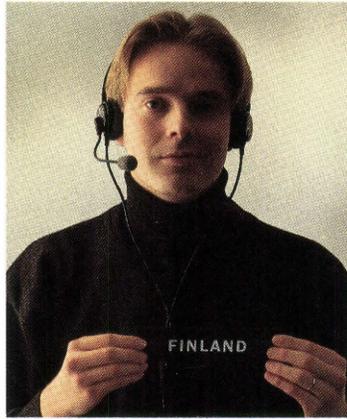
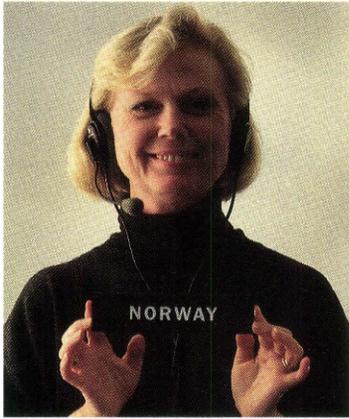
Over the past five years, the EIB made loans totalling ECU 82 billion (1), making it the largest of the international financing institutions.

(1) On 20 February 1995, 1 ECU = US\$ 1.29

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