



AZNAR EYES EMU MEMBERSHIP • EUROPEAN SPORTS

# EUROPE

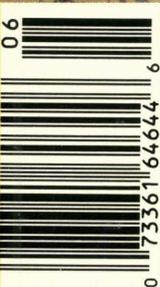
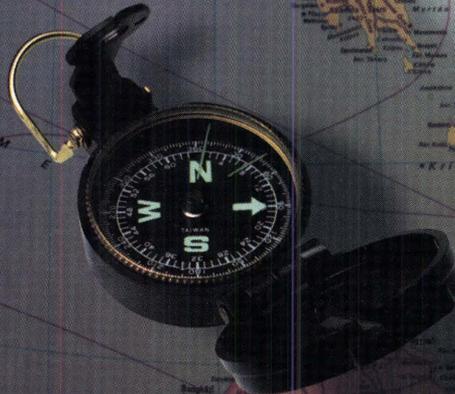
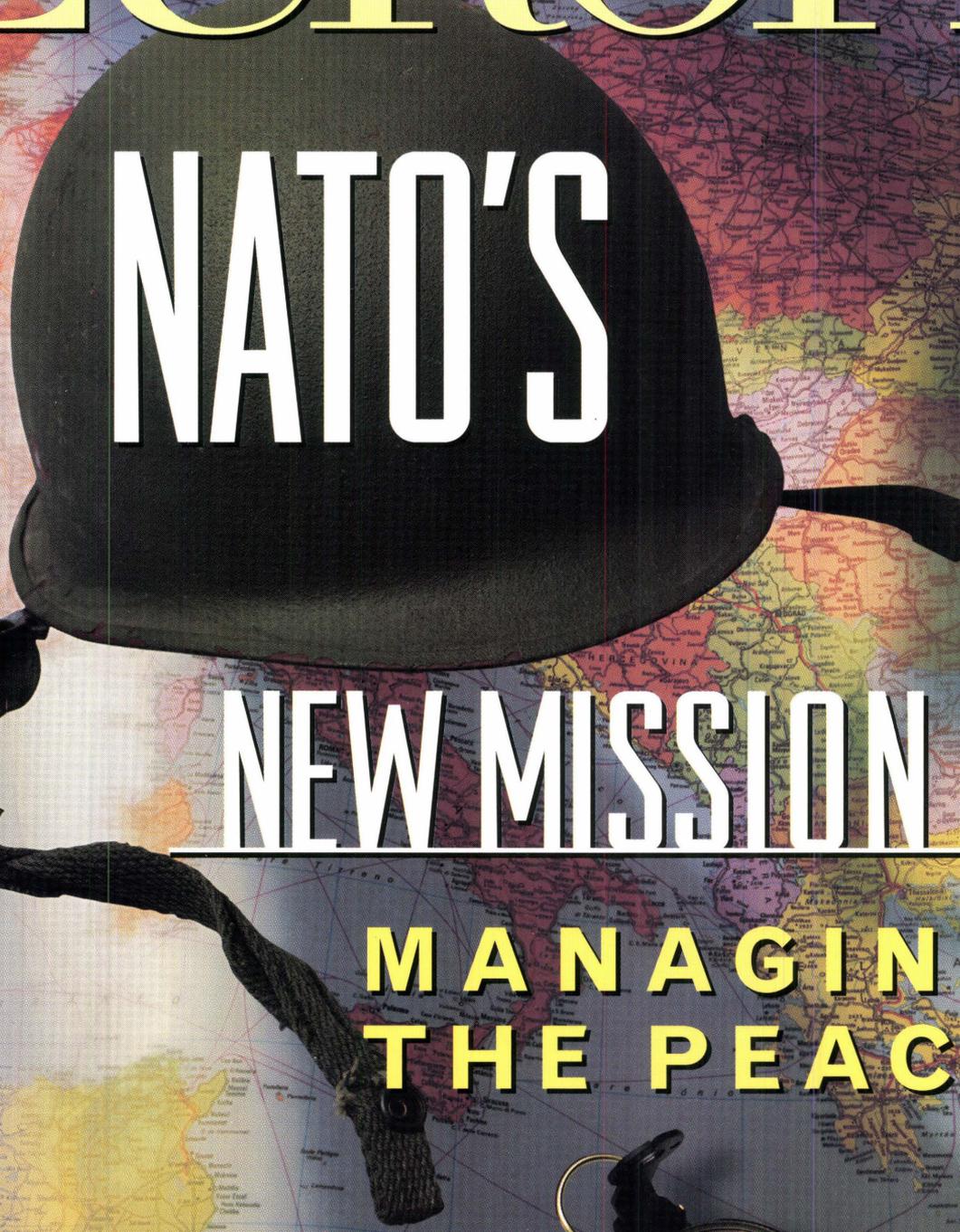
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June 1997

# NATO'S

# NEW MISSION

# MANAGING THE PEACE



# THE BASQUE COUNTRY

## AN EYE-CATCHING LOCATION FOR INTERNATIONAL BUSINESS

**M**ultinationals should not miss the fact that the Basque Country is one of Europe's most attractive investment locations. North American manufacturers have been quick to spot the skill base, industrial know-how and financial incentives that make the Basque Country, an autonomous region of northern Spain, a highlighted area on direct investors' maps.

There are some 25 North American direct investors established in the region. An official at the U.S. Embassy in Madrid said that the embassy is drawing up a survey on investment potential of all of Spain's autonomous regions, including the Basque Country, to help U.S. investors, which should be published this autumn.

Food and drinks multinational Pepsico is the biggest foreign investor in the Basque Country, with annual sales of \$551 million. Moreover, the confidence that large U.S. corporations show in their Basque suppliers is proof of the high technology and reliable quality that the region's industry offers.

One of the main U.S. clients for local Basque enterprises is McDonnell Douglas, the North American aerospace company, which awarded a contract to Basque company ITP (Industria de Turbo Propulsores) in 1996 to make jet engines for the new regional aircraft, the MD95. ITP, a company 45 per cent-owned by the UK's prestigious engine maker Rolls Royce, also manufactures engines for Boeing. Moreover, the company will be supplying engine parts for the European Fighter Aircraft. Gamesa, another major Basque aerospace manufacturer, makes helicopter and aircraft parts for Sikorsky and Swearingen.

Car makers have also taken advantage of local metalworking, engineering and electronic skills. German multinational Mercedes Benz is currently investing \$590 million to expand its vehicle manufacturing plant in Vitoria.

One of Europe's most dynamic industrial areas, the Basque Country provides a strategic manufacturing base straddling the

BY JOHN PARRY

border of northern and southern Europe.

Infrastructure developments are underway to better connect the Basque Country with neighboring France and the rest of Europe and to make its main airports—Foronda at Vitoria for freight and Sondika at Bilbao for passengers—hubs of trade and business traffic.



**ITP produces jet engines in the Basque region.**

At Bilbao, the historical industrial heartland of the region and Europe's tenth largest port, a development project is underway to build a new Petronor plant for transforming residue from the petrochemicals industry into gas for electrical energy generation. This project forms part of a bigger scheme which will create more than 1,500 jobs and establish eight new industrial estates.

The autonomous region's 2.1 million inhabitants comprise just 5.5 per cent of Spain's population, but significantly, they generate 10 per cent of the country's exports.

Last year, the United States was the fifth ranked export destination for Basque goods, totaling \$538 million and the seventh largest importer, selling \$255 million to the Basque region.

Key Basque industries, led by machine tools, capital goods, automobile parts, telecoms and software, have a strong reputation abroad. To help give these already thriving sectors a boost and stimulate the region's existing three technology parks, the Basque Government passed a new Technology Plan in April to consolidate the region's existing network of university laboratories and research centers, with \$862 million being invested in R&D up to the year 2000.

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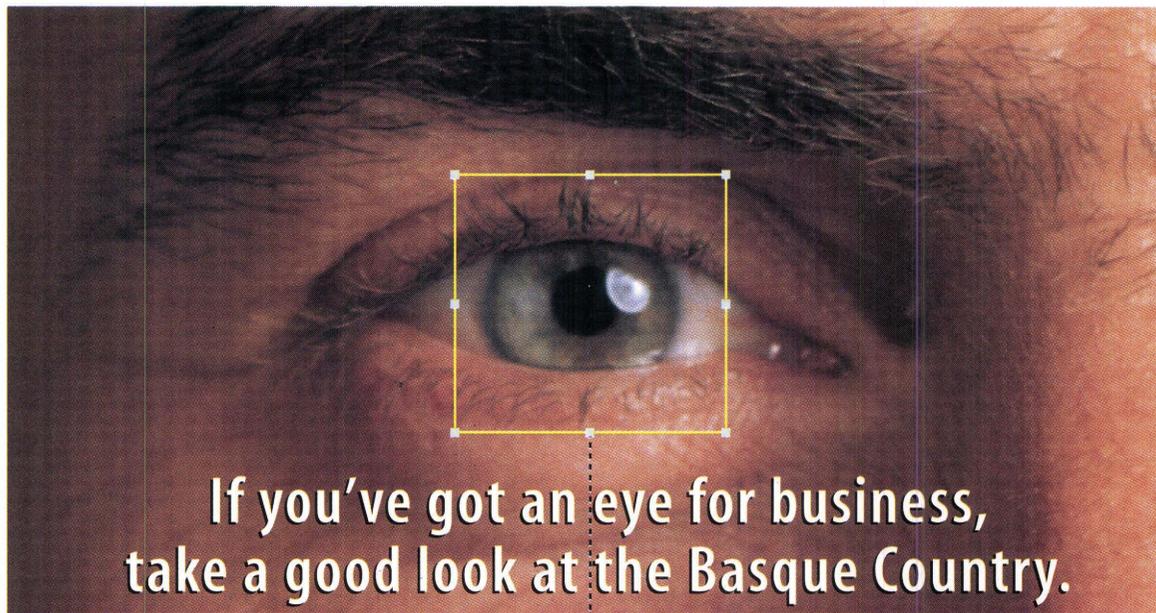
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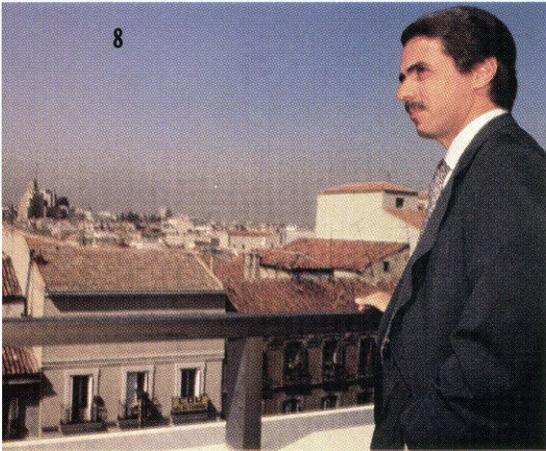
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# EUROPE

MAGAZINE OF THE EUROPEAN UNION



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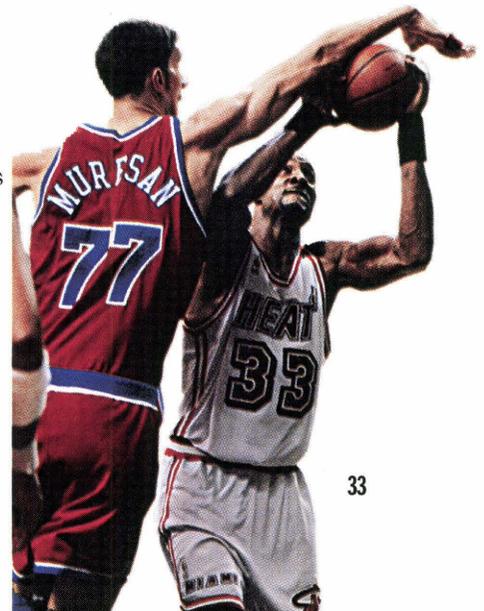
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# Letter from the Editor

**T**oday we are building peace," remarked French President Jacques Chirac as he welcomed President Bill Clinton, NATO Secretary General Javier Solana, President Boris Yeltsin, and leaders from all the NATO nations to the Elysée Palace in Paris on May 27 for the historic signing of the NATO-Russia Founding Act.

NATO's new mission of managing the peace in Europe continues in July at the Madrid summit where new members will be invited to join the successful defense alliance. As NATO Secretary General Javier Solana, tells *EUROPE* in an exclusive interview, "It will be a summit in which, for the first time, we will invite countries from Central and Eastern Europe to start accession negotiations."

The NATO general secretary talks about the alliance's future, Bosnia, Russia, and linkages between NATO and EU enlargement. Solana also discusses the "end of the Europe of Yalta" and the meaning of security today.

Hans van den Broek, European commissioner for external relations with the countries of Central and Eastern Europe, points out the EU view on NATO enlargement and then goes on to discuss

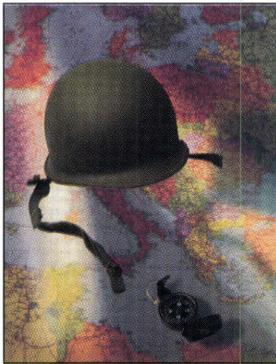
EU enlargement and future military capabilities of the European Union.

Robert Hunter, the US ambassador to NATO, talks about the "four grand purposes of NATO" and says that the alliance and the EU "are absolutely complementary, bound to one another."

In addition to our special look at NATO enlargement, *EUROPE* focuses on three key countries that are of great interest and concern to the European Union at the present time: Turkey, Cyprus, and Albania. Lionel Barber, writing from Brussels, details why "Turkey is a vital interest for the EU." Saskia Reilly, writing about Cyprus, sees some hopeful signs on the horizon that could lead to a true peace on the divided island. Barry D. Wood, who recently visited Albania, gives us a firsthand look at why it was necessary to send a contingent of European troops to this troubled nation to preserve the fragile peace.

"Almost everything appears to be going well for conservative Spanish Prime Minister Jose Maria Aznar," writes Benjamin Jones, our Madrid correspondent, who looks at the booming Spanish economy and sees definite signs that Spain could meet the requirements for EMU.

*EUROPE* presents a special Capitals department, surveying a variety of sports—from soccer to hurling—that occupy European athletes and sports fans across the EU. We also look at how Europe's brand of basketball is changing the game in the US.



**NATO's New Mission: Managing the Peace.**

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

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

# EUROPE

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

# EYE ON THE EU



Profiling  
Personalities and  
Developments  
Within the  
European Union

**E**rkki Liikanen, the European commissioner for Budget and Administration, has always been something of a whiz kid. Elected to the Finnish parliament at the age of 21, three years before he completed his political science degree at the University of Helsinki. He was his country's finance minister at 36. He quit Finnish politics three years later to become head of the Finnish mission to the EU, where he played a key role in negotiating Finland's entry in January 1995.

He was then the Finnish president's personal choice to become the first Finnish member of the Commission. Now 46, he has already made his mark as one of the most competent and incisive members of Jacques Santer's team.

In a period in which virtually all the member states are trimming their expenditures in order to meet the tight budget deficit criteria for economic and monetary union (EMU), it was clear to Liikanen from the outset that this was no time for the EU itself to embark on a spending spree. The budgets which he has presented over the past three years have accordingly been well below the theoretical limits laid down by the EU heads of government at the Edinburgh summit in 1992, when they approved a long-term financial perspective for the period up to 1999.

Liikanen established the general principle that necessary increases in EU expenditures, particularly in its struc-



**The EU's budget commissioner, Erkki Liikanen**

tural funds (Social Fund, Regional Fund, Agricultural Guidance Fund), should largely be paid for by cutting out waste and less urgent expenditures on lower priorities rather than by expanding the overall level of the budget.

Not only has he made relatively modest demands, but over each of the past two years the budget has been substantially underspent, which means that large amounts have been returned to the member states. The Commission underspent its 1995 budget by \$10.1 billion, part of which the Commission originally hoped to apply to infrastructural investment in transport and telecommunications, but the member states insisted on having it all back. Last year, the Commission returned \$5 billion to the national treasuries.

Liikanen has just presented his preliminary draft budget for 1998, which has to be approved by both the Council of Ministers and the

European Parliament. The total amount is for \$95.5 billion, an increase of 2.9 percent in excess of the 1997 figure, though as inflation in the EU is running at a slightly higher level this means a reduction in real terms. By comparison, the member states are estimated to be increasing their own budgets by 3.2 percent.

There are five main areas of EU expenditures—agriculture (up 0.4 percent), structural operations (up 6.3 percent), internal policies (up 0.5 percent), external policies (up 0.4 percent), and administration (down 0.9 percent). In practice, the largest savings will be in agriculture, whose proportion of total EU expenditure has declined over 25 years from 80 percent to 45 percent, which is partly due to the reduced level of agricultural protection negotiated under the Uruguay Round.

Liikanen has a political, as well as a good housekeeping,

motive for keeping a substantial margin between his planned budgets and the overall level set by the Edinburgh decisions. He is looking ahead to the early years of the 21st century, when up to a dozen new member states from Central and Eastern Europe and the Mediterranean may become members. This is bound to put immense pressure on the budgetary resources of the Union, especially in the early years, and he believes that the accumulated margin will help to meet the new financial demands which will appear.

Partly in order to prepare for the same challenge, he has also initiated a thorough overhaul of the Commission's administration with a program entitled MAP 2000 (Modernization of Administration and Personnel). This will be implemented over a three-year period, starting in 1998, and is intended to produce more cost-effective and flexible working methods and a much greater degree of decentralization.

There is considerable scope for reform. The administration was originally designed for a community of six member states; there are now 15, and there could be 25 or more members within 10 years or less. It is always difficult to ensure maximum efficiency in multinational organizations, as the frequent criticisms of the United Nations bear out. Liikanen is determined to improve on the EU's record, which compares well with that of most other international bodies.

—Dick Leonard

# EU ONLINE

## TOP FLIGHT SOCCER SITES

For most professional sports fans, at least once a year the slate is cleaned. Their favorite teams can go from cellar-dweller to playoff or tournament material. But soccer fans wait four years to see the best battle it out to crown a world champion. With less than one year until World Cup 1998, to be held in France, the buildup has begun. Although soccer often gets the short shrift in traditional media in the United States, the Web is a useful tool for keeping an eye on the qualifying games, statistics, player information, and breaking news from the soccer world.

The Federation Internationale de Football Association ([www.fifa.com/](http://www.fifa.com/)) is the place to visit for the latest pre-World Cup game updates. But the site, available in English and Spanish, isn't all statistics and schedules. It also includes a feature story at the top of its home page. A recent visit found a *Financial Times* story on British soccer teams that are traded on the stock market. And for those interested in soccer minutia, FIFA, which is the sport's world governing body, explains the scoring of the World Cup, as well as which countries are involved, who referees the international matches, and how to get tickets.

SoccerNews Online ([A screenshot of the FIFA website from the late 1990s. The page features a navigation bar with links for 'MEDIA', 'PUBLICATIONS', 'CONFEDERATION NEWS', 'FIFA COMPETITION', 'STOREFRONT', 'FIFA MUSEUM', and 'MEMBER'. The main content area includes a 'LATE-BREAKING NEWS' section with a headline about 'THE LONE STAR' and 'GARRINCHAS' LIFE, and a 'WORLD CUP PRELIMINARY' section with a table of results. A soccer ball is positioned in the foreground, partially overlapping the bottom of the screenshot.](http://www.</a></p>
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[intermark.com/soccer/](http://intermark.com/soccer/)) takes a broader look at the game. In addition to World Cup '98 action, the site also looks to the 2002 competition, the Women's World Cup in 1999, as well as college and youth soccer sites. It's a good place to look for links to all the regional soccer organizations, several of which have unpronounceable acronyms. The United States teams play under the umbrella of the Confederation of North, Central American and Caribbean Association Football, or CONCACAF. European teams play for the Union of European Football Association. Clicking on the UEFA page will give standings for all the teams within a country. A recent visit, however, found them somewhat out of date.

SoccerNews has some substantial resources, but it could do with a bit less self-promotion. Viewers have to scroll down several screens to get past the list of honors on the site's home page. And if it hopes to continue winning kudos, the creators will

have to put more time into the site's design. Baseball and American football organizations are providing more polished Web sites for their fans. SoccerNews and FIFA

should use the World Cup as a motive to repackage themselves and attract the attention of the millions of soccer fans worldwide.

## SITE OF THE MONTH: CULTURE KIOSQUE

If less is more, Culture Kiosque might have the right idea. The New York-based e-zine ([www.culturekiosque.com](http://www.culturekiosque.com)) on the cultural scene in the United States and Europe serves up small but interesting tidbits on opera, classical, and jazz music as well as fashion, technology, and cuisine.

Its opera section recently featured an article on Franz Schubert, who was born 200 years ago, and interviews with two rising opera stars, American Rennee Fleming and Italian Cecilia Bartoli. Joel Kasow, longtime critic for *Opera News*, is the section's main contributor. He has put together a list of 101 best opera recordings, reviews of recent CDs, opera news, and links to other opera-related sites.

"Klassiknet," the section devoted to classical music, has similar features and includes a concert schedule for many European cities. Both these sections suffered from dated news material but generally are entertaining.

The section on jazz seems to be confusing to navigate and more out of date than other pages. Christmas recordings generally are a bit stale by April, but they are featured prominently on the "Jazznet" page.

The "Cyberchef" section was one of several where some articles appeared only in French or English. An article on Indian food and the recipes that followed were strictly for French speakers, while a piece on Italian composer Gioacchino Rossini's passion for food was only in English.

"Nouveau," with a look at style and the club scene, recently had three articles available only in French. What was more perplexing is that some of the French-only articles were on American subjects. Perhaps the site's creators believe that all "cultured" Americans already know the hot New York night spots or independent films.

The concept and look of Culture Kiosque is interesting and some of the content is offbeat and enjoyable, but its creators need to provide more content in both French and English, better navigational tools, and more fresh material. It's worth a visit, but like nouvelle cuisine, don't be surprised if you leave hungry.

—Christina Barron

# VALENCIA LAND OF OPPORTUNITIES

## A STRATEGIC LOCATION

The region of Valencia, on the eastern coast of Spain, is ideally placed at the center of the Mediterranean Arch. It is both a rich and fertile land and a widely diversified industrial base, which lies within easy reach of the rest of Europe. By plane, it is only 30 minutes away from Madrid or Barcelona, and two and a half hours from Brussels.

Its excellent transport infrastructure also makes it a natural gateway to African and Latin American markets. Two international airports, an efficient rail system, an extensive highway and road network, and five commercial ports link the Land of Valencia with the rest of the world.

## A STRONG ECONOMIC BASE

Valencia's thriving agriculture represents 13 per cent of Spain's entire agricultural production and one third of its national exports—and all this is achieved on less than 5 per cent of the country's cultivated land. Besides the strength and prosperity of its agriculture, Valencia has a diversified industrial environment in such traditional sectors as ceramics, toys, fashion, chemicals, textiles, furniture, and, of course, agribusiness.

In addition to these traditional industries, international companies like Ford, Bosch, British Petroleum, Mitsubishi and Gec-Alsthom have been attracted by the dynamism of the region. Constant progress and modernization combined with an exceptional quality of life make Valencia an attractive proposition for foreign investors.

The tradition of commerce, which has been a distinctive characteristic of the region for centuries, continues to thrive, and the competitiveness of its products speaks for itself. More than 13,000 companies in the region export their goods globally.

## AN ADVANCED EDUCATION SYSTEM

A well-developed education system, with several international schools, including American, English, German, Scandinavian and French, as well as five universities, all guarantee a well-educated and technically skilled workforce.

## A SPECIAL GOVERNMENT PROMOTION PLAN

The regional government of Valencia has been promoting R&D investment for many years and as an added encouragement, it has set up a network of technological institutes, each one specialized in a particular industrial sector of the region. The great benefit to investors is that these institutes allow an immediate transfer of precise, up-to-date information to companies.

Companies that establish their main base in Valencia or wish to use the region's strategic location as a springboard to other markets can count on excellent technical and human resources, as well as a multitude of services and financial incentives offered by the government. The economic development agencies of the region specialize in addressing the needs of international investors.

## AN EXCEPTIONAL QUALITY OF LIFE

The Land of Valencia is a particularly privileged place in which to live and work. It has 250 miles of Mediterranean coastline with wonderful beaches. The pleasant climate, the many well maintained hotels and restaurants, the extensive sports and leisure facilities, which include 16 golf courses, and the cultural diversity make Valencia one of the most popular tourist destinations in the world.

For business, Valencia is one of the most attractive and dynamic regions of the European Union. It offers ideal conditions for industrial development and is an excellent gateway to other markets. For pleasure, it is equally inviting. Its beautiful setting on the Mediterranean, its famous cuisine and the warm hospitality of its people all combine to make the Land of Valencia a true Land of Opportunities.

For more information, please contact the Instituto de la Exportación, IVEX, in New York at tel. (212) 922-9000 or fax (212) 922-9012.

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SPAIN

# AZNAR EYES EMU MEMBERSHIP

BY BENJAMIN JONES

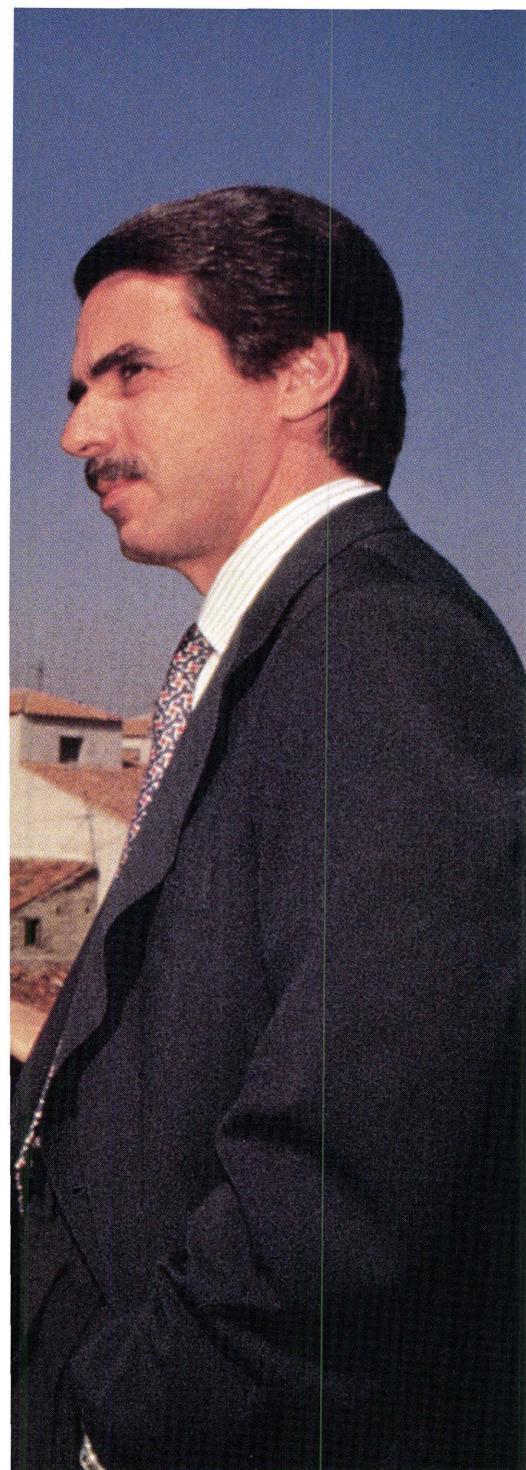


**A** little more than a year after taking office, following close to 14 years of Socialist rule, almost everything appears to be going well for conservative Spanish Prime Minister Jose Maria Aznar. The economy is booming, targets for EMU membership are being met, the Madrid stock market, the Bolsa, is approaching record highs, and although the relationship is at times rocky, his Partido Popular (PP) is still governing with the help of Catalan and Basque regionalist parties.

There have been some low points, but on balance, Aznar's record for his party's first year in power has been "reasonably positive," says Foreign Minister Able Matutes, and even more so on the international stage where Spain "continues to consolidate its important role."

"Relations with our neighbors are better than ever; Spaniards are in charge of several international institutions; and the markets are putting their money on Spain qualifying for European economic and monetary union," Matutes says.

Spain sees its entrance into the single currency group of countries in the



**Spanish Prime Minister Jose Maria Aznar is pushing to keep Spain on track to qualify for monetary union.**

first round in January 1999 as of vital importance. Joining the EU in 1986 put an end to Spain's long isolation from the rest of the continent, and tens of billions of dollars in EU funds have transformed the country.

In a visit earlier this year to the Netherlands, which currently holds the revolving European Union presidency, Aznar stressed that his government was doing all it could to ensure Spain would fulfill the Maastricht conditions on monetary union.

"The entire government policy is aimed at that objective," the prime minister told reporters and his host, Dutch Prime Minister Wim Kok.

A few weeks earlier, Aznar told another Euro-heavyweight, German Chancellor Helmut Kohl, that Spain would not be lumped together with countries like Italy or Portugal in a second-class, late entry into the single currency club.

He argued that the European partners with the stronger economies, such as Germany and France, should weigh the merits of each individual case and not automatically assume that all the EU's southern tier of members would be laggard in meeting the Maastricht requirements.

"I do not recognize such a thing as a 'Club Med'," Aznar said, referring to the collective nickname sometimes applied to the less prosperous southern countries.

To the surprise of many, it looks as if Spain could very well make the cut and be among those first EU members to enter monetary union. It has not been an easy task, and Aznar has had to make some deeply unpopular decisions.

Last December, trade unions called a strike among Spain's two million civil servants to protest a freeze on public sector salaries and cuts in public investment that the government argued were necessary to help meet its single currency goals. But only 15 percent of the workers honored the call, and the government pledged not to back down on the controversial measures.

Such austerity moves have given the government confidence that it will have a budget deficit this year of 3 percent of GDP, which is one of the key Maastricht requirements.

And in March, Aznar and his economic advisers received more welcome news when data was published showing that year-on-year inflation in Spain had fallen to 2.5 percent, the lowest in 28 years, prompting Finance Minister Rodrigo Rato to boast that the country would qualify to be among the first single currency nations. "We are meeting the required targets," he said.

There have been other good economic tidings of late. Registered unemployment, the highest in the EU at just under 22 percent, fell in March to its lowest level since the early 1980s. This

came on the heels of an agreement between employers and Spain's main labor unions, after many months of talks, to reform the country's labor laws and liberalize one of the European Union's most rigid employment markets.

For years employers have griped that the high cost of firing workers had largely prevented them from hiring new employees on permanent contracts. But under the new accord, the cost of getting rid of unwanted workers will be cut, and the government hopes, employers will now take on new staff especially from among young people, older workers, and the handicapped.

Meanwhile, exports rose dramatically in 1996, helped in part by a strong US dollar, to narrow the trade gap. Tourism is up, and foreign investment increased 21 percent last year. And a European Commission report predicted that industrial investment in Spain would grow by 9 percent in 1997, three times the average for the rest of the EU.

In an editorial titled "Economic Spring," the prestigious Madrid daily *El Pais* noted that "Spanish society is living through a time of bonanza and economic stability which is becoming the main activity of the government."

Economics aside, the Aznar government had not had an easy time of it in other regards, especially in the decades long terrorist war by the armed Basque separatist organization ETA.

In a series of gun and bomb attacks in February and March, ETA killed five people, including a Supreme Court judge.

It was the bloodiest offensive by the Basque terrorists in years, following a lull in violence throughout most of 1996, and dashed hopes that the Aznar administration might be able to sit down for peace talks with ETA.

One month after the PP took office, the Basque terrorists announced a cease-fire in their 28-year-long war for an independent Basque homeland, perhaps fishing for a positive response from government on possible negotiations.

But Aznar's security chiefs said there could be no talks until the outlawed organization renounces violence. The conflict seems likely to continue for the foreseeable future. ☹

# Spanish Investors Buy Telefonica

By Benjamin Jones

In last year's successful campaign to unseat the Socialists, conservative candidate Jose Maria Aznar pledged to accelerate the sell-off of Spain's state-owned industries, and once in office, the prime minister has been true to his word.

This was underlined in February when the government unloaded its last remaining 21 percent stake in the telecommunication group Telefonica to raise \$4.6 billion or three times the amount ever raised in a similar sale by the government.

For weeks before the sale, the impending event was advertised on television, on billboards, and in magazines urging small investors to buy shares in a sector with an exciting and secure future.

The ads also trumpeted the fact that it was the absolutely last time that people could buy Telefonica shares from the government. Eager investors lined up at banks, department stores, and even supermarkets to snap up the shares.

In the advertising blitz, Telefonica offered small investors a 4 percent discount and a one-for-twenty loyalty bonus if they held onto their shares for a year.

Just a week before the sale was to take place, the state decided to increase the share exclusively reserved for the small investors from 50 to 60 percent to meet the heavy demand. This was increased another 7 percent immediately before the offering.

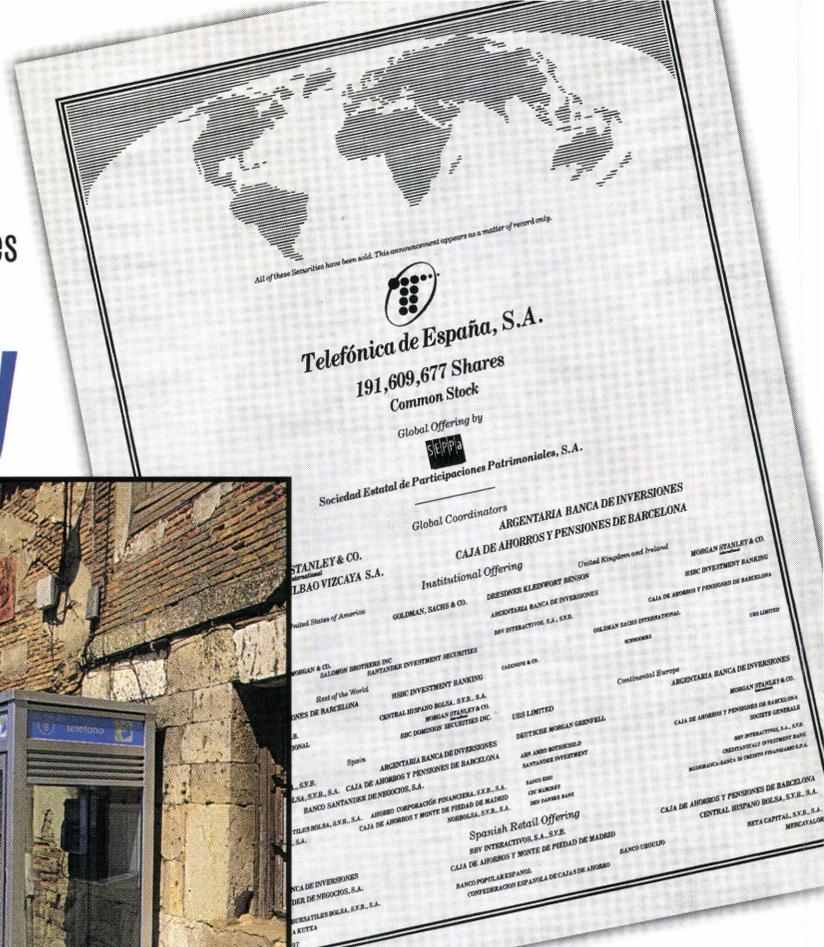
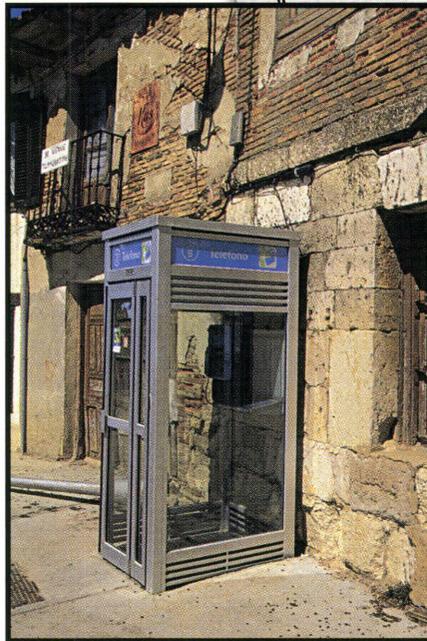
All the hype and hoopla surrounding Telefonica's sell-off worked. Small investors requested seven times the number of shares on offer, and Spanish institutional investors oversubscribed the offer more than six times.

When trading opened, the share price was fixed at 3,239 pesetas, or \$23.

Organizers of the sale, Morgan Stanley and Spanish institutions Banco Bilbao Vizcaya, La Caixa, and Argentaria, said that one in every eight families in Spain now owns Telefonica shares.

According to analysts, demand was also great because government-owned Telefonica shares had not been on the market in more than a year, and with the economy doing so well, Spaniards were eager to invest.

"The government considers the sell-off of Telefonica as



**Spain's government raised \$4.6 billion with the sale of its remaining 21 percent stake in the nation's telephone company.**

a model of popular capitalism," said Deputy Economy Minister Fernando Diez Moreno, "not only for the considerable number of new investors, but also the qualitative change it represents."

With the windfall billions, the government pledged to reduce debt issues in 1997, aiding the country's efforts to meet the Maastricht requirements for the single European currency.

After the sale, it was announced that British Telecommunications, or BT, was planning on purchasing a stake in Telefonica's international arm TISA, which has interests in a number of Latin American telecom companies in Argentina, Chile, Peru, Brazil, Venezuela, Puerto Rico, and Colombia.

Analysts pointed out that with an involvement with TISA, BT could easily make inroads in the rapidly growing South American market, along with its American partner MCI.

At the same time, Telefonica is aligning itself through a share swap with Portugal Telecom in which BT and MCI already have a small holding. The aim of the deal is to make it easier for both companies to move into the lucrative Brazilian market.

Rightly enough, the government is crowing about its success with Telefonica and hoping it can achieve similar results when it sells off stakes this year in the oil company Repsol, telecoms company Retevisión, and utilities firm Endesa.

First on the block will be the state's remaining 10 percent it holds on Repsol. ☎

*Benjamin Jones is EUROPE's Madrid correspondent.*

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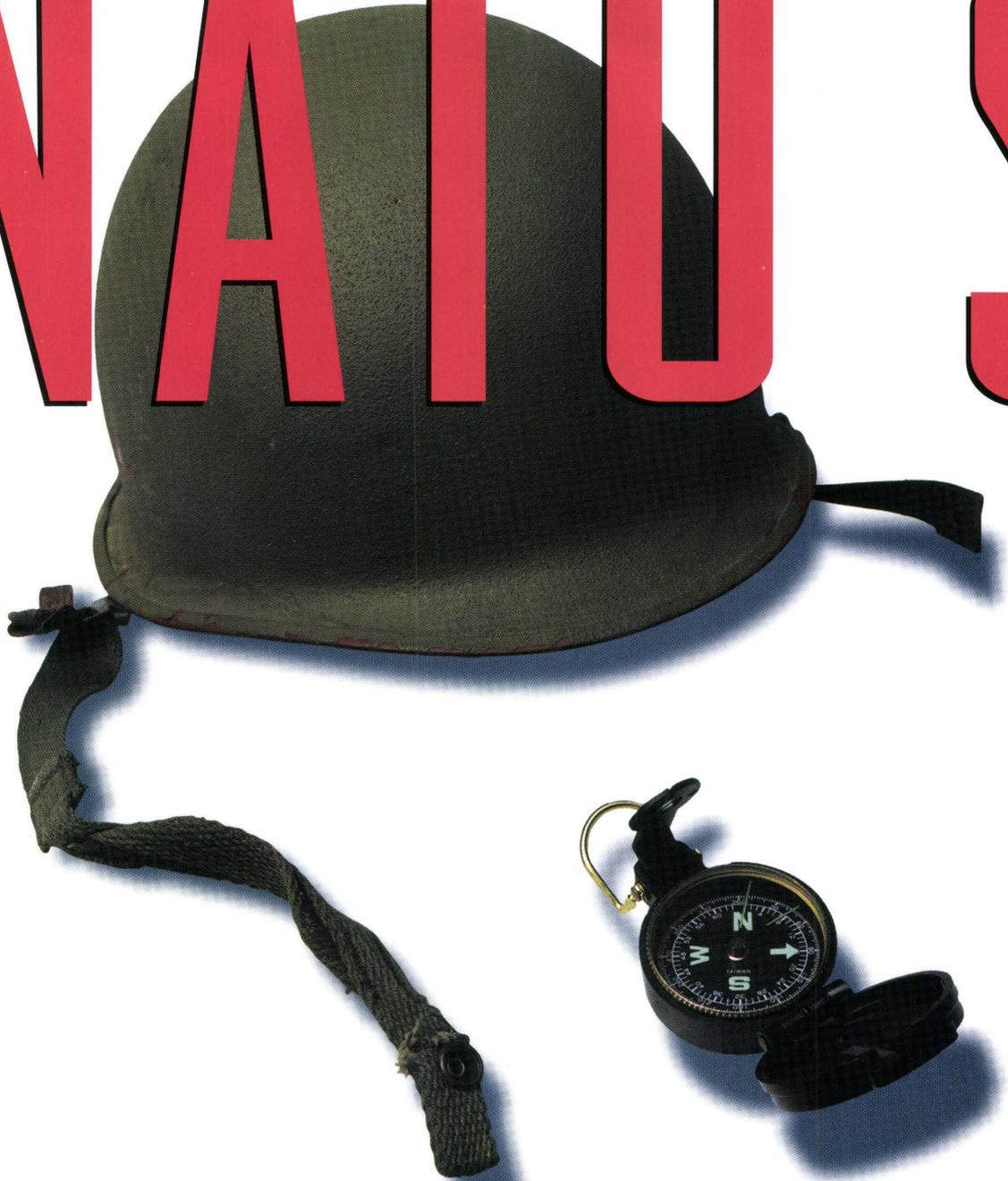
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# NATO'S



# NEW M

“We are building a new NATO. It will remain the strongest alliance in history, with smaller, more flexible forces, prepared to provide for our defense, but also trained for peace-keeping. It will work closely with other nations that share our hopes and values and interests through the Partnership for Peace. It will be an alliance directed no longer against a hostile bloc of nations, but instead designed to advance the security of every democracy in Europe—NATO’s old members, new members, and non-members alike.... These are new times. Together, we must build a new Europe in which every nation is free and every free nation joins in strengthening the peace and stability for all.”

—President Clinton speaking in Paris on May 27, at the signing of the historic NATO-Russia Founding Act

Included at the signing in Paris of the NATO-Russia Founding Act were (from left to right) President Clinton, Spanish Prime Minister Jose Maria Aznar, Russian President Boris Yeltsin, Luxembourg Prime Minister Jean-Claude Juncker, French President Jacques Chirac, Dutch Prime Minister Wim Kok, and NATO Secretary-General Javier Solana.



NATO won the cold war without firing a shot in anger. Now comes the hard part: managing the peace in Europe in the next century.

The first building blocks of a new European security system are due to slot into place in July. At a summit in Madrid, the 16-member alliance will extend invitations to new members from Central Europe, most likely the Czech Republic, Hungary and Poland.

BY LIONEL BARBER

# MISSION

Foreign Secretary Ernest Bevin and Defense Minister Emanuel Shinwell of Great Britain, Foreign Minister Robert Schuman and Defense Minister Jules Moch of France, and Secretary of State Dean Acheson and Defense Secretary George Marshall of the US met at the Waldorf Astoria Hotel in New York during a round of conferences in the fall of 1950 that created a North Atlantic defense force.



The goal is to welcome new members in time for NATO's fiftieth anniversary in 1999 after completion of the accession negotiations and ratification by national parliaments. It is a tight timetable.

NATO enlargement has drawn fierce criticism from Russia, which has watched the West's security perimeter move steadily eastward since the fall of the Berlin Wall in 1989. But in the longer term, NATO hopes to show that stabilizing Central Europe, the flash point for two world wars this century, will serve Russia's interests too.

Robert Hunter, US ambassador to NATO in Brussels, likens the impact of NATO enlargement in 1997 to the Marshall Plan in 1947, which underpinned efforts to rebuild the economies of Western Europe and safeguard democracy against the communist menace from Moscow.

Back then, the Truman administration offered Marshall Plan assistance to both Western and Eastern Europe, but Stalin vetoed the proposal. Now, says Ambassador Hunter, NATO—along with the European Union—has the chance to complete Marshall's vision, encouraging the new members to accelerate economic reforms, strengthen democratic institutions, and settle old disputes with neighbors in a general climate of security.

So much for grand strategy. In practice, the success of NATO's new mission in the East and its longer-term future as an instrument for collective security will depend on several factors, which are by no means as predictable as advocates of enlargement claim.

**Russian Reactions.** NATO and Russia agreed in late May at a summit in Paris on an historic deal that would give Moscow a seat—but not a veto—in a permanent joint council discussing security issues in Europe. Russia would also gain membership of an expanded Group of Seven forum.

NATO declined to bow to Russian demands that would have hampered the alliance's Eastern enlargement and the deployment of military assets. But NATO said there was "no intention, no plan, and no reason" to deploy nuclear weapons on the territory of new members.

While NATO is offering Russia a chance to be an equal partner in contributing to security on the continent, the strategy still depends on the leadership in the Kremlin remaining benign and assuming that Russia's military establishment can be persuaded that NATO is no longer a cold war instrument—a big unknown.

**NATO's Need for "Peripheral Vision."** Countries not included in the first wave of new NATO members this year must not be alienated in a manner that would cause another division of Europe. This is especially important for Ukraine, which sits strategically between Poland and Russia; but also for the Baltic states and Romania, the latter being an outside candidate for early membership but a key player in the Balkans.

The first task is to strengthen the 1994 Partnership for Peace arrangements, which provide for closer links through military exchanges, training, and joint exercises. The US has won support for creating a single coordinating body called the Atlantic Partnership Council, but this does not answer

the questions of whether or how NATO intends to enlarge further, if necessary to Russia's borders or to include former Soviet republics.

**Reinventing the Alliance.** Since 1989 NATO has been transforming itself from a dense-pack alliance geared to the defense of territory in Western Europe to a more mobile operation handling collective security inside and outside its traditional theater.

The sea change occurred in 1994 when NATO warplanes struck against the Serbs in Bosnia. This "out of area" operation was the prelude to the NATO-led IFOR peace-keeping operation in Bosnia, now called SFOR. But in the medium term, the question is whether NATO can evolve even further to confront security threats to, say, oil supplies in the Persian Gulf with US and European involvement, as a recent Rand study pointed out.

**The European Pillar.** NATO is putting the final touches to a new streamlined command structure that will give the Europeans more responsibilities, if necessary in operations without the US. The innovations have helped to persuade Spain to join the new integrated military command, while France has also taken tentative steps toward rejoining NATO's military structures.

However, the details of how the new "Combined Joint Task Forces" will work are proving difficult to nail down, partly because the Americans are nervous about handing the Europeans blank checks for the use of military assets in conflicts or operations that could ultimately draw in US forces. At the same time, the US has been irritated by French demands to take control of AF-South, the Mediterranean command which supervises the Sixth Fleet.

Europeans should shoulder more responsibilities for collective defense but only on a firm basis within NATO. This is the prerequisite for the US maintaining a presence in Europe. It may also be unwise to blur the issue by merging the civilian EU with its fledgling military arm, the WEU.

After the fall of the Berlin Wall in 1989, it was fashionable to write off NATO. Deprived of the common enemy of Soviet communism, the alliance was supposed to wither away. But the events of 1997 are proving the pessimists wrong. NATO has a future, and it is working. ☐

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*Lionel Barber is a contributing editor for EUROPE and the Brussels bureau chief of the Financial Times.*

**An Italian soldier, part of the Implementation Force in Bosnia, stands watch in front of a NATO tank.**



# EU View on NATO Enlargement

# NATO

By Robert J. Guttman

**H**ans van den Broek, European commissioner for external relations with the countries of Central and Eastern Europe and countries of the former Soviet Union, says that the European Union does not have an official position on NATO enlargement because they do not have any "competence on NATO enlargement."

However, he goes on to state, "Obviously, we can say that we support the motives for NATO enlargement. We hope that it will add to stability and meet the aspirations of the applicants."

plicated and more far-reaching, in fact, than for NATO," says Van den Broek, "which automatically implies that preparing for EU membership, takes longer. And that has to do with the necessity that the candidate countries meet the criteria set by the European Union, both politically and economically."

He goes on to state that prospective members of the EU have to be able "to adopt all of the [European] Community legislation and directives, and they should be able to subscribe to the Maastricht Treaty. It goes

without saying that this is a complex process. However, we are confident that the first official negotiations will start by the beginning of next year."

Commissioner Van den Broek, a former Dutch foreign minister, says America needs to remain a European power, adding, "That is not even a question about which one can hesitate. We are commemorating this year the Marshall Plan, which was an unprecedented and very forward looking idea from the Americans regarding reconstruction, rehabilitation, and reconciliation in Europe. In 1947 this could not be extended toward the East. Now, we consider ourselves privileged and lucky that in

the new European era this has become possible. But, without the United States, I fear that Europe, to a certain extent, would remain an unstable place."

Van den Broek thinks the European Union needs a military capability in the future, but he says, "it will always be a limited one. When we speak about the classical defense tasks of defending territory or when we speak about large scale crises that have to be contained, then obviously NATO will remain indispensable as such." He believes that in the future "Europe must learn to stand maybe not entirely on its own feet when military matters are concerned, but more on its own feet than at present." ☺

*Robert J. Guttman is EUROPE's editor-in-chief.*



**European Commissioner Hans van den Broek, shown meeting with Secretary of State Madeleine Albright, thinks Europe will need a limited military capability in the future.**

Commissioner Van den Broek, who is also responsible for the common foreign and security policy of the EU, congratulates the US, NATO, and Russia for coming to an agreement at the end of May regarding NATO enlargement.

Van den Broek says that there is no official linkage between European Union enlargement and NATO enlargement. However, he thinks that "they both should contribute to consolidating peace and stability. But that is where the comparison stops." The commissioner goes on to relate that it is more difficult for candidate countries to meet the requirements of EU membership than it is to meet the requirements to join NATO.

"The conditions for EU membership are more com-

# US View on

# NATO

# Enlargement

**T**his is the first time in all of European history there's been a chance to try to build security for everybody without it

being at the expense of anybody in the group," comments Robert Hunter, US ambassador to NATO, referring to the prospect of NATO enlargement, which will most likely occur in early July at the NATO summit in Madrid.

Hunter, who has been a Washington "player" for many years, goes on to state that with NATO enlargement "we are trying to provide predictability, confidence, functional engagement of various countries to head off any reemergence of a threat to that stability and security. In fact, you might say there are four grand purposes for NATO. First, the manner of keeping the Americans engaged. Secondly, to preserve what we've achieved in the Western part of the continent in the last 50 years, including inhibiting the re-nationalization of defense. Sixteen countries still think NATO when they think about security to deal with conflicts such as we have seen in Bosnia. They try to preserve and build upon the historically unprecedented achievement that the countries of Western Europe have abolished war as an instrument of relations among one another, the EU member countries at least. Third, is to provide stability in Central Europe. And, finally, to deal with the most essential conundrum for the future—Russia's development and its role."

Hunter, who served on the National Security Council staff as director of West European affairs during the Carter administration and was a senior foreign policy adviser to Bill Clinton in the 1992 presidential campaign, sees a definite relationship between NATO and EU enlargement.

"What NATO does cannot in the long term be truly effective," he says, "unless other institutions are also effective, the most important of which is the European Union. We are absolutely complementary, bound to one another."

Hunter, who once served as the director of European studies at the Center for Strategic and International Studies and who also founded the Center for National Policy, believes there clearly is a relationship between the EU and NATO enlargement. "Let's put it this way, if NATO were to

By Robert J. Guttman

take in new members and have its writ run more into Central Europe, and if the European Union for some reason did nothing, ultimately it would fail. Fortunately, that's not the European Union's aspirations or policies. So, there is, to repeat and emphasize, clearly a relationship here. And we Americans are definitely on the side of those people in the European Union who would like to see an early entry for Central European countries."

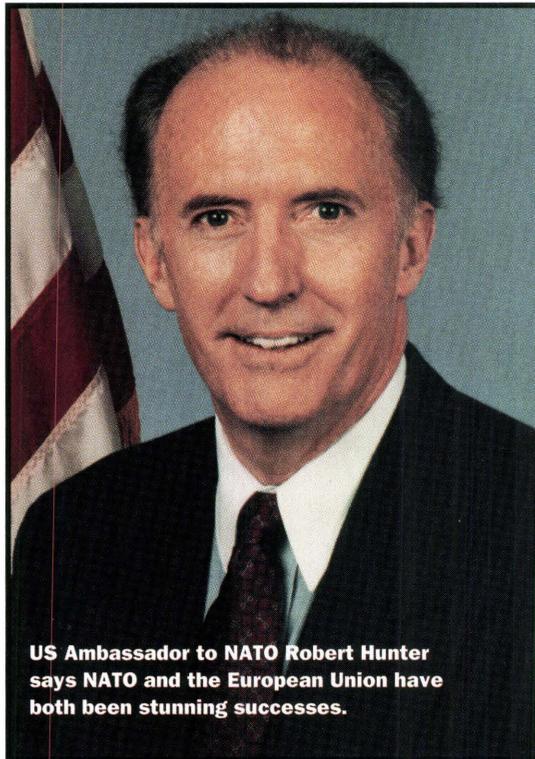
The American ambassador to NATO has high praise for the European Union. As he states, "NATO and the Euro-

pean Union have both been stunning successes. For example, you could think of the cold war as having been a scaffolding that was holding everything together. The cohesion came from the opposition to the Soviet Union while this building went on inside by individual societies and by what's now called the European Union. The scaffolding was taken away, and the building stood. The end of the cold war was the experiment necessary to test whether the European Union had truly succeeded. And the answer is yes."

The former academic, who has taught at Georgetown University and the London School of Economics, says the Clinton administration has "been for a strong European Union for an awful long time. We have a basic premise that a strong EU is good

for America. If European interests and American interests are similar, the world is a safer place. What we are doing now, beginning with the Partnership for Peace, and what the European Union is doing, is in effect taking the principles of the Marshall Plan and extending them eastward."

Hunter believes it is essential for the United States to stay engaged in Europe. He says the "evidence of America's engagement in Europe is palpable." The ambassador also thinks that "Europe is more stable now than during the cold war because the great European institutions, including the EU, and the nations engaged in Europe did not sit on their hands waiting to see what would transpire but got actively involved trying to engage Central Europe in the broader institutions and trying to engage Russia. We are all working pretty hard to try to make it come out right this time." ☺



**US Ambassador to NATO Robert Hunter says NATO and the European Union have both been stunning successes.**

# Javier Solana

## SECRETARY-GENERAL OF

Javier Solana, secretary general of NATO, spoke with Robert J. Guttman, editor-in-chief of *EUROPE*, in Washington, DC in April. The NATO secretary general and former Spanish foreign minister discusses NATO enlargement, the upcoming Madrid summit, Bosnia, and US involvement in Europe.

# NATO

**You stated recently, "Of NATO's many meetings in its recent history, the Madrid summit will be perhaps the most crucial and certainly the most consequential." Why is the July summit so crucial and consequential?**

Without any doubt, it will be a very important summit; that doesn't mean that the others have not been. But normally the last one is the most important because it faces the problems of the moment, and one of the problems of the moment is to adapt NATO to a new situation and to continue the process of adaptation of NATO to a new situation.

But in particular, this one will have three very important ingredients. First, the transformation of the military structure with emphasis on the military structure and the European defense and security identity.

And the adaptations of this structure as it relates to new missions—Bosnia is an example—and to the future. Second, it will be a summit in which, for the first time, we will invite countries from Central and Eastern Europe to start accession negotiations. So, probably it will be a summit in which the door of NATO will be open to countries that belonged to the ex-Warsaw Pact.

Surely by then we will try also to create a structure around NATO, which we may call the Atlantic Partnership Council, in which everybody, all the countries who are partners in NATO, regardless of their part in



EUROPE  
INTERVIEW

the organization or not part of the organization, they will have this institution to do basically two types of things: to maintain the dialogue, the consultation mechanism with the countries of NATO and among themselves, and second, to have the military-to-military cooperation, what we may call a “PFP enhance,” or a “PFP plus”. So that will be another important scheme that will be created in this summit, which will be a very clear indication of how we want to construct the security of Europe in the future, with no dividing lines, in which everybody can play their role, and everybody can have a place at the table. Let’s put it that way. By the July summit, I hope we will have signed a bilateral agreement with Russia, and at the summit, we will sign a bilateral agreement with Ukraine.

So if you put all these things together, you can see that we are moving from theory to practice, from concepts that we have been thinking about in the last two years into a reality. New military structure, new missions, new European defenses, new members, and a special relationship with two important countries, one Russia and the other Ukraine. It will really be the end of the Europe of Yalta from the point of view of security. In that sense, the July NATO meeting will be a historical summit.

**If it’s the end of Yalta, what’s the new Europe?**

The new Europe is a scheme without dividing lines, with the old adversaries now cooperating together and wanting to continue cooperating together and wanting to establish mechanisms for cooperation in the future.

**Why does NATO need to bring in new members at this time? Why rock the boat when Central and Eastern Europe seem stable right now?**



**Secretary General Solana flanked by NATO generals addresses a press conference in Sarajevo, Bosnia.**

For many reasons. Let me give you the most important one: because they want to be part of NATO. These countries that were not able to participate in the Euro-Atlantic or European institutions that were created at the end of the war now they feel that their security—understand “security” in the broad sense of the word—is tied to these organizations). They want to participate and to be part of the basic organizations that define the security of Europe. NATO is one, the European Union is another, and they want to participate in all that. I don’t see any reason to say no to those countries that are without any doubt part of Europe.

**What is the current status between Russia and NATO now?**

We are trying to establish a bilateral relationship with a charter in which we are going to define the mechanism of consultation and the mechanism of cooperation. I hope that before Madrid, we are able to strike a far-reaching deal with Russia. That would include, as I said before, a joint council in which we will consult and cooperate and define the areas of consultation and the mechanism of consultation and cooperation. *[Editor’s Note: On May 27 in Paris, Russian President Boris Yeltsin and*

*the leaders of the 16-member NATO Alliance signed the NATO-Russia Founding Act.]*

**The well-known and respected foreign policy analyst George Kennan wrote in the *New York Times* a few weeks ago that “NATO expansion is probably the worst foreign policy move ever in the United States, and it will impede democracy in Russia.” How do you respond to that?**

I have great respect for Mr. Kennan, but I disagree with that position. What we are trying to do is define for the future the structure of the architecture of security in which Russia has to play a role. That is why we are trying to set up this bilateral agreement between Russia and NATO. That, in no way, will impede or make difficult the transformation of Russia. On the contrary, the more Russia is incorporated into our common structures, the more Russia will evolve in the direction that we would like them to evolve in.

**Do you find it somewhat ironic that our former enemies from the Warsaw Pact countries are now going to be in the structure that they were against?**

Sure. This is what the excitement of the end of the century is all about, that we have been able to overcome

not only the war, but the cold war, and we are creating a warm peace in which adversaries of yesterday cooperate today.

**Speaking of peace, what is the status of the Bosnia peace-keeping operation? Is it working successfully?**

It is working successfully from the military point of view. Of course, there are other aspects of the peace that are not strictly military where we don't have a direct responsibility, but we have been guaranteeing an environment of security so that the other aspects—reconstruction and reconciliation, which means establishment of political institutions—can be established. The mission has been defined until the middle of 1998. By the time that the NATO troops leave, they will have to leave behind a country that can have a sustained peace.

**Are you optimistic that after NATO troops leave, that there can actually be peace or will the fighting begin again?**

I am realistic. We, the international community, not only NATO, but other organizations—the World Bank, the European Union—everybody has to cooperate because peace is not only the absence of war, peace is something else. Peace is to have a country moving in the way of reconstructing themselves and recongregating the people. This is what we have to create. But of course, that cannot be imposed on people. They have to cooperate.

**Do you consider Bosnia a success for NATO?**

Up to now, without any doubt. I do hope that at the end I will be able to say the same.

**What about with Albania? How come NATO is not taking part in sending troops?**

NATO is not a police force. It would be very different for NATO to act in Albania because really what is needed now in Albania is more of an action related to a police force, guaranteeing that the humanitarian aid arrives to two

or three points from which it can be distributed. Several countries have organized this coalition of forces, and of course we are giving some support. But we are not involved directly because we don't think it's our duty to do it.

**So you don't see any way that NATO would ever be involved in Albania?**

In Albania there's not a conflict in the sense that we had in Bosnia. In Bosnia, we had a war. In Albania, what we have is the sort of destruction of the institutions, a vacuum created by the institutions falling apart. That is not a question of two factions fighting a war. So I don't see that so much as a NATO operation.

**Are there any linkages between NATO and EU enlargement? Do you see them going together?**

Not from a legal point of view, and not from a juridical point of view. But of course they cannot be absolutely or totally separated because after all we are talking about the same countries knocking on the door of NATO that are also knocking at the door of the European Union. As far as time is concerned, maybe one opening goes a little bit faster than the other, but in historical terms, they are practically simultaneous, as it would be only a question of years. So although there is no known legal relationship, they do have some kind of complementary relationship.

**Do you think there has been enough public debate in the United States and throughout Europe on NATO enlargement?**

I don't know what you mean by "enough debate." I think there has been quite an important debate, and it has not finished. We continue talking, and the parliaments will have to face the process of ratification of the decision that we will take in Madrid. It will be a debate, and it will be con-



tinued in the months to come.

**Could you explain what is meant by the European security and defense identity?**

It is very clear what it means. It means what we have defined now is that the personality of European security can be and should be established within NATO. That means that one can imagine an operation led by Europeans with European participation. It would be a case-by-case situation, with infrastructure provided by NATO. The possibility of Europeans acting normally in peace-keeping operations but not separated from NATO. The basic idea is not to duplicate efforts, therefore to use these forces as separable but not separated.

**Does Europe need the United States to be stable?**

History says that it's good for Europe, and I think it's good for the United States to maintain this transatlantic link for many issues. For security issues, which is what we're talking about now, without any doubt. In this last century, the Americans have come to Europe now three times in order to help, to cooperate with Europeans in defending values.

**Are there different definitions of "security" today?**

Security is something wider than the classical concept of security. Security is trade, it is economy, it is environment, it is so many things—human rights and so many other things. And that is the interesting part of the institution that we are creating now. A large number of institutions that continue to contribute to security in a specialized manner. Nobody will doubt today that having sound trade relationships contributes to the security of everybody and contributes to creating links and to creating a network of relationships. That's what makes confrontation impossible. ☺

One of the most important meetings in the North Atlantic Treaty Organization's 48 year history will take place July 8-9 in the Spanish capital with heads of state of the 16 member nations deciding which of their former enemies are to get the nod to join the Atlantic alliance.

"This is going to be one for the history books," says one senior Madrid-based diplomat from a NATO country. "It's going to help shape the post-cold war world for the next century."

Diplomats say Madrid was chosen as the site of the summit for several reasons. One, NATO Secretary-General Javier Solana of Spain is doing a great job in the top post, and NATO members wanted to show their appreciation by holding the meeting in his hometown. Two, NATO also wanted to thank Spain for agreeing to fully join the alliance after years of only belonging to the political structure. Also, Spanish troops have been doing a sterling job in international peace-keeping operations handled by NATO, such as the recent deployments in Bosnia.

The last time Spain played host to such a gathering of international leaders was in 1991, when Madrid hosted the Middle East peace talks that opened the way to an easing of tensions in that region.

This time, when the NATO heads of state meet at the convention facilities in Juan Carlos I Park just east of the city, they will be attempting to ensure peace in Europe by expanding NATO eastward and making some decisions concerning reforms to the alliance needed after the collapse of the Soviet Union.

Diplomats say former Warsaw Pact countries Poland, Hungary, and the Czech Republic are on the short list for NATO membership, and all three will probably be issued formal invitations to join at the Madrid summit.

Whoever gets invited, the enlargement will have to be ratified by each NATO member, a process expected to be completed by the end of 1997, and the countries formally joining two years later, the fiftieth anniversary of the defense bloc.

NATO's initial plans bothered the Kremlin, which argued that the eastward march by its erstwhile foes threatened Russia's security and could plunge Europe into another cold war.

Even some Western analysts have questioned the wisdom of the move, saying now is not the time to antagonize the Russians and wondering why NATO needs to grow at all now that its main purpose, guarding the West from the Soviet Union, is no longer necessary.

At hearings on Capitol Hill, some congressmen told Secretary of State Madeleine Albright that it made more sense for the former Soviet bloc nations to join the European Union first, then they could be admitted into NATO sometime in the future.

"It seems to me that the first step ought to be the expansion of the European Union to include those countries because they are in need of economic development," Congress-

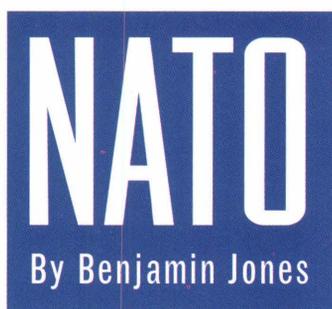
man Ralph Regula said.

"We are doing both, and both are important," Albright answered. "But the alliance unanimously had decided that it was a good idea to move forward with NATO enlargement."

Those arguing for the expansion claim it will help support democracy and market economies in Eastern Europe's newly free nations and help keep the peace in a region where conflicts like those in Albania and the ex-Yugoslavia are all too common.

Russia grumbled but signaled that it could swallow a limited enlargement. However, the Kremlin has made it plain that under no circumstances will it accept former Soviet republics joining the alliance.

This was made evident when President Boris Yeltsin's press secretary Sergei Yastrzhembsky said NATO chief Solana had "undeclared, behind-the-scenes" motives in visiting the former Soviet republics of Armenia, Azerbaijan, Georgia, and Moldova in February.



## Summit in Spain



NATO leaders will meet at Madrid's Juan Carlos I Park.

The rhetoric out of Moscow increased in volume and hardened in tone in the run up to the Clinton-Yeltsin summit in Helsinki where NATO was at the top of the agenda, but in the end, Yeltsin committed himself to improving ties with the West as evidenced by the NATO-Russia Founding Act signed in Paris at the end of May.

Besides issuing invitations to potential members, NATO leaders will also be addressing reforms to the alliance's military structure, and the host nation will be keenly interested in the outcome.

In March, the Spaniards were angered when the NATO Military Committee released a draft plan on the overhaul of the command system that failed to address Madrid's wish to be in charge of the Iberian peninsula, including Spain's Canary Islands off the coast of Morocco. But several days later, ruffled feathers were smoothed when outgoing NATO military chief General George Joulwan said on a visit to Madrid that he himself had proposed to planners that the Canary Islands fall under the subregional command structure which will be headquartered in Spain. ☺



While much of the world's attention this summer is focused on NATO's proposed enlargement to include members from Eastern Europe, at least three major issues deserve attention farther to the south. The following section reports on Turkey and its attempts to gain membership in the EU; the "divided" situation in Cyprus; and the tumult in Albania.

**ALBANIA IN PROFILE**  
**THE REPUBLIC OF ALBANIA**

**President:** Sali Berisha  
**Area:** 11,100 square miles  
**Population:** 3.5 million (est. 1995)  
**Capital:** Tirana  
**Currency:** Lek  
**Languages:** Albanian, Greek



UKRAINE

RUSSIA

GEORGIA

AZERBAIJAN

ARMENIA

IRAN

• Ankara

TURKEY

IRAQ

SYRIA

• Nicosia  
CYPRUS

LEBANON

ISRAEL

JORDAN

EGYPT

**CYPRUS IN PROFILE**  
**REPUBLIC OF CYPRUS**

**President:** Glafcos Clerides  
**Area:** 3,572 square miles  
**Population:** 722,800 (est. 1993)  
**Capital:** Nicosia  
**Currency:** Cyprus pound  
**Official Languages:** Greek, Turkish  
**EU Notes:** Accession negotiations to begin with the EU six months after IGC ends. Government is recognized by the EU.

**TURKEY IN PROFILE**  
**REPUBLIC OF TURKEY**

**President:** Suleyman Demirel  
**Prime Minister:** Necmettin Erbakan  
**Area:** 300,947 square miles  
**Population:** 61.6 million (est. 1995)  
**Capital:** Ankara  
**Currency:** Turkish lira  
**Language:** Turkish  
**EU Notes:** In April 1987, Turkey applied to join the EU. The EU and Turkey established a customs union that went into effect in January 1996. Turkey sends 51.3 percent of its exports to the EU and receives 47.2 percent of its imports from EU countries.

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# Inside EUROPE

JUNE 1997

VOLUME V/NUMBER 6

## EU NEWS

### CLINTON IN EUROPE: SIGNALING A NEW RELATIONSHIP

President Bill Clinton signaled a new relationship with Europe during a whirlwind three day visit in late May that put to rest claims Washington has tired of the old continent and wants to focus all its energies across the Pacific.

President Clinton was present at the birth of the new Europe forged by the signing of a charter between the 16 NATO nations and Russia that allows the US-led alliance to extend membership to Moscow's former Warsaw pact partners.

The signing ceremony at the Elysée Palace in Paris marked the end of half a century of nuclear confrontation and the division of Europe. "The Paris agreement does not shift the divisions created in Yalta (the 1945 agreement that split Europe into Western and Soviet zones of influence), it wipes them out once and for all," said French President Jacques Chirac.

"Russia and NATO," the signing parties said, "do not consider each other adversaries."

At its July 8-9 summit in Madrid, NATO is expected to invite the Czech Republic, Poland, and Hungary to join, officially ending the postwar military division of Europe.

The agreement in Paris reassured the emerging democracies of Central and Eastern Europe, ensured the US will remain involved in European security, and gave Moscow, "a voice but not a veto" in the new alliance. Mr. Clinton, who was the driving force behind NATO expansion, brushing aside warnings of a nationalist-communist backlash in Russia, said he was determined to "create a future where European security is not a zero-sum game."

Mr. Clinton restated the US commitment to Europe at ceremonies in the Hague and Rotterdam to mark the fiftieth anniversary of the Marshall Plan, the successful US aid program that revived the war-shattered economies of Western Europe. "We have learned the lesson of history. I affirm to the people of Europe: America stands with you."

The president urged the EU to finish the job started by Marshall by expanding "swiftly" into Central and Eastern Europe. "Together, America and this new Europe must complete the noble journey that Marshall's generation began—this time with no one left behind."

"For the first time, we can now make a united and democratic Europe," Mr. Clinton said.

The US call for a swift Eastern enlargement of the EU added pressure on the leaders of the bloc to agree to constitutional changes at their mid-June summit in Amsterdam to prepare for the first new members—most likely Poland, the Czech Republic, and Hungary—by the beginning of the next century. By 2010, the EU's membership is expected to increase from the current 15 to 25 or 30 nations, and it faces paralysis unless it rewrites a rule book that hasn't changed much since the European Community was born.

Wim Kok, the Dutch prime minister and host of the semiannual EU-US summit in the Hague, also called for a joint Western effort—projected to cost around \$100 billion—to modernize telecommunications, railways, and highways to join the peoples of Europe. He also suggested the idea of a Euro-Atlantic conference later this year to discuss how to lubricate the flow of private investment into the Central and Eastern European regions.

However, President Clinton stayed clear of making specific financial commitments to Eastern Europe. He noted that in today's money the Marshall Plan pumped \$88 billion into Western Europe, or \$2 billion less than has been committed by Western financial institutions and private investors to the former communist nations of Europe. The European Commission estimated EU member states have provided \$150 billion in aid and loans to Europe and the former Soviet Union since 1989.

The US and the EU also broke a two-year deadlock over product safety inspections during President Clinton's visit, paving the way for an accord to accelerate trade in goods ranging from telecommunications equipment to pharmaceuticals. This will allow for mutual testing of each other's products.

## EU NEWS (CONTINUED)

Stuart Eizenstat, US undersecretary of commerce for international trade, hailed the agreement as "the first down payment on plans to create a new transatlantic market place."

The US and EU leaders also signed agreements to ease trade by simplifying customs procedures and to combat drug trafficking by imposing controls on trade in chemical components of synthetic drugs. They also agreed to put electronic commerce, intellectual property, and biotechnology on a list of sectors where there is potential for further dismantling of non-tariff barriers.

The two sides sidestepped an escalating row over the EU's antitrust challenge to Boeing's planned \$13.4 billion acquisition of McDonnell Douglas and failed to make progress on other key disputes, particularly European resistance to US trade sanctions against so-called "rogue" states like Cuba, Iran, and Libya.

The best photo opportunities of the president's European foray came in London where he "bonded" with the UK's new elected Labor prime minister, Tony Blair. Clinton extended his stay in London twice and even spoke at a cabinet meeting at 10 Downing Street.

—Bruce Barnard

### LABOR'S FAST START ON EU

The new Labor government in the United Kingdom, which won a landslide election victory on May 1, has promised a new policy of "constructive engagement" with the European Union.

To prove the point, within a couple of days of taking power the newly appointed foreign secretary, Robin Cook, sent his minister for Europe, Douglas Henderson,

off to Brussels to inform his colleagues that the UK intends to sign up for the social chapter governing employee rights.

"We want to work with you as colleagues in a shared enterprise," Henderson told his delighted fellow Europeans, who did not hide their delight at the arrival of the Labor government.

Henderson's appointment came as a bit of a surprise, as he has no track record on EU issues. However, this means that he will carry out the policies of Prime Minister Tony Blair and the foreign secretary.

Robin Cook, the red-bearded Scotsman who is regarded by many as the best brain in the cabinet, is also feared for his lethal debating skills. In Parliament since 1974, he was the scourge of Conservative government ministers whom he shredded by his sharp mind.

The leading old Labor socialist in the cabinet, he was anti-NATO and nuclear weapons during the 1980s. He was also no great advocate of closer ties with the EU, and he is likely to be the new government's leading brake on rushing into too close a relationship with the EU.

The 51 year old minister is an incredibly hard worker who expects perfection and hates sycophants. Not one given to small talk, he does have one endearing hobby—he writes a horse racing column for the *Glasgow Herald* newspaper, or at least he did until gaining office.

Though not well loved, he is deeply respected, and his impeccable old Labor credentials ensure that he will have plenty of support within the party during the power struggles that will inevitably arise in the cabinet. In particular he is likely to clash with the new chancellor of the exchequer, Gordon Brown.

Indeed, when Blair appointed Henderson who is one of

### WHAT THEY SAID

**"I support European integration. ...We are excited by it and want to support it."**

—President Clinton at a press conference in the Hague, Netherlands

**"The European Union is making its own contribution to the reconstruction of Central and Eastern Europe and the former Soviet Union. Through massive help—some \$160 billion for the period between 1990 and the end of the century, almost twice of what was given under the Marshall Plan. But its most significant contribution will be welcoming Central and Eastern European countries as members of the European Union."**

—Jacques Santer, president of the European Commission

**"There is a lot that binds us, and very little that divides us."**

—Wim Kok, prime minister of the Netherlands, at the signing of the US-EU Agreement in the framework of the semiannual EU-US Summit on the new transatlantic agenda

**"If the West does not stabilize the East, the East will destabilize the West."**

—Vaclav Havel, president of the Czech Republic, on NATO enlargement

**"Europe, for the new British government, is an opportunity, not a threat."**

—Douglas Henderson, the UK's European affairs minister, on his initial trip to Brussels

**"Although Jean Monnet is best remembered today as the father of Europe, he could as well be known as the father of transatlantic partnership."**

—Hugo Paemen, EU ambassador to the US, at the unveiling of a plaque commemorating Jean Monnet at the Willard Hotel in Washington, DC on May 9

**"Kabila is now head of state, and according to international convention, he is responsible for what is happening in his own country."**

—Emma Bonino, European commissioner for humanitarian aid, discussing allowing relief workers into the newly named Democratic Republic of the Congo to determine the fate of missing refugees

## EU NEWS (CONTINUED)

Brown's friends as minister for Europe, Cook quickly let it be known that he would have only a minor role in shaping European Union policy.

Henderson is a mild-mannered Scotsman who has an enviable reputation as a negotiator and as a master of detail. The general view is that his ability as a marathon runner means he has the physical fitness and stamina required for the interminable negotiations that lie ahead with the EU.

Tony Blair has demonstrated considerable skill in balancing the forces with his ministerial choices. By appointing Henderson as a sort of counterbalance to Cook, the new prime minister clearly signaled his intention of holding the deciding vote on relations with the EU.

—David Lennon

### FRENCH LEFTIST VICTORY MEANS NEW DIRECTIONS FOR EUROPE

On the eve of the stunning, leftist victory in France's parliamentary election June 1, Socialist Prime Minister Li-

onel Jospin declared that his government's first priority would be "reorientation" of the European Union's integration plans.

This, informed sources said, will translate into the following when ministers are named: a more flexible, growth-oriented approach to criteria for countries joining the European Monetary System; insuring that governments maintain strong control over future policies of the European Central Bank; and that when the euro emerges, it will be relatively soft with regard to the dollar and the yen.

The UK's Labor Prime Minister Tony Blair was among the first foreigners to congratulate Jospin, as observers noted that 10 EU member governments out of 15 are now controlled by leftist leaders. Among them, Sweden's Social Democrat Prime Minister Göran Persson, predicted that a "wave of the Left" was spreading and would now shape EU policies.

In Paris, following his first formal meeting on June 2 with conservative President Jacques Chirac, who will "co-habit" in sharing executive power, Jospin said the climate was "excellent."

—Axel Krause

## BUSINESS BRIEFS

**Cable & Wireless**, the British-based telecommunications group, bought a 49 percent stake in Panama's state-owned telecoms firm, **Intel**, for \$652 million, the biggest acquisition so far in the Latin American industry.

The deal, aimed at consolidating C&W's global reach, came as it mulled the future of **Hong Kong Telecom**, its main unit, after the handover of the British colony to China on July 1. The company, the third largest carrier of international traffic, also wants to join a global alliance and has held talks with **AT&T** of the US and **Global One**, the partnership between **Deutsche Telekom**, **France Telecom**, and **Sprint** of the US.

•••

**Roche**, the Swiss pharmaceuticals giant, pulled off its biggest ever deal, an \$11 billion acquisition of the German family-owned **Boehringer Mannheim Group**, one of the world's leading medical diagnostics firms.

The acquisition will quadruple Roche's diagnostics operations creating a company with annual sales of \$2.4 billion and 13,500 employees to

rival **Abbott Laboratories** of the US for world leadership in the \$19 billion-a-year market in equipment used to diagnose illnesses.

•••

European firms have embarked on a spending spree in the United States, clinching multi-billion dollar deals spanning sectors as diverse as banking and computers to pharmaceuticals and power tools.

Among the top deals was the \$910 million paid by **Novartis** of Switzerland for the crop protection business of **Merck**, the biggest transaction since the merger of **Ciba** and **Sandoz** last year created the world's biggest drugs group.

The purchase still leaves **Novartis** with nearly \$4 billion in cash to add to the \$2 billion cash flow it expects to generate this year.

The **Novartis** deal was topped by Swedish health care group **Gambro's** \$1.6 billion acquisition of **Vivra**, a Californian company that operates more than 260 kidney dialysis clinics in 28 US states.

Europe's appetite for a presence in the US was underlined by the speed with which **Swiss Bank Corporation** successfully bid \$600 mil-

lion for **Dillon Read**, the Wall Street investment bank, after the collapse of a bid by **ING**, the Dutch financial services group.

The US industrial sector's popularity with European firms was underlined by the \$570 million acquisition by Britain's **GKN** of Ohio-based **Sinter Metals**. **David Brown**, another British engineering firm, is prowling for a sizable US buy, and **Ahold**, the Dutch supermarket operator, says it wants to expand its network across the Atlantic.

•••

These transatlantic deals paled, however, in comparison to a clutch of mega-mergers at home as European firms strive for global reach to match their American and Japanese rivals.

Britain witnessed its biggest ever merger, which joined **Guinness** and **Grand Metropolitan** to create the world's largest liquor and wines group with a market capitalization of more than \$38 billion.

The new company, **GMB Brands**, has a major presence in the US through the Minneapolis-based **Pillsbury** food group and the **Burger King** fast-food chain. It will also have

## BUSINESS BRIEFS (CONTINUED)

nearly a quarter of the US spirits market.

In another landmark deal, **Unilever**, the Anglo-Dutch global food and consumer goods giant, pocketed \$8 billion from the sale of its specialty chemicals business to Britain's **Imperial Chemical Industries**.

Unilever's Irish-born co-chairman Niall Fitzgerald said the company would use the proceeds to build up a \$12 billion war chest to fund acquisitions. Analysts tipped **CPC Group**, the US manufacturer of Knorr soup and Hellman's mayonnaise, as a likely target.

•••

The Netherlands will be the world's most business-friendly country, bypassing the current favorite Hong Kong, by 2001, according to a survey which puts the UK in second place.

Europe will account for seven of the world's 10 most attractive business locations at the beginning of the millennium, according to a 58-country survey by the **Economist Intelligence Unit (EIU)**.

Europe scores relatively low on labor market and tax indicators but more than compensates through its political stability and well-developed infrastructure.

Europe also will maintain its position as the world's favorite destination for foreign direct investment over the next years, the *EIU* predicts.

The survey puts Hong Kong third in 2001, followed by Canada, Singapore, the US, Denmark, Germany, France, Switzerland, and Sweden.

•••

Europe's no-frills airlines are on a roll as they exploit the new "open skies" regime to break into previously closed routes, float their shares on stock markets on both sides of the Atlantic, and buy new planes and, in one case, an airport.

**Ryanair**, the Irish carrier which was due to float its shares on the Dublin stock exchange and on NASDAQ, is spreading its successful philosophy to Europe.

The airline, which carried around 3.6 million passengers between Britain and Ireland last year, has started services between Dublin and Paris and Brussels and is testing a link to Stockholm.

Ryanair's formula is based on serv-

ing smaller airports and using the savings from much lower landing and handling charges to offer tickets at a fraction of prices charged by its state-owned rival **Aer Lingus**.

Another upstart low-cost carrier, **Debonair**, which is based at Luton airport, north of London, plans to list its shares on **Easdaq**, the pan-American exchange in Brussels. The airline, which flies to Barcelona, Madrid, Rome, Munich, Dusseldorf, and Copenhagen, expects to lose nearly \$23 million in the year to March 1997 but then move into profit in the current year and earn around \$26 million in the 1998-99 financial year.

Meanwhile, **Easyjet**, owned by Greek-shipping magnate Stelios Ioannou, wants to buy Luton airport where he launched his airline in 1995, promising flights "as cheap as a pair of jeans."

•••

**British Airways**, meanwhile, maintained its position as the world's most profitable airline with a 9.4 percent surge in pre-tax income to a record \$1.05 billion in the year to end-March.

A 20 percent rise in fuel prices and the strength of the pound clipped operating profits by a quarter to \$895 million, but this was offset by the \$205 million contribution from BA's decision to reverse a write-off two years ago of its 24.6 percent stake in **US Airways**. BA is selling its holding and forging an alliance with **American Airlines**.

•••

In a significant policy shift, Germany's biggest bank, **Deutsche Bank**, plans to cut its stakes in big German companies and diversify its share portfolio abroad.

Rolf Breuer, the bank's new chairman, said he is aiming for an even split between German and foreign holdings spread across Europe, North America, and the Asia-Pacific region.

The new policy will underpin Deutsche Bank's determination to be the top bank in Europe and also deflect criticism about German banks' excessive influence over domestic industry. Deutsche Bank's domestic portfolio is worth more than \$17.6 billion and includes large holdings in leading firms like **Daimler-Benz**, the industrial conglomerate, **Allianz**, the

insurance group, and tire maker **Continental**.

•••

**PolyGram**, the Dutch entertainment group, plans to launch a US film distribution company in the fall as part of a \$340 million investment aimed at challenging the established Hollywood studios.

PolyGram, which broke into the big time with its hit movie *Four Weddings and a Funeral*, has already invested \$800 in movie production but has yet to show a profit after six years in the business.

The first movies to be distributed by the new company, PolyGram Films, will be *The Game*, a \$60 million thriller directed by David Fincher, who made *Seven*, and *The Gingerbread Man* by veteran director Robert Altman.

•••

**Veba**, the German energy and telecoms concern that is listing its shares on the New York Stock Exchange in the fall, plans to invest \$3.3 billion growing its North American operations over the next five years. The company will build a new chemical plant in Mobile, Alabama, and boost manufacturing of wafers for computer chips.

Overall, Veba plans to invest \$7.4 billion abroad between now and 2001. "Globalization is a must for Veba," said company chairman Ulrich Hartmann.

Veba spent \$1.7 billion at home acquiring a 36.4 percent stake in Degussa, the Frankfurt-based international chemicals concern.

—Bruce Barnard

### INSIDE EUROPE

#### Correspondents

Bruce Barnard  
Axel Krause  
David Lennon

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

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# A Vital Interest for the EU

By Lionel Barber

Turkey is a vital interest for the EU. Wedged between the volatile Balkans, the energy-rich central Asia, Iran and Iraq, Russia, and the tense eastern Mediterranean, the country occupies a geo-strategic position on the periphery of Europe.

As a member of the NATO Alliance, a member of the Council of Europe, and a co-signatory to the 1995 customs union with the EU, Turkey is also a key link in the chain of Western security. If Turkey turns into a trouble spot, as it risks becoming today, the EU has good cause for concern.

Turkish Foreign Minister Tansu Ciller is expected to become prime minister later this month. The government recently announced their intention to hold early elections.



Yet Turkey also faces eastward. By history and temperament, it has never really joined the West. The secular state coexists uneasily with an Islamist religion. Despite huge strides made this century toward a modern democratic society, the country's human rights record is questionable. The "dirty war" with its Kurdish minority continues unabated.

This is the backdrop to the present strained relationship between the EU and Turkey. If relations continue to be mishandled, senior Brussels diplomats and informed MEPs—such as Gijes de Vries, leader of the Liberal group in the European Parliament, and Wilfried Martens, head of the center-right People's Party—predict a crisis, one which could also draw in the US, Turkey's most important patron.

The story of the present troubles begins with the island of Cyprus, which has been divided since 1974 when Turkish troops invaded the north in response to a coup by the Greek Cypriots sponsored by Athens. An uneasy truce has existed between the Greek Cypriots and Turkish Cypriots, who are defended by a heavily armed occupying force from Ankara.

Two years ago, France, supported by her EU partners, engineered a diplomatic maneuver aimed at unblocking the Cyprus impasse while reaching out to the secular forces in Ankara. In essence, the deal involved agreeing to Greek demands for a firm timetable for opening EU accession negotiations with Cyprus in return for lifting the Greek veto over the long-delayed EU-Turkey customs accord and its related financial protocol.

In practice, a deft deal has proved much more one-sided. Accession negotiations with Cyprus will begin six months after the end of the Maastricht Treaty review conference, likely to finish this summer. But Greece has maintained its veto on more than \$450 million of EU financial aid to Turkey, citing provocative behavior by the Turkish armed forces over disputed islands in the Aegean. Meanwhile, the customs accord has been responsible for a ballooning EU trade imbalance with Turkey.

Ankara's frustrations have grown as the EU and NATO have set in motion preparations for the twin enlargements to Central and Eastern Europe, two his-



toric processes which will reorder the affairs of the continent in peacetime but which do not explicitly take Turkey's own interests and sensitivities into account.

"As NATO evolves from an organization charged with defense of territory to an instrument of collective security and crisis management," says a senior EU diplomat, "Turkey's weight in the alliance correspondingly diminishes."

Earlier this year, Tansu Ciller, Turkey's foreign minister, threatened to block NATO's Eastern enlargement

unless the EU offered Turkey a perspective of membership. At the same time, Ankara threatened to formally annex northern Cyprus if the EU failed to respect the legitimate interests of the Turkish minority.

To make matters even more explosive, the Greek Cypriot government in Nicosia announced it was purchasing sophisticated Russian surface-to-air missiles as a deterrent to the Turkish occupying forces. The only good news was that deployment would take up to 18 months, leaving the EU and the



Turkish Cypriots together for peace talks, recognizing the personal antipathy between President Rauf Denktash in the north and President Glafcos Clerides in the south. "Paradoxically, the very fact that the stakes are so high may help progress toward a settlement," says a senior Commission official, "this is the best chance we've had for years."

Second, Greece and Turkey must find some ways to improve their bilateral relationship which is often held hostage to disgruntled underlings in the Ankara and Athens governments or

**Despite huge strides made this century toward a modern democratic society, the country's human rights record is questionable.**

renegade members of the armed forces. Disputes over airspace, the continental shelf, even a few uninhabited rocks in the Aegean are serious, but one gesture by either side could help to ease the tensions.

Finally, the EU must define a new "special relationship" with Turkey. One idea is to include Turkey in the future pan-European conference on enlargement, which would include all 10 candidates for accession from Central and Eastern Europe as well as Cyprus. Another is to develop a charter with Turkey on the same model as the NATO-Russia Founding Act signed last month in Paris.

Although none of these ideas will ease the wrenching economic transition in Turkey or reverse the trade imbalance with the EU overnight, they could, however, signal the efforts to build a more inclusive relationship with Turkey rather than drawing new cultural and economic lines across the continent. ☺

Americans a proverbial window in which to seek a settlement to the Cypriot issue.

Matters came to a head in March this year when a gathering of Christian Democrat and center-right leaders led by Chancellor Helmut Kohl issued a statement rejecting Turkey's pressure tactics on NATO enlargement and ruling out Turkey's membership in the EU on the grounds of its poor human rights record, its size and poverty, and its Islamist background. The Turkish government

protested in the strongest terms.

Three questions arise. How can the EU meet the promise it has made to Cyprus on membership? What is to be done about the progressive alienation of the Turkish secular establishment and the slow rise of Islamist fundamentalism? And how can the EU and the US meet Turkish aspirations to be part of the West without offering Ankara promises that cannot be redeemed, such as a guarantee of EU membership?

On Cyprus, the US and EU are working intensively to bring the Greek and

# An Island Divided

By Saskia Reilly

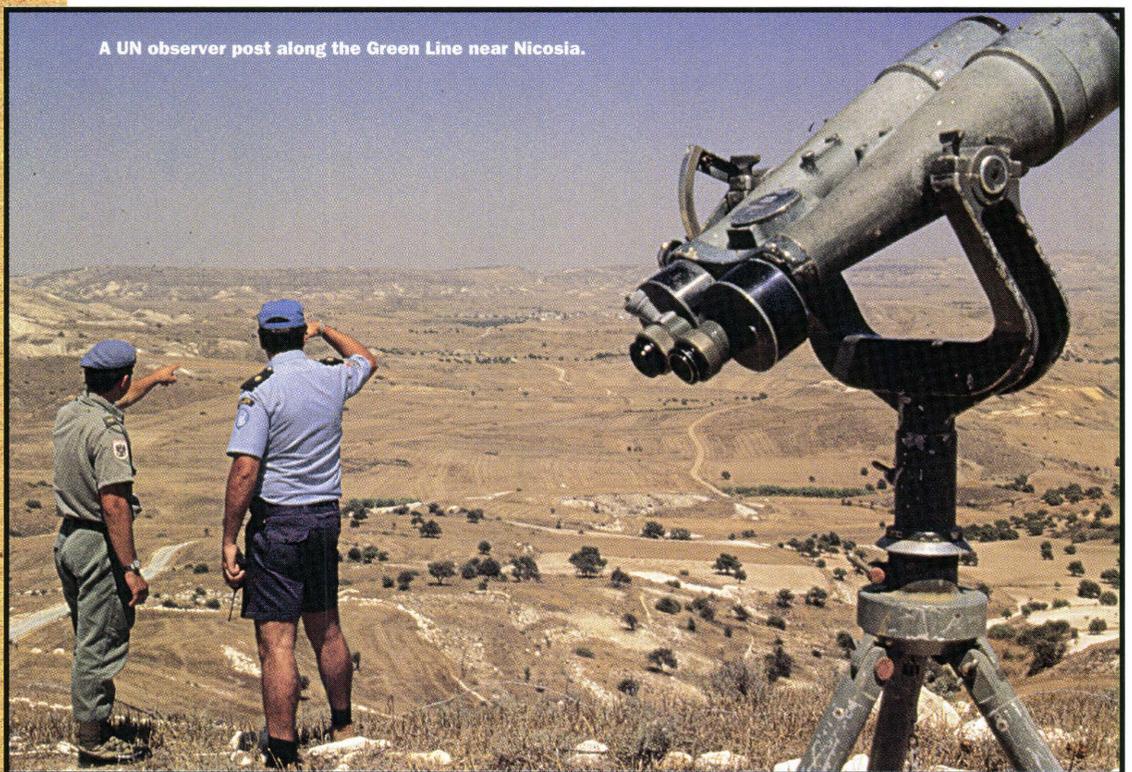
Cyprus remains an island divided—an island in the middle of the Mediterranean divided north-south by the United Nations-drawn “Green Line.” It is an island with two nationalities, two religions, two economies, and two governments—one recognized by the international community and the United Nations and one recognized only by the government of Turkey.

South of the Green Line, in downtown Nicosia, the island’s capital city, blue and white Greek flags dot the horizon and Christian Greek Cypriot forces patrol the border. On the northern side, the red Turkish banner waves high atop minarets and Muslim Turkish soldiers keep guard. In between the two is the buffer zone or as the Greek Cypriots refer to it, the “Dead Zone”—an area delineated by barbed wire where only UN soldiers are free to

walk. Though a new round of UN sponsored negotiations are underway, for the moment, the Green Line is all too present.

Cyprus like many of the islands in the Mediterranean basin spent much of its history under occupation. It was the site of early Phoenician and Greek colonies, and for centuries its rule passed through many hands. Turkey maintained control of the island from 1570 until 1878, and during that time a large

A UN observer post along the Green Line near Nicosia.



CYPRUS

Turkish colony settled on the island.

Following an outbreak of hostilities with Turkey, on the eve of World War I, Britain annexed the island. Cyprus remained a British colony until 1960 when it gained its independence along with a constitution designed to share the power between the Greek majority and the Turkish minority. Britain retained two sovereign base areas. Greece and Turkey kept small forces on the island, and all three countries had the right by treaty to intervene in Cyprus's constitutional arrangements. Yet shortly thereafter, the constitution broke down, fighting spread, and the Turkish Cypriots were driven into small enclaves. In 1964, war between Greece and Turkey seemed imminent and a UN force was installed in Cyprus. For 10 years the international soldiers managed to keep the clashes from escalating, but in 1974, the military regime, then ruling Greece, organized a military coup in Cyprus. Turkish forces then took over the north of the island. Greek and Turkish Cypriots fled or were driven across the newly drawn Green Line until the country was almost entirely segregated.

The UN monitored the new buffer zone but could not get the two sides to agree on a settlement as the Greek side wanted a united Cyprus and the Turkish Cypriots argued for a loose federation. Turkey's troops remained in the north where in 1983, Turkish Cypriots under their leader and current president Rauf Denktash declared the Turkish Republic of Northern Cyprus.

Today, the two sides remain deeply divided. Relations are characterized by harsh rhetoric and sporadic saber rattling, though acts of violence remain rare. The last death was in October when Turkish soldiers shot a Greek Cypriot picking snails along the buffer zone separating the two communities. Yet objectivity is rare as well. Even self-declared impartial observers reveal nationalist tendencies. A Greek journalist summed up a relatively neutral analysis of Greek-Turkish relations by saying, "Turkey just takes and takes and takes. Well, Greece is just fed up with giving." To which a Turkish journalist responded that no matter what the Greek said, Turkey has a distinct military advantage. "After all," he said, echoing the words of a high-ranking Turkish general, "we can have planes over Cyprus in three minutes. It would take the Greek military,

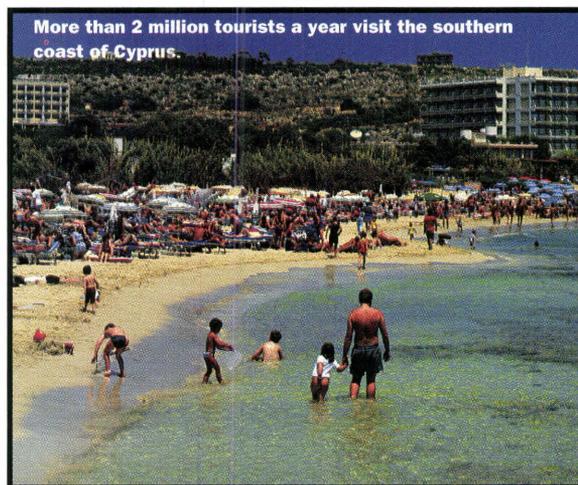
leaving from Crete, nearly half an hour."

Meanwhile, tensions are high on the island itself as well. Eighty-five percent of the island's 700,000 inhabitants are Greek, and 200,000 Greek Cypriots were displaced by the conflict, most of whom lost their homes and livelihoods. After the Turkish invasion, the Turkish Cypriot minority, which constitutes roughly 10 percent of the island's population, gained control of 37 percent of the surface area. The southern half of the island, currently led by President Glafcos Clerides, was strained by the close to 50 percent increase in the population. It is a strain that can be measured by the presence of the hundreds of concrete apartment blocks that replaced the bougainvillea-covered villas of the British colonial days. Yet, operating in a free market, the Greek Cypriots were able to make the best of their situation in many ways. The island economy, which is based on tourism, shipping, and offshore banking, is flourishing. More than 2 million people a year visit the southern half of the island, a vacationer's paradise of sea, sun, and archeological riches, accounting for more than 10 percent of the economy's GDP. The southern Republic of Cyprus, with a per capita average annual income of \$14,000 is in fact poised to meet the Maastricht criteria for monetary union and is awaiting the commencement of accession negotiations with the European Union, due to begin six months after the end of the Maastricht Treaty review conference.

The northern half of the island shows another image entirely. Faced with the occupation of more than 35,000 Turkish troops and 4,000 armed vehicles, northern Cypriots live with the army ever present in their daily lives. In fact, while addressing the United Nations Security Council in 1994, former UN Secretary General Boutros Boutros Gali declared the region, "the most densely militarized territory in the world." And although official statistics are not available for the northern half of the island, estimates indicate that the Turkish Cypriots—heavily dependent on Turkish subsidies and handouts and not blessed

with the tourism traffic that is so profitable to their southern counterparts—have an average annual income of \$4,000.

The economic disparity, symptomatic of the turbulent political climate will come into play in the next months as the island prepares to initiate accession discussions. The EU maintains that European Union membership applies to the whole island and not just to the southern Republic of Cyprus. Thus the obstacles to EU membership are primarily politi-



cal, and the conflicts, both on the island of Cyprus and those between Greece and Turkey, must be resolved before progress can be made on integration.

Recently in fact, the situation appeared to be improving. In March, Greek Cypriot President Glafcos Clerides and Turkish Cypriot leader Rauf Denktash met for the first time since 1994. The two sides planned meetings for early June to discuss reunification. Moreover at the end of April, the UN named Diego Cordovez, an Ecuadorian, to be the new special envoy to Cyprus. He is charged with helping to improve general relations on the island and to coordinate the talks between Denktash and Clerides.

However, even the best intentions can be sidetracked as evidenced by a recent UN sponsored concert. The event, which brought together 4,000 Greek and Turkish Cypriot teenagers to promote reconciliation, was disrupted by rioters, providing yet another example of the obstacles that lie along the road to peace in Cyprus. ☹

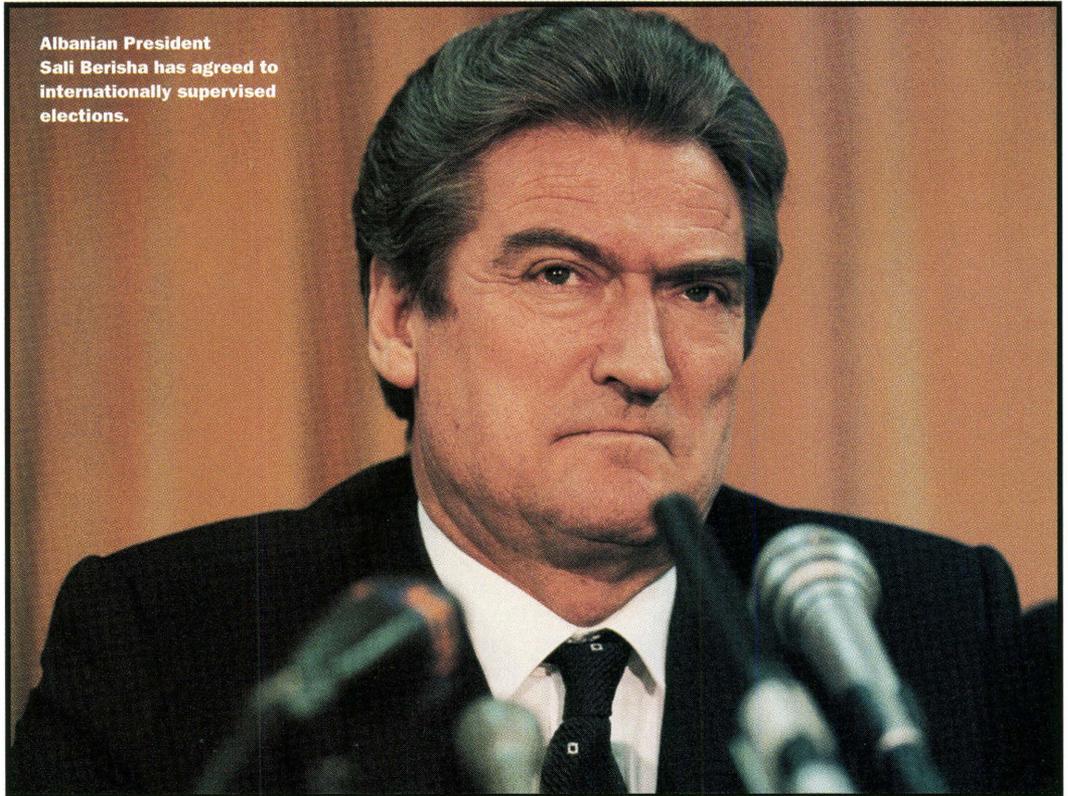
*Saskia Reilly is a journalist based in Rome.*

# A Tidal Wave of Anger Sweeps Over Albania

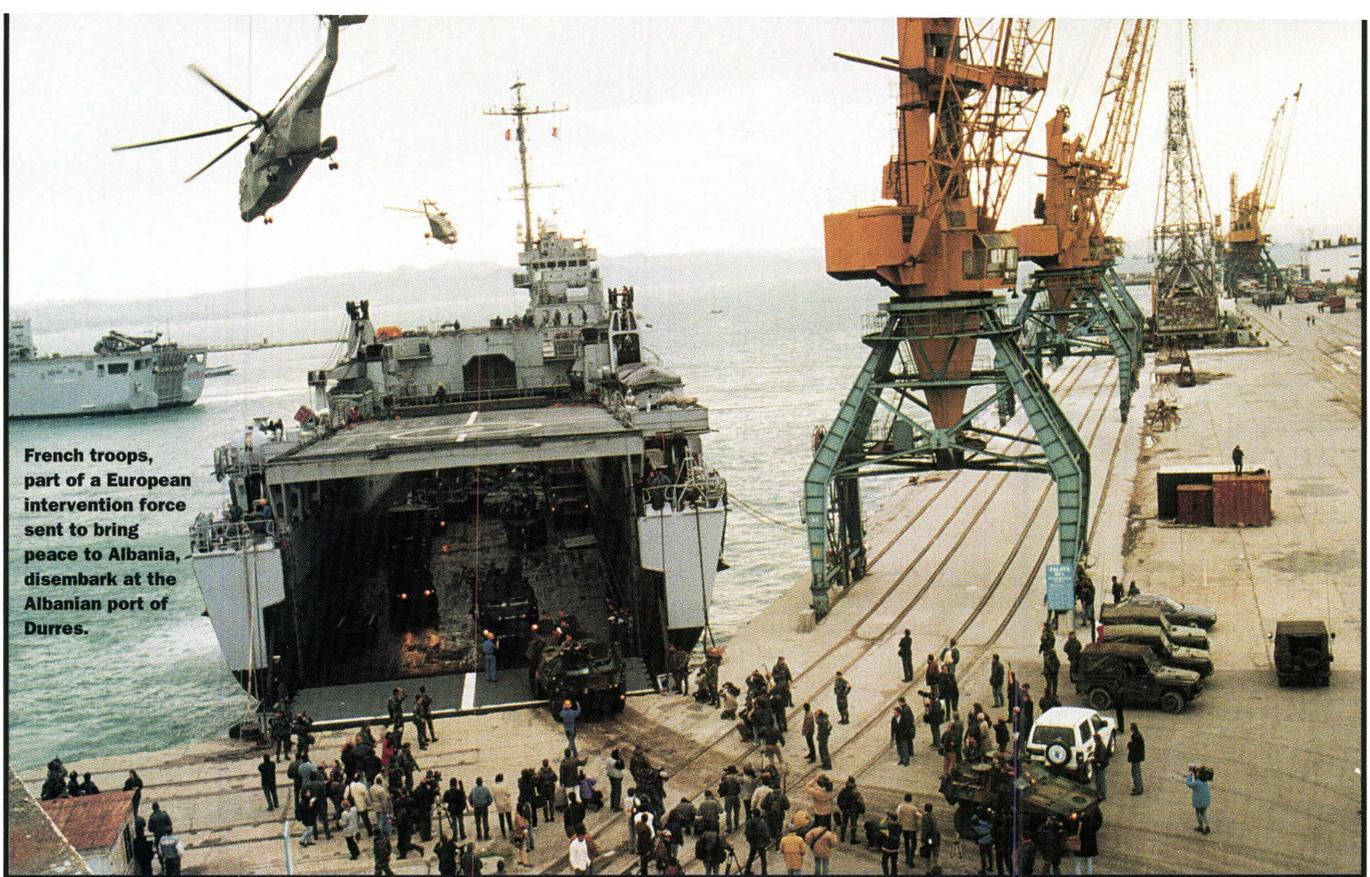
By Barry D. Wood

A huge, slow motion tidal wave swept over tiny Albania the first three months of this year, crushing the dreams of thousands and bringing anarchy in its wake. Not until the arrival of a 6,000 member European protection force on April 15 was there any semblance of order in the mountainous land of nearly 3.5 million people. The anti-government protests that began in January were triggered by the collapse of several of the pyramid investment companies into which poor Albanians had poured their savings in the hope of getting rich quick. The ferocity of the public anger shocked the outside world.

Albanian President  
Sali Berisha has agreed to  
internationally supervised  
elections.



ALBANIA



**French troops, part of a European intervention force sent to bring peace to Albania, disembark at the Albanian port of Durres.**

Rather than fight for an increasingly discredited government, the army and police turned and ran, abandoning their weapons and armories to the mobs. While the diplomats and aid donors were evacuated, Albania fell into the grip of armed gangs and hastily formed local militias.

In a bid to end the crisis the embattled conservative president, Sali Berisha, in early March agreed to new internationally supervised elections and accepted a transitional government led by the opposition Socialists. But all the while the cardiologist turned politician refused to bow to demands that he resign. Even as his power slipped away, Berisha continued to blame the former Socialists for fomenting the catastrophe. He conceded only that his failure to regulate the pyramid companies had been his greatest error in five years in power.

Despite extraordinary gains since the end of 45 years of Eastern Europe's most oppressive Stalinism, the roots of a market economy and democracy proved to be very shallow in Albania. Last April at the European Bank for Reconstruction and Development's annual meeting in London, EBRD President Jacques de Larosiere observed, "Albania is a tragic illustration of how hard-won progress in transition can be lost with frightening speed." De Larosiere and others said the failure to regulate and supervise non-banking institutions had caused the financial collapse. Eco-

nomics growth, which had averaged more than 6 percent annually since 1992, has been halted. Experts say the best that can be expected for 1997 is a 3 to 7 percent decline.

More than a billion dollars—perhaps half of Albania's GDP—had been invested in the pyramid companies, which had operated without restriction for the past five years. But the real feeding frenzy, where people sold their homes and livestock to get cash to in-

vest, didn't occur until the middle of 1996. The pyramids—calling themselves charities and foundations and including some of the country's most respected business leaders—competed to offer the highest investment returns. Doubling your investment within three months was not uncommon. And there were enough winners with cash in their hands to convince skeptics that only fools stayed away from the pyramids. The peer pressure to invest was overwhelming.

Into this surreal "Wild East" of finance rode the austere IMF sheriff in October 1996. Having much earlier cut the Albanians off from IMF lending, the fund warned of impending disaster.

The message was duly conveyed to the public by the finance minister, but in subsequent days he seemed to be contradicted by others in the government. Amid reports of cash being spirited across the Adriatic in fast boats, no action was taken. In January the first pyramids failed. People began demanding their money and insisted that the government pay if the funds could not.

The Albanian unrest has resulted in 300 deaths and 700 injuries. But despite

## **Albania is a tragic illustration of how hard-won progress in transition can be lost with frightening speed**

the violence, civil war and a broader conflict has been averted. Franz Vranitzky, the former Austrian chancellor, who is the European special envoy for Albania, says the most important task of the multinational force is to protect humanitarian and economic aid and ensure that it does not get into the hands of illegitimate groups. He believes that new elections, still scheduled for June, can resolve the crisis and set Albania back on a path toward growth and stability. But cautions Mr. Vranitzky, "The holding of the elections will not be possible in chaos and anarchy." ☹

*Barry D. Wood is EUROPE's Prague correspondent.*

Most visitors to Spain confine their travels to Madrid, Barcelona, Andalusia, and perhaps one or two side trips from these main destinations. But as expected in a country with such a long history and rich heritage, there is so much else to see and do.

**Fiestas.** Fiesta season in Spain runs generally from around the beginning of May through September and during that time almost every village, town, and city goes on a tear for several days to celebrate a patron saint, some significant event in local history, or a good harvest.

When planning to visit a particular city or region in Spain, ask the local office of the Spanish Tourist Board for a list of fiestas that will be taking place when you'll be there.

Many times even the smallest village will pull out all the stops for its yearly blast, and there could be a bullfight, fireworks, religious processions, dancing to live music until dawn, events for the kids, and lots of other shenanigans.

Even neighborhoods in the bigger cities have their own fiestas, so ask the hotel concierge if anything might be going on just down the road or across the town.

Spaniards love to share their culture with others so don't be shy and jump right in for what will be an unforgettable experience.

**Rural Tourism.** A decade ago Spain began to seriously welcome visitors from abroad who had more on their minds than the classic "sea, sun, and sangria." Specialized tour organizers spotted a market for birdwatchers, hikers, landscape artists, bicyclers, and others who wanted to become acquainted with the country's incredible flora and fauna.

Today, almost all of Spain's regions offer a full range of rural tourism activities. Guests can stay in the homes of farmers, or in some coastal regions those of fisherman, and either help with the chores, sign on for organized activities, or explore the surrounding area independently.

One possibility is to stay at a rural home in Spain's famed La Rioja wine-growing region, just two hours north of Madrid, and spend one's day tasting the local reds and lunching on exquisite lamb dishes at the many fine regional restaurants.

Others may fancy a more active holiday, such as playing Hemingway

among the trout streams of the Pyrenees Mountains or using a Basque region farmhouse as a base from which to try the world-famous surfing beaches dotted along the rugged Atlantic Coast.

**World Heritage.** For those more interested in culture and history, Spain now boasts eight cities that have been designated World Heritage Sites by UNESCO for their uniqueness and beauty—Santiago de Compostela, Salamanca, Segovia, Avila, Toledo, Caceres, Cuenca, and Cordoba.

The latter three are famous for the old sections of their city centers, while Avila boasts impressive medieval walls and Toledo was a center for philosophy and thought among Moors, Jews, and Christians.

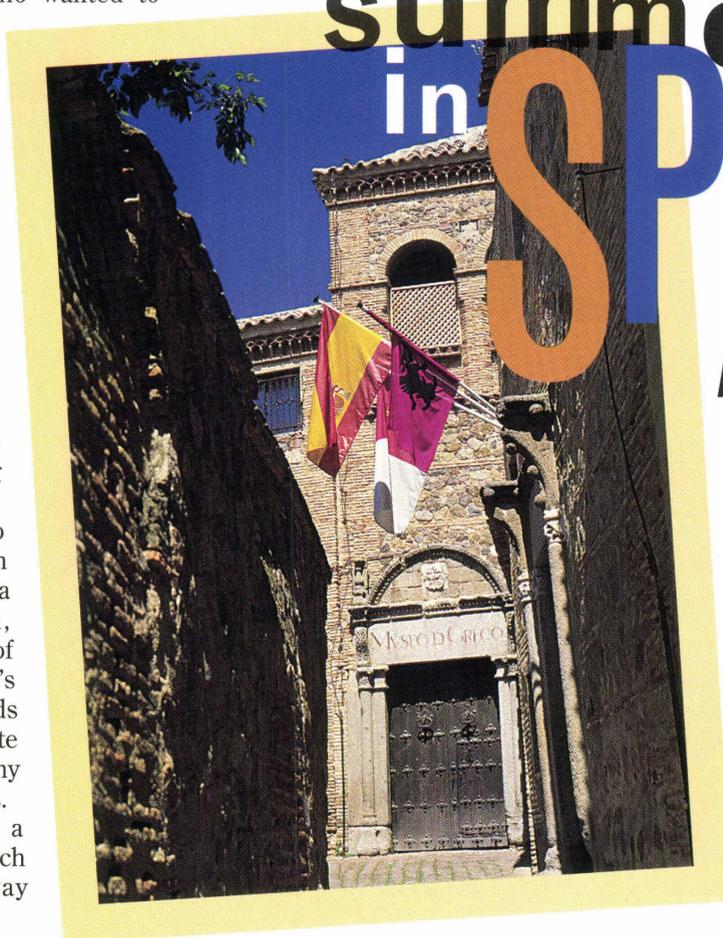
Salamanca has one of Europe's oldest and most prestigious universities. Segovia features a tremendous Roman aqueduct built entirely without mortar, and Santiago de Compostela was the Christian world's third most important pilgrimage site after Jerusalem and Rome.

All these cities are today sophisticated urban centers eas-

By Benjamin Jones

# summertime in SPAIN

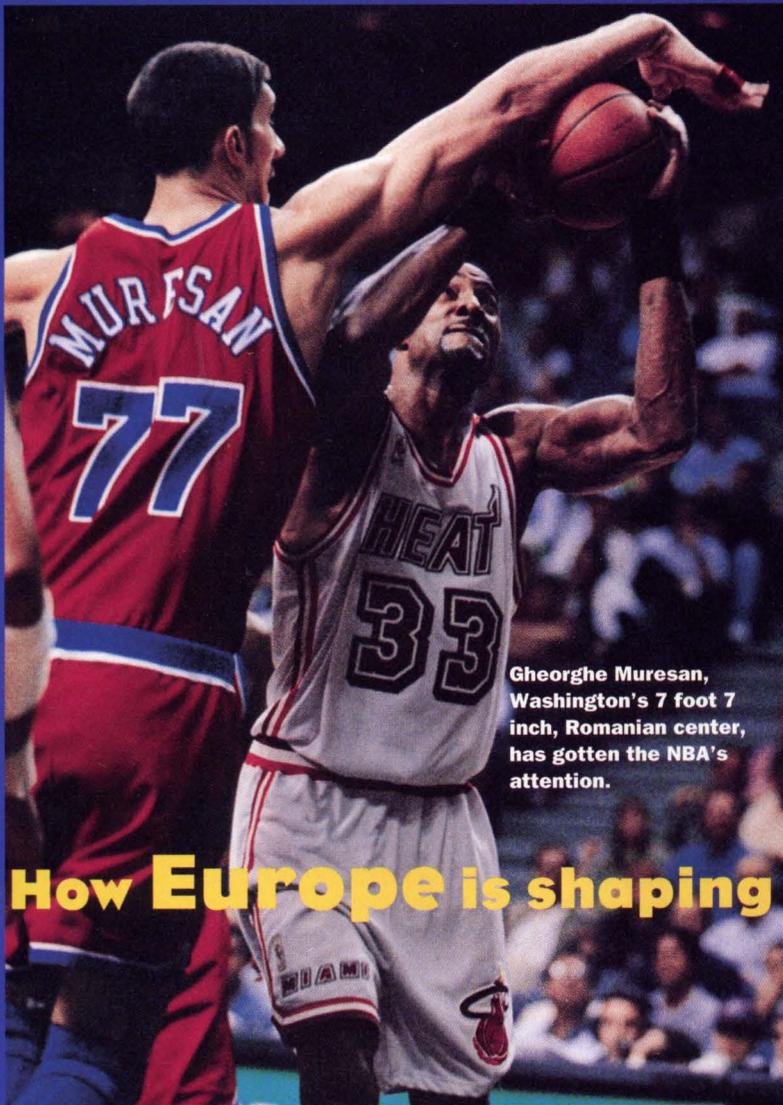
A Traveler's Sampler



ily reached by plane, train, or automobile and boast top-flight hotels. All have state-run paradors decorated with antiques and with restaurants serving up the best local dishes. Just the ticket perhaps for the return traveler to Spain who this time wants something different. ☺

**The Greco House and museum attract tourists to the city of Toledo.**

# TRANSATLANTIC



Gheorghe Muresan, Washington's 7 foot 7 inch, Romanian center, has gotten the NBA's attention.

**How Europe is shaping US basketball**

BY PETER GWIN

# HOOPS

At last summer's Olympic Games, one observer remarked that an upset of the vaunted US Dream Team, composed of NBA superstars, would be basketball's version of the drama created in the 1980 Winter Olympics when a gritty squad of Americans outlasted the legendary Soviet hockey team. Across the country, Americans gathered around their televisions and cheered as the last seconds ticked off the clock and the Soviets hung their heads. Television announcer Al Michaels summed up the US achievement, shouting "Do you believe in miracles?"

There were, however, no basketball miracles in Atlanta. But there were signs that the world competition is improving, most notably by the growing number of NBA players on the opposing national squads. Croatia alone featured four players who make their living in the US league: the Chicago Bulls' Toni Kukoc, the Boston Celtics' Dino Radja, the Minnesota Timberwolves' Stojko Vrankovic, and the Toronto Raptors' Zan Tabak. But the presence of foreign NBA players came as little surprise to basketball's cognoscenti. In 1996, 14 NBA teams had Europeans on their rosters, and the month before the Olympics, six NBA teams had picked European players in the first round of the league's annual draft.

The influx of European basketball players comes as no surprise to Bill Sweek. An agent with the Virginia-based sports marketing firm ProServ, Sweek currently represents two European NBA players (Gheorghe Muresan, a Romanian with the Washington Bullets, and Martin Muursepp, an Estonian with the Dallas Mavericks) and has been a close observer and sometime participant in European basketball for more than 20 years. After graduating from UCLA, where he played for legendary coach John Wooden, Sweek eventually worked his way into the European basketball scene, first as a player and later as a coach in the French professional league.

"When I played in Europe, basketball was not as developed. I played with a lot of guys that had started basketball by chance, and they didn't play as much," Sweek remembers. "Now with the NBA's popularity and European basketball's popularity, they start as young if not younger than here, and they may have practiced as much if not more than the players here. So there's no reason that the Europeans are going to be inferior."

That was not always the sentiment in the NBA. Marty Blake, now the NBA's director of scouting, remembers his attempt to bring an Italian player, Dino Meneghin, to the Atlanta Hawks in 1970. "My coach and owners laughed at me. . . . And Meneghin, 16 years after I drafted him was voted the greatest player in international basketball."

The NBA has since awakened to the talents available abroad. In fact, last year's championship series featured two European stars: the Seattle SuperSonics' Detlef Schrempf (from Germany) and the Bulls' "Croatian Sensation" Kukoc. Although they have both ascended to rank among the league's elite players (both have won the league's Sixth Man trophy, and Schrempf has appeared in two all-star games), they each arrived by a different route, both of which illustrate how European talent is coming to the NBA.

Schrempf followed the route that most American NBA players take. He attended the University of Washington on a basketball scholarship before entering the NBA draft in 1985. Today, the college ranks are flush with overseas players, as college coaches have expanded their recruiting to include dozens of overseas leagues and tournaments. This year NCAA Division I schools fea-

tured 116 European student-athletes in their men's basketball programs.

On the other hand, Kukoc gained the attention of international scouts as a member of the 1987 Yugoslavia junior team. That team beat the US junior team (which included future NBA stars Gary Payton and Larry Johnson) *twice* on its way to winning the world junior title. He elected to play professionally in his hometown of Split and then in Italy for a few years before being lured to the US league.

Most of the European NBAers so far have come from the European professional leagues, and Kukoc's fellow Yugoslavs have headed the list of Europeans making their mark in the US league. Since 1989, 12 players from the former Yugoslavia have played in the NBA. Four of those can be considered bona fide stars—Kukoc, Dino Radja (Boston Celtics), Vlade Divac (Charlotte Hornets), and Drazen Petrovic (who died in a car accident after the 1993 season with the New Jersey Nets). All except Radja have played in an NBA championship series.

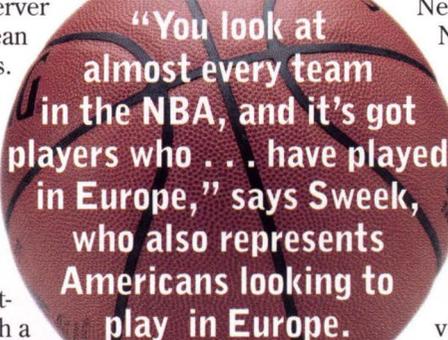
Before the Yugoslavians had NBA scouts brushing up on their Serbo-Croatian, the Soviet Union basketball team represented the cream of European basketball. Indeed, between 1956 and 1988, the Soviets won nine Olympic basketball medals (including two gold). However, the NBA didn't see its first Soviet players until 1987 when Gorbachev's policy of perestroika allowed Alexander Volkov and Sarunas Marciulionis to join US clubs. In the 10 years since, nine former Soviets have played in the NBA.

Not all European forays into the US have been successful. This season, highly touted Lithuanian rookie Virginius Praskevicius lasted only five months with the Minnesota Timberwolves before being waived. Last year, Italian star Stefano Rusconi played a total of 30 minutes in seven games with the Phoenix Suns before returning to Europe.

Proportionally, the number of Europeans in the league remains very small (14 out of 348 in 1997). Perhaps a better yardstick of Europe's growing importance to the NBA might well be the number of American players who hone their game in Europe's professional leagues before making it in the NBA.

"You look at almost every team in the NBA, and it's got players who . . . have played in Europe," says Sweek, who also represents Americans looking to play in Europe. In fact, nearly half (5 out of 12) of this year's Houston Rockets team had played professionally in Europe.

Greece, Italy, Spain, and France have long had well-established professional basketball leagues, which have attracted players from the US. In Greece, basketball has ranked as the country's favorite sport in national opinion polls since 1987, when the national team upset the Soviets to win the European championship. Even in Britain, where soccer dominates the sports scene, a professional basketball league has managed a respectable level of success and appears set to grow.



"You look at almost every team in the NBA, and it's got players who . . . have played in Europe," says Sweek, who also represents Americans looking to play in Europe.



Toni Kukoc and Detlef Schrempf followed different paths from Europe to the NBA, but they found themselves head to head in last year's final.

For most Americans, though, the European leagues represent a place to make good money. "In Europe, [American players] are going to make a \$100,000 (per year) if they're decent," says Sweek. "If they're real good or if they're NBA veterans, they can make \$1 million."

But Marty Blake remains circumspect as to how much US players improve their games in Europe. He cites an American who didn't make an NBA club but signed a lucrative deal to play in Europe. "Does it help him to go over there and play? Financially yes, artistically we don't know. . . but that's \$200,000 he can't make anywhere else. It's like winning the lottery."

The real "lottery winners" in Europe, however, are former NBA stars. Last year, Panathinaikos Athens lured nine-time all-star Dominique Wilkins from the Boston Celtics to play in the Greek league for a reported \$7 million for two seasons. The team won the European championship, and this year Wilkins returned to the NBA.

Although basketball's popularity has grown steadily in Europe over the past two decades, the arrival of the US Dream Team in Barcelona in 1992 triggered a rush of interest for both the game in general and the NBA in particular. Both will receive a further boost in Europe this fall as Paris hosts the McDonalds Championships. Featuring six club champions from around the world, including the 1997 NBA champion, the tournament will crown the world's best basketball club.

Still, many Americans roll their eyes at the thought of a European club seriously contending against the likes of the Chicago Bulls. But in 1995, the US junior team, which included Stephon Marbury, who currently stars for the Timberwolves, finished an embarrassing *seventh* at the World Junior Championships—the worst finish ever by an American team. Warns Sweek, "The US is not a lock to win these games anymore."

For now, the US Dream Team appears invincible, as the Soviet hockey team once did. Someday, perhaps, it just may be cheering Croatian basketball fans watching the Olympics who will be dancing around their TVs. "Do you believe in miracles?" the announcer will shout, but in Serbo-Croatian. ☹

*Peter Gwin is EUROPE's managing editor.*

# CAPITALS

AN OVERVIEW OF  
CURRENT AFFAIRS  
IN EUROPE'S  
CAPITALS

**F**or this month's issue, we asked our Capitals correspondents to get out from behind their com-

puters and search out a sports story in their respective countries. As you might imagine, they reported on a wide array of sports, running the gamut from the familiar (soccer and basketball) to the less famous (hurling and Basque stone lifting). Here follows what they found.

## European Sports

### PARIS

#### FROM COCKPIT TO PIT WALL

**W**ith 51 Grand Prix victories behind him, retired Formula One champion Alain Prost, 42, knows only too well that you do not always win the first time around. It has taken him four tries to acquire his own racing team, but his tenacity has finally paid off. Since February he is back in the fast lane where he enjoys life most, this time as the owner of the Ligier team, now rebaptized "Prost Grand Prix."

After having retired from Formula One racing in 1993, the four-time world champion tried to shift down to less risky pursuits, including a short stint as "ambassador" for Renault and a spell as technical consultant for McLaren. But he felt bored away from the adrenaline rush of the track. "I have tried to live without some competition in my life, and I missed it," he admitted. "I know the kind of person I am, and I need to be focused."

Prost is refusing to give the exact sum, but he spent an estimated \$15 million of his own money to buy the Ligier team. The deal took five months of intensive negotiations, which Prost described

as a veritable obstacle course, before he had the contract safely in his pocket. This season he is running the team as Prost-Mugen-Honda, still using Ligier's supply of Mugen-Honda engines, but next year he will start on a three-year partnership with French automobile manufacturer Peugeot.

The team Prost has taken over is a



The "Blues" Formula One team appears to be back on track with a new owner.

quintessentially French creation that has acquired an international character over the past few years. Founded in 1976 by another former driver, Guy Ligier, it had its heyday in the late 1970s, when Jacques Laffite won six Grand Prix titles for it in four years. After that, the team known as "the Blues" lost momentum and never really got back on track until

they were bought by the director of Benetton, Flavio Briatore, in 1994. The Italian pruned the team's staff and budget, installed a crack team of Italian engineers at the Ligier factory in France, and hired a French driver who was new to the Formula One circuit—Olivier Panis, 31.

Panis, the son of a car mechanic, started his driving career in go-carting and worked his way up to Formula 3000, becoming its international champion in 1993. On the Formula One circuit he was considered to be competent but lacking killer instinct, just too "nice" a guy to ever be a winner. Then last year, to everyone's surprise, he gave Ligier its first win in 16 years, when he roared across the finish line first in the prestigious Monaco Grand Prix.

Prost is keeping Panis as his number one driver this season and has hired a young Japanese newcomer, Shinji Nakano, 26, to be his teammate. Nakano is not the only Japanese element in Prost's team. Although the Ligier factory is located in Magny Cours, in the Burgundy region, right next to the track where the French Grand Prix will be run on June 29, some vital parts of the cars are Japanese. Mugen, the racing department of Honda, is providing the engines, Bridgestone the tires, and Showa the shock absorbers.

It is of course the Prost-Panis tandem on which the French are focusing all their

national pride and Formula One fervor. This year, which is something of a trial run for the fledgling team, got off to an impressive start. At the season-opening Australian Grand Prix in March, Panis grabbed fifth place, and three weeks later in Brazil he made it to the winner's podium, fighting his way to third position behind Jacques Villeneuve and Gerhard Berger.

Prost was elated, but confessed that following the race from the pit wall instead of being in the cockpit, “was the most nerve-racking thing that I have ever done in motor racing.” April’s two races were less successful, with Panis having to drop out in Argentina and placing eighth in Italy. But he rebounded in May, finishing fourth at a rain-soaked Monaco Grand Prix.

No matter how the rest of this first season goes, Prost has proven himself as a champion driver so often (he still holds the record for most Grand Prix victories) that he can afford to take some time to become a winning owner. There is no doubt that he is determined to do just that. When asked what style of management he was bringing to his new team, he simply replied: “Winning management.”

—*Ester Laushway*

## LISBON

### SEEDY SIDE OF SOCCER

It’s been a dismal season for Portugal’s national passion. The soccer-crazy Portuguese have no less than three daily sports papers devoted almost exclusively to soccer, but recently their pages have carried more news about corruption and violence behind the scenes than about what happens on the field.

Last November a first division club manager received a one-year prison sentence for paying a referee \$13,000 to favor his Leca team. It was the first trial of its kind in Portuguese soccer history, the culmination of a major investigation into match-rigging that pointed to much more widespread corruption.

League champions FC Porto have come under investigation for allegedly paying a referee’s holiday in Brazil, and European soccer’s governing body, UEFA, has been investigating allegations that Porto also tried to bribe a referee before a European Cup winners match against Scotland’s Aberdeen in 1984.

But what fans might have found most shocking is the unapologetic cynicism on the part of officials and managers. The Lisbon daily *Publico* said football had “sunk to the bottom of the swamp” after 40 referees freely revealed the names of their favorite teams in a newspaper interview. A former chairman of first division team Sporting Lisbon recently declared that he bought referees all the time during the 1980s because “everyone else was doing it.” He said

that if he’d been better at bribery he might have won the league title for his club.

And just as the season was drawing to an unmemorable close, Sporting striker Ricardo Sa Pinto made the headlines with an unprecedented physical assault on national coach Arthur Jorge. Sa Pinto, who faces a ban of up to six years, says he punched and kicked Jorge because he was angry at reports that he had not been selected for a World Cup qualifier for disciplinary reasons.

The government is introducing legislation to crack down on corruption and violence in football, but for many fans it is too little too late. Poor performances

**The government is introducing legislation to crack down on corruption and violence in soccer, but for many fans it is too little too late.**

by Portuguese clubs have driven many spectators away from the stadiums to the comfort of their living rooms where satellite television offers the superior quality of a Spanish or Italian league match. One group of Lisbon intellectuals have gone one step further, severing life-long allegiances to their Portuguese clubs and forming a supporters’ group for Spain’s Barcelona team.

—*Samantha McArthur*

## VIENNA

### SUMMER SPORTS

What do the Viennese do when they want to work off a winter of eating wienerschnitzel and Sacher torte? Some may head to the gym, but many take advantage of Vienna’s variety of summer sports offerings, including bicycling, walking, in-line skating, and most surprisingly, swimming in the Danube.

The almost 200 miles of well-main-

tained bike paths make bicycling in and around Vienna both safe and convenient. The Ringstrasse, which circles the city center, and other main roads, have wide bike lanes, and connect the many smaller paths to each other and to the center. Bicycles are permitted on many trains and, during off-peak hours, on specially marked subway lines.

Bicycles can be rented at various locations around the city, usually on a per hour basis. They are also available at the West, Süd, and Nord train stations for daily rates, and passengers presenting a valid train ticket receive a significant discount. Bicycles rented at the train station can be returned to any of the 160 participating stations nationwide. Vienna’s train stations are well-connected by bicycle path to the center and to points outside.

Vienna’s bike paths are efficient and safe enough that a bicycle is a logical way to visit the city’s major sights. The *Logbuch Radwege Wien* is an excellent map of bicycle routes, including those that go past the important tourist attractions in the historic center.

The Donauradweg path runs along the Danube River from Passau, Germany, through the Austrian cities of Linz, Melk, Krems, and Vienna, to Bratislava, Slovakia, and is perfect for biking, walking, and in-line skating.

Bicycling and in-line skating are hardly Vienna’s only outdoor offerings though. The Danube is surprisingly clean, and there are many popular beaches as well as a variety of boats available for rent. The beach scene is especially popular on the Danube’s banks to the east of the city. Waterskiing, the world’s longest waterslide, and pleasant beaches can be found on the south end of Donauinsel. There are no lifeguards, although there are rescue stations in case of emergency.

Some recommend the Alte Donau over the Danube itself since its currents are weaker and it is less crowded. This slow-moving stream runs through the residential neighborhoods north of the river. Beach huts can be rented daily on the banks of the Alte Donau from either Strandbad Gänsehäufel or Strandbad Alte Donau. The Strandbad Gänsehäufel also has a heated pool and other recreational facilities, and boats are available for rent at the Strandbad Alte Donau.

So, Vienna: music, museums, pastries, and summer sports? Although it seems unlikely that summer sports will soon catch up with Vienna’s world-fa-

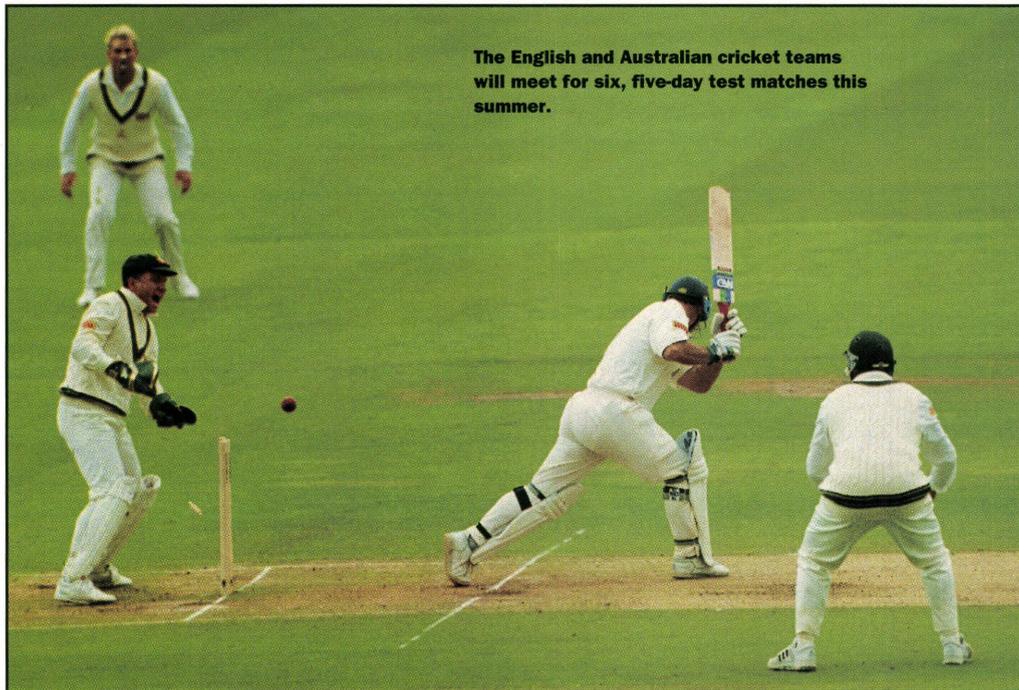
mous cultural attractions, they are a healthy and fun way to experience the Vienna of the Viennese.

—Alisa K. Roth

## LONDON

## THAT'S CRICKET, OLD BOY

If you love baseball, you might like cricket, though it's doubtful you will understand it. Most people believe the only way to understand cricket is to be born English.



The English and Australian cricket teams will meet for six, five-day test matches this summer.

My friend Larry, who hails from St. Louis, Missouri, disproves this assumption. His father Bob Klinger was a famous pitcher with the Boston Red Sox and the Pittsburgh Pirates in the 1940s and 1950s, but after 20 years in England Larry has become an even greater fan of cricket than baseball.

Every summer Larry and a dedicated band of friends from his local pub make a pilgrimage to the Lords cricket ground in north London to watch a test match, which is cricketing parlance for an international match against a visiting team.

This year it's the big one—Australia. They are playing for the Ashes, of which more later.

A game, oops, a test, lasts five days—beginning on a Thursday and continuing on through the weekend to Monday. Yes, one test match, five days. England and Australia will play six, yes six, five-day tests this summer. The winner of

the most tests wins the series and the Ashes.

Cricket is a game that involves one person throwing a ball (its called bowling, throwing is illegal) at another person who endeavors to hit it as far as possible. Sound familiar to you baseball fans? Well here's a curveball, the batter—batsman in cricket—can hit the ball anywhere, even behind him. And here's another, the bowler (pitcher), only gets to bowl (pitch) six balls before he is replaced by another bowler for six balls, and then it's his turn again.

Larry suggested I might also mention that two batsmen are on the pitch (field), that they run between wickets (the key parts of the wicket are the three stumps—wooden stakes—topped by bails; if the bails come off, the batsman is out), that there are 11 players on each side, and that all of them have to bat before an innings comes to an end. These are the sorts of things that distinguish cricket from baseball, so he tells me.

Many test matches end in a draw. This is not like a tie, when both teams have the same score. A draw is when there is not sufficient time for both teams to complete two innings. "Not enough time?" you ask incredulously. "Didn't you say the test, lasts five days?" Yes, dear reader, I know it's hard to credit, but that's cricket.

A main contributing factor to drawn games is rain. "Rain stopped play" is one of the great cries heard in the summer.

Indeed, the weather is a crucial factor in cricket, which is played in uncovered grounds. The very selection of the team will depend on whether the weather is expected to be damp or dry or sunny.

Here are a few oddities Larry says you should be aware of. In a test match, both teams wear the same uniform. White shirts and white slacks. The crowd, and indeed even the opposing team, will applaud an excellent performance by a member of the other team, especially if the batsman scores a century (100 runs in a single innings).

If you are visiting England over the summer, then you need to understand the all absorbing importance of the test matches. I had an editor who basically refused to talk to anyone while a test match was in progress, and no one thought that the least bit odd.

Besides England, the game is played primarily in countries of the former British Empire. The top teams are the West Indies, India, South Africa, and of course Australia, the first team to beat England. A disgusted England burned the stumps, placed them in a trophy-cup and presented them to the Australians. Hence the Ashes.

To conclude, here's an easy one. The team with the most runs wins the test match. The team that wins the most tests wins the series. If the test series between England and Australia is a draw, then the winner of the last test series retains the Ashes.

Hope that's clear, old boy.

—David Lennon

## BRUSSELS

## BELGIUM'S TENNIS DIVAS

On a steamy hot day in January at the Australian tennis championship in Melbourne, the world's then second and third ranking women players were both defeated by relatively unknown Belgian opponents. Arantxa Sánchez-Vicario was knocked out by Dominique Monami-Van Roost, while Conchita Martínez went down to Sabine Appelmans.

It was no flash in the pan. Six weeks later the highly fancied Spanish team,

led by Sánchez, was overwhelmed 5-0 by the Belgians in the Federation Cup, the women's equivalent to the Davis Cup. On the same day, the other favorites in the competition, the United States, were put out by the Netherlands, which leaves the cup wide open. Belgium will play France in one semifinal in July, while the Netherlands faces the Czech Republic in the other.

There is now a distinct possibility that little Belgium, with a population of only 10 million and lacking a tennis-friendly climate, may carry off the trophy for the first time. Although they lack a player in the top 10, the Belgian team is perhaps stronger in depth than any of its remaining rivals.

Sabine Appelmans, 25, ranked twentieth in the world, is the top Belgian player. She has won eight singles titles and reached the final of the women's doubles in the recent Key Biscayne tournament. She has beaten several players ranked much higher than herself, including Jana Novotna and Anke Huber, as well as both Sánchez and Martínez. Although naturally right-handed, she plays tennis as a left-hander because she wanted to be in the same coaching group as a left-handed friend when she started playing as a child.

Normally a consistent player, she has blown a number of big matches by serving a series of double faults when she was well placed to win. This happened against Sánchez at Wimbledon last year, and again at Melbourne in January against Mary Pierce. Yet her match temperament seems to be improving, and if she can eliminate this failing she should climb much higher in the rankings.

Apart from her playing talents, she has other attractions for tennis spectators, having been voted "the most beautiful female player on the 1997 tour" in a poll of sports journalists. Would-be suitors, however, will be disappointed. She is marrying her long-time boyfriend and former coach, Serge Haubourdin, in September.

The number two Belgian player, Dominique Monami, 24, is a less consistent player but is able to rise to the big occasion. Now ranked thirtieth in the world—her highest position—she had recently been much troubled by injuries but has now fully recovered.

Both Appelmans and Monami are essentially baseline players, but the Belgian number three, Els Callens, 26, a tall blonde, is a serve-and-volley specialist in the same mold as Steffi Graf and Jana Novotna. Two other much younger players, Laurence Courtois and Stephanie Devillé, are rapidly climbing up in the rankings, and both are likely to be among the world's top 50 players by the end of the summer.

Although several of the Belgian play-

suing careers once their playing days are ended. They are a level-headed and serious-minded group of young women who are unlikely to let success go to their heads.

—Dick Leonard

## DUBLIN

### LOVELY HURLING

Given the rather small population, Ireland's standing in world sport in recent years has been entirely disproportionate to its size.

In team sports the Irish soccer team qualified for the World Cup finals in 1990 and 1994 (and, despite a few early hiccups, still hopes to qualify for next year's

event). Irish rugby also has a proud record. It is organized on a regional and island-wide basis, and enjoys an international reputation.

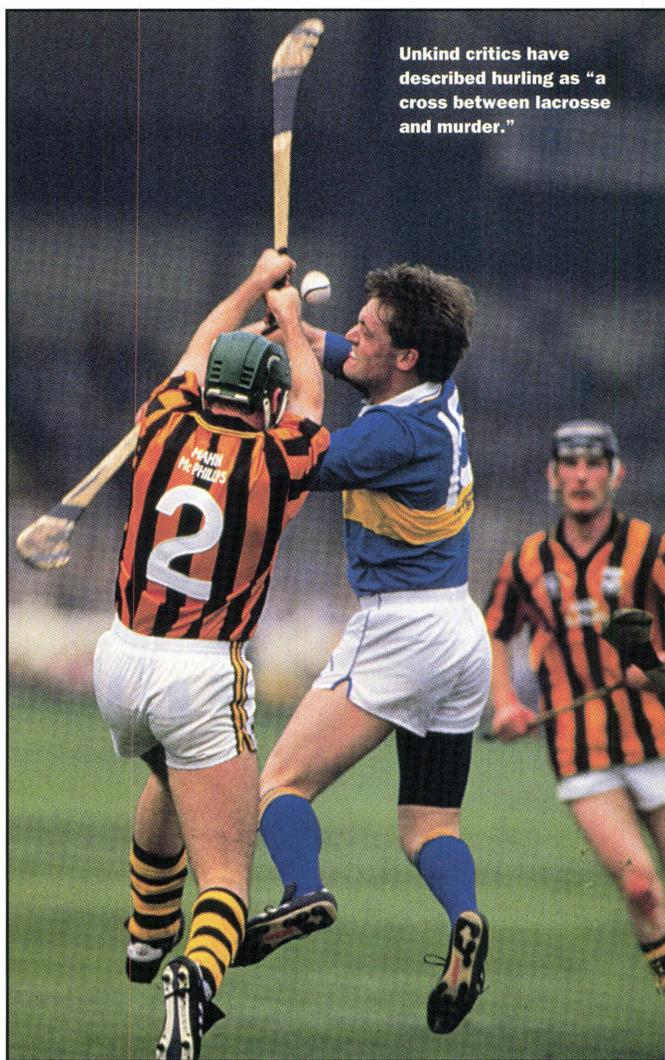
Athletics, golf, yachting, boxing, and equestrian sports are also highly popular. And international acclaim has been heaped on individual stars, ranging from swimmer Michelle Smith and her three gold medals at the Atlanta Olympics to cycling stars like Sean Kelly and Tour de France winner Stephen Roche.

But the most popular and widely played sports in Ireland are amateur and do not have a wide international dimension. The sports with the greatest following are Gaelic football, hurling, and—for women—camogie.

All three are field games played almost exclusively in Ireland, where they are organized on an all-island basis. They are also played among Irish emigrants in the United States, Britain, and Australia but have not yet made any large impact abroad.

Gaelic football is a high-scoring combination of rugby and Australian Rules played to an Irish formula.

Many of the Irish rules have been adopted for the Australian game, and there have been a number of one-off games between representative teams from both countries.



Unkind critics have described hurling as "a cross between lacrosse and murder."

ers, especially Appelmans, showed great promise at an early age, they were not exposed to the international circuit as young teenagers, preferring to concentrate on their studies, with a view to pur-

## LUXEMBOURG

## CYCLE MANIA

**T**he list of Luxembourg's sporting heroes is not long, but it gleams with gold. Above all else stands the victory won by Josy Barthel in the 1,500 meters in the 1952 Olympic Games in Helsinki. That was a onetime triumph of which any country, let alone one of barely 400,000 inhabitants, could be proud.

The list goes on to include some 13 world-beating performances by Luxembourgers in skiing, fencing, bowling, and deep sea-fishing among other things. *Deep sea-fishing?* You may well raise an eyebrow, considering that Luxembourg lies more than 200 miles from the nearest sea coast.

Just as remarkable in its way though is the fact that five of those 13 achievements are in cycling. "In cycling, we have certainly performed above our station," says a Luxembourg diplomat. A Luxembourger was the first non-Frenchman to win the world's most demanding cycle race, the Tour de France, in 1909. The Tour was again won by Luxembourgers in 1927, 1928, and 1958. More recently, a Luxembourg woman won the world cycling championship.

To be sure these achievements all lie some ways back in the past—some might say in an age before the sport became so commercialized that only riders associated with big companies could afford to compete. There are signs, however, that cycling in the Grand Duchy is beginning to stir itself, both organizationally and through the provision of better and more extensive facilities. As in other countries, this renewed interest is leisure-led.

Just about everyone's favorite publication in Luxembourg is *Radwanderwege*—or the map of traffic-protected cycle tracks that lace the country. Some are built over disused railways; some are improved woodland paths; some are unmade farm roadways; and inevitably some are minor roads linking villages that have been modified to curb vehicle traffic.

There are at present 13 of these routes covering some 220 miles of cycling, but the pace of construction is rapid and the numbers should be doubled by the year 2000. To create some 400 miles or more of unimpeded cycling in the Grand Duchy would be an impressive achievement: Luxembourg is barely

62 miles long and 37 miles across—roughly the size of Rhode Island.

But the statistics give no idea of the sheer charm of cycling in Luxembourg. The ride from the capital to the small town of Echternach on the German border, for instance, takes you through heavily wooded, often rocky terrain where the track runs alongside mountain streams or plunges into dramatic dark tunnels. They call this part "Little Switzerland."

At Echternach the route can be continued along the banks of the river Sûre to Moersdorf, passing through a number of small villages, parks, and orchards, and offering access to the German cycle network on the opposite bank. The distance from Luxembourg city to Moersdorf is about 30 miles, but if this looks forbidding on the return, you can take your bicycle back by train for a flat charge of about a dollar regardless of distance.

The existing 13 dedicated cycle routes in Luxembourg are for the most part unconnected with each other. One purpose of the plan for the year 2000 is to link them as far as possible into a single national track, which could open up to cyclists the possibility, at present limited to motorists, of eating breakfast in France, lunch in Germany, dinner in Belgium, and ending with drinks in Luxembourg.

Nico Stammet, general secretary of the Luxembourg Cycling Federation, which has some 3,000 members, acknowledges the value of government assistance to the sport, both through direct funding and in the provision of land and material for routes.

It helps that Luxembourg is a rich country with varied and often beautiful landscapes, but as Mr. Stammet points out, these would count for little if her people were not instinctively drawn toward cycling. They are, as the huge popularity of leisure cycling today—as much as the tally of medals—will confirm.

—Alan Osborn

## ATHENS

## AN ATHLETIC REVIVAL

**A**sporting renaissance in Greece neatly coincides with the staging of the world track and field championships in Athens in August. Greek fans will be able to cheer on a clutch of medal hopefuls at the city's Olympic stadium—rather than only catching brief glimpses of Greek athletes on television as hap-

There are 15 players on each team. The ball is round and can be played with both feet and hands. And scores can be taken by putting the ball between the upright posts (one point in value) to under the bar into a net (that's a goal, equivalent to three points).

Hurling, again with 15 players on each side, is not unlike hockey and is played with sticks and a small, ridged leather ball. It is one of the oldest and fastest field games in the world, its origins steeped in the mists of Irish legend and its scoring system the same as in Gaelic football.

Unkind critics have described hurling as "a cross between lacrosse and murder." But in spite of its breathtaking speed and seemingly daredevil swinging of sticks, it is a highly skillful game in which—despite what appears like mayhem on the pitch—there are few serious injuries.

Camogie has similar rules and scoring patterns as both hurling and Gaelic football but is played exclusively by women.

The major competitions are divided into "league" and "championship." Both are contested by teams representing Ireland's 32 counties and take place in autumn-spring (league) and summer (championship).

The most popular competition is the championship, which is played on a provincial basis with the winners contesting the finals in September. These games are played in Croke Park, in Dublin, which is the country's largest sports stadium. The games attract crowds of 70,000-plus for what are Irish versions of the Super Bowl.

Gaelic football, hurling, camogie, and handball are administered by the Gaelic Athletic Association, which was established in 1884 to promote and develop national sports.

In the Irish Republic the GAA's games attract support from all sections of the community, but in Northern Ireland they are played almost exclusively by Roman Catholics. Protestants claim they were, and are, too closely associated with Irish nationalism and, since they are played mainly on Sundays, also violate the Sabbath.

But there is evidence from the three television companies that broadcast the games that the television audience now crosses the sectarian divide and has become one of the most popular sports programs throughout the island.

—Mike Burns

pened last summer. Four Greeks won gold medals at the 1996 Atlanta games—a best ever performance—but viewers at home missed seeing them in competition because their events were not relayed live to Greece.

At the Athens contest, two gold medal winners in the world indoor track and field championships earlier this year will be trying to repeat their performance outdoors. Katerina Kofou, who won the 200 meter sprint in February in Paris, is a favorite for a second title. Costas Papiadous, who won the 60 meter dash, could feature among the medal winners in the 100 meters or 200 meters. On the basis of performances this year, another four Greek athletes have a chance to win medals in field events, notably the long jump and the high jump.

The depth of Greek talent developed over the past few years in track and field has come as a big surprise. Although the Greeks invented classical athletics—and many ancient athletes were close to being professionals representing their city states at the Olympics and other contests held at Delphi, Corinth, and Nemea—their runners and jumpers were outshone at modern contests by weightlifters and wrestlers.

Until Voula Patoulidou won a gold medal in the 110 meters hurdles at the Barcelona Olympics in 1992, the only Greek track and field victor was Spyros Louis, the shepherd who won the first marathon race of modern times—staged at the 1896 Olympics. But standards have soared in recent years, partly because athletes have attracted commercial sponsorship for the first time. The arrival of several veteran coaches from ex-communist Eastern Europe has also provided new expertise in training.

In team sports too, the Greeks have been achieving unprecedented successes. The country's soccer team reached the final round of the 1994 World Cup.

In April Olympiakos of Athens triumphed in the European club basketball championship, beating Spain's Barcelona. It was the Greek team's first win, although they had reached the finals three times in the past four years.

But one thing is still missing in Greece's sporting revival. The Greeks still have not hosted a modern Olympic Games since they were first revived. The humiliation of losing the centennial Olympics was wiped out by the Greek athletes' strong performance in Atlanta.

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Now Athens—together with Rome—are the two favorites to stage the 2004 games.

Greece's chances of winning the games will hinge on how efficiently it can run this year's World Track and Field Championships, which will take place just three weeks before the International Olympic Committee selects the host city. A smooth performance by the organizers would help dispel any lingering doubts about Greece's capacity to manage an Olympics.

—*Kerin Hope*

### ROME

## RUGBY RULES

**M**arch 22, 1997 will go down in Italian rugby history. On that day, the small Italian national rugby team beat the great French champions on their home territory to win the prestigious European Cup for the first time ever and deny France its twenty-third European title.

But this spectacular victory, which was played in the alpine town of Grenoble, meant many other things for the Italians. First, it represented sweet revenge

for the "pizza-and-spaghetti team" (as the Italians were amicably called by the high and mighty of the noble rugby circuit) over the aristocratic French "champagne team," which, for decades now, has been the best team in Europe. It also meant the end of a series of humiliating defeats at the hands of the French, who often sent their reserve players to challenge and defeat the Italians in direct matches. This, however, wasn't the case in Grenoble. This time the Italians had beaten the best of the French national team—which only a few days earlier had won the exclusive Five Nations Trophy.

Ah, the Five Nations! The importance of the Italian victory is closely linked to this tournament, which consists of Europe's top five rugby dynasties: England, Wales, Scotland, Ireland, and France. The five have always denied the Italians' request to enlarge the challenge to a "Six Nations Trophy." The "no" was always very sharp: both by the French and, in particular, by the Anglo-Saxons teams who, malicious tongues maintain, still have to digest the admittance of France into the stiff-lips circuit (even though this happened in 1910).

The French, however, committed a major error four years ago. They gave the go-ahead to one of their former rugby champions, George Coste, to become the coach of the Italian national team. And Coste, a small and very robust Gascon from Perpignan, created nothing short of a miracle.

Indeed, his miracle has been acknowledged by the European sporting press. *L'Equipe*, the French sporting daily bible, wrote that "At Grenoble the Italians seemed indisputably the winners of the Five Nations." The *London Times* expressed the opinion that Italy "has to enter the Five Nations right away."

The English accolade is, perhaps, the

indirect recognition of a debt of gratitude. In order to prove itself worthy to join the tournament, Italy has held a "virtual" Six Nations tournament, playing direct matches with each of the Five Nations members. In the virtual standings, the "spaghetti-team" came in third overall, but its victory over the French at Grenoble would have given a "Six Nations Cup" to England, who, otherwise, in the real Five Nations came in second.

Coste and his men say they've done all they can to provoke a Six Nations Cup. Now it is up to the sports politicians to speak and act. In fact, negotiations are already underway, although Wales and Scotland continue to veto the expansion.

The Italians, in the meantime, may have found some unexpected allies. Guess who? The French.

—*Niccolò d'Aquino*

## MADRID

### BASQUE SPORTS

**G**rowing up in central California, one comes into contact with a number of different ethnic groups and nationalities, and throughout my childhood and teenage years, I had African-American, Chicano, Portuguese, Chinese, Japanese, Italian, and Filipino friends and acquaintances.

## NEWSMAKERS

The world 800 meter record, the oldest in the book, has belonged to British athlete **Sebastian Coe** for so long that it is hard to imagine anyone else ever running away with it. For 16 years the outdoor record of 1 minute 41.73 seconds set on a warm evening in Florence has survived all attempts to outstrip it. That is because the 800 meters is not just a grueling test of speed and endurance, says Coe, but "a testing to the very limit" of both body and spirit.

Now someone has finally come along who looks set to show Coe's record a clean pair of heels. **Wilson Kipketer**, a Kenyan who has adopted Denmark as his home, has already stopped the clock more than two seconds earlier than anyone else has ever done at an indoor track. At the world championships in Paris in March, after not having raced at all for 6 months, he clocked in at a dazzling 1 minute 42.67 seconds.

Kipketer, who spent his early years in poverty in the Rift Valley in Kenya, was taken under the wing of a kind head-teacher at the school where he paid his way by doing janitor work. He was taken to study in Denmark, where he trained under a Polish coach, Slavomir Novak. He missed out on last year's Olympics in Atlanta because he did not get Danish nationality in time. Perhaps Kipketer is currently being driven by his frustration at not having been an Olympic contender. Whatever is propelling him forward, Coe suspects that this summer it will inevitably take him into racing history, as the new 800 meter world record holder.

• • •

It sounds like one of Sherlock Holmes' more interesting cases, but the "Curse of the Rainbow Jersey" does not come from the realm of fiction. It is all too real. Over the past decade, the different holders of professional cycling's world title, easily recognizable by the garish top that shows their champion status, have fallen prey to remarkable streaks of bad luck.

From Ireland's **Stephen Roche** to Frenchman **Luc Leblanc**, from Italian **Maurizio Fondriest** to American **Lance Armstrong**, the "curse" has blighted the careers of each and every one. The latest victim of the hex is the current cycling champion **Johan Museeuw** and his Italian-sponsored Mapei team. At the first major race of this year's Classics—the one-day events that are the cornerstone of the European season—Museeuw was knocked off his bike following an uncharacteristic mistake by French star **Laurent Jalabert**. At the following World Cup event, the Tour of Flanders, a fellow cyclist rode into him, leaving their bikes in a tangle and Museeuw sitting on the tarmac. To complete the ill-starred run of three, close to the finish of the Paris-Roubaix Classic, which Museeuw was leading, he had a fifth flat tire of the day and snatched defeat from the jaws of victory. His team manager Patrick Lefèvre says that he does not believe in curses or superstition, but he admits that even when you do everything right, "bad luck can ruin your chances. But wait and see—luck evens out over the season."

• • •

When **Jean-Claude Killy** won the overall World Cup title in skiing, **Luc Alphand**, 31, was only a toddler. Now, nearly 30 years later, Alphand has become the first

Frenchman to take the world title since the legendary Killy.

Skiing in only two disciplines—the downhill and super-giant slalom—Alphand is the only speed specialist to have ever claimed the overall crown. With 13 career injuries to his hips, thigh, back, wrist, shoulder, and knees, his body is battered but unbeaten.

At the end, all he had to do to win was sit back and watch. During the final slalom race in March, which is not one of Alphand's disciplines, his nearest rival, Norwegian **Kjetil Aamodt**, could have come out the overall winner if he had finished either first or second. But he managed only seventh place, leaving Alphand in possession of the coveted crystal globe. "This is a dream that will last a long time," said Alphand. He is not certain yet whether he will carry on with his racing career or not and is taking some time to rest his bruised bones and relax with his family in his Alpine hometown of Serre Chevalier.

• • •

Finland, with its extreme weather conditions, has a limited outdoor sports repertoire. Besides ski jumping and ice hockey, rally driving is the event in which the Finns are all but unbeatable. They have won eight of the last 18 world rally championships.

The reigning world champion **Tommi Makinen** is a bigger national star than either of Finland's two Grand Prix drivers, **Mikka Salo** and **Mika Hakkinen**. His face can be seen on giant billboards throughout Helsinki, selling everything from Pepsi to mobile phones. He believes the reason Finland is such a breeding ground for world-class rally drivers is because its roads are so slippery in winter

But the ones who fascinated me most were the Basques, whose forefathers first came to the American West from northern Spain and southwestern France to work as shepherds. By the time I came to know them, the descendants of these first Basque immigrants were businessmen or restaurant owners or in other professions and well on their way to becoming run-of-the-mill Americans.

They still had their traditions, though, such as celebrating San Fermin Day on a hot July day in a local park with much wine drinking, dancing to music from a kind of bagpipe, and chowing down on wonderful spit-roasted lamb.

If you missed the party, you could al-

ways head to a Basque restaurant in the eastern part of town and, over a meal of rich Basque fare, watch a game of jai alai through huge windows that overlooked the court.

This was their best Basque tradition of all, as far as I was concerned. Jai alai is a fast-paced, and at times dangerous, kind of handball played with huge curved baskets that fit over the players' hands and allow them to throw the ball upward of 120 mph. The players also wear helmets, and they bounce around the narrow, long court—sometimes literally off the walls—chasing the small, hard ball back and forth, up and down.

At neighboring tables, old Basque

men with grizzled faces from years of tending sheep in the heat of the San Joaquin Valley would lay bets, argue the merits of the players in their ancient tongue, and sip red wine.

It was clear to me then that the Basques take their jai alai seriously. In their homeland, where it is called *pelota a cesta punta*, or *txistera* in Basque, the fast-paced game is a passion. But they have other sporting pastimes as well, and some of them are quite odd, at least to an outsider.

Take *aizkolaris*, for example. It is a sport in which two-man teams try to chop beech logs as fast as they can while the crowds gathered in the village

and covered in gravel in summer. Those conditions mean that everyone learns early on how a car behaves when it goes into a skid.

**Juha Kankkunen**, the world's most successful rally driver, agrees. "Because of the roads and the climate," he says, "rallying is a sport that Finns take part in every day—on their way to work or school."

• • •

As co-chairman of the organizing committee for the 1998 World Cup, **Michel Platini** is showing the same energy and skill that were his trademarks as the captain of the French soccer team. Known for his fancy footwork on the field, he is proving to be equally adroit at fielding tricky questions. When asked why the organizers are insisting on pushing every one of the 24 teams around France from stadium to stadium during the first round, he explained that the rotation system would allow French soccer fans to see as many teams as possible, both big and small. "Why should it be only the little teams who have to pack their bags each time and travel?"

... Anyway, it's pretty easy to get around France, no more than 45 minutes by plane. With six days between each team's matches, I can't see the problem." One problem he does not deny is how unlikely it is that France will win the 1998 world championship. He says that the French simply play too many domestic soccer matches during the season and arrive at the finals exhausted: "Our calendar is appalling. It simply isn't conducive to playing a final round of a major competition." If he had his way, Platini would

use one squad of players for all the qualifying games and an entirely different, fresh team for the finals. "Totally impractical of course, but not a bad idea."

• • •

Selected three times as European player of the year, **Michel Platini** will be among the first 10 soccer greats to be inducted into the world's only Soccer Hall of Champions when it opens next spring in Paris to coincide with the 1998 World Cup. The \$50 million shrine to the world's most popular sport is the brainchild of FIFA, soccer's ruling body, and International Sports and Entertainment Concepts Inc. (ISEC), a US-based marketing company. It will be the first time a European city has housed a sporting hall of fame.

Paris was chosen because FIFA was founded there and because France is hosting next year's World Cup, which is generating tremendous interest in soccer. Its popularity is at an all-time high, with approximately 200 million players registered worldwide.

The Hall of Champions is being built near Euro Disney outside of Paris and will include a virtual reality game for visitors. No doubt joining Platini in the initial crop of 10 soccer "immortals"—each represented by a life-sized bronze statue—will be Brazil's legendary **Pelé**, Portugal's **Eusebio**, and **Johan Cruyff** from the Netherlands.

• • •

At a two-day anti-doping conference in Switzerland in April, **Juan Antonio Samaranch**, president of the International Olympic Committee, condemned half of the world's interna-

tional sports federations for doing absolutely nothing to fight the use of illegal drugs.

He told the gathering of sports medical scientists gathered in Lausanne that there were "two worlds" with opposite attitudes. "The first world continues to fight with determination against doping," he said. "For the other 50 percent, doping is non-existent."

The conference was organized to look into ways of combating the growing misuse among Olympic athletes of human growth hormone and EPO, the so-called wonder drug. **Professor Jordi Segura**, who runs the IOC laboratory in Barcelona, said: "We have made good progress in detecting EPO misuse since Atlanta, where we did not know enough." He is also hopeful that a method for detecting human growth hormone will have been perfected in time for the Sydney Olympics in 2000.

• • •

The famous Oxford and Cambridge Boat Race—which used to be regularly won by Oxford, until the last five years, when Cambridge has dominated—has been a British rite of spring for the past 143 years. It is as much a social occasion as a sporting event, with spectators often concentrating more on their strawberries and cream and champagne than on watching the rowing. Now there is going to be a wild offshoot to this enduring and genteel tradition.

On September 21, the two universities will hold a rowing race down the Amazon. It is not known yet what kind of refreshments will be provided.

—*Ester Laushway*

square, where the event takes place, whistle and cheer and wave their berets. After 30 minutes of backbreaking labor, the winners are declared, and then all the competitors run around the square, lugging metal weights in their hands.

This Basque sport, like most of the others, has its roots in rural life where farmers and woodsmen do this kind of thing everyday as part of their work. Another rural sport popular in the lush green valleys and hills in Spain's beautiful Basque region is grass cutting or *segalaris*.

No lawn mowers allowed, this is the real stuff with scythes and much bending over. For those more interested in feats of strength, there is *harrijasotzaile* or stone lifting in which a beefy Basque heaves a stone weighing as much as 600 pounds onto his chest, over his shoulder and then onto the back of his neck.

In a different version, Basque strongmen also drag huge rocks weighing 1,000 pounds across cobbled squares and the bovine equivalent of this sport is rock dragging by oxen in which two of the beasts yoked together haul a huge stone as fast as they can while their owner pulls them along by the horns.

But the fun's not over yet. There is also tug of war, ram-butting, plus bull and donkey racing, and in fishing villages and coastal cities, rowing competitions.

The best way to enjoy Basque rural sports are at any of the several village fiestas, which mostly take place in July and August throughout the Basque region. The three big Basque cities—Vitoria, Bilbao and San Sebastian—celebrate their *ferias* in August, and there are always Basque sports competitions at these fairs.

—Benjamin Jones

## STOCKHOLM

### THE VASALOPP

In the cold and dark Scandinavian winter night, the two men took off from the village of Mora in western Sweden. They skied between snow-laden pine trees and over endless frozen moors, hoping to catch up with Gustav Ericsson, who had left their village a couple of days earlier. They did not know their skiing that night would form a tradition in which thousands of people would re-create their journey and brag about it to their family and friends.

The man they were looking for that

winter night was to become one of the most well-known kings of Swedish history. He had tried to convince the people of Mora to follow him in his fight against Danish King Christian II, a tyrant occupying Sweden. They had said no, and Gustav Ericsson had left Mora with little hope left of a free Sweden.

The two skiers eventually found him sleeping under a pine tree by the last little village before the Norwegian border, bringing him the message that the men of Mora had, in fact, changed their mind. Gustav Ericsson returned with them, and

**The last, tired Vasalopp participant usually slides across the finish in Mora around eight o'clock at night and is interviewed by one of the last remaining reporters hoping to get a comment for the evening news.**

the people followed him in what would come to be a successful campaign to reclaim their country. Two years later, in 1523, Gustav Ericsson was crowned Sweden's King Gustav Vasa.

Nearly 400 years later, in 1922, the first Vasalopp took place—a rugged ski race, invented in the memory of that fateful night. That year, 117 athletic men skied between Sälen, where Gustav Ericsson had been found, and Mora.

Today, 75 years after the first re-creation, more than 14,000 skiers join this 59-mile ski race, which occurs on the first Sunday of March every year and has become the biggest ski race in the world. The race includes a broad array of skiers from all parts of Sweden and from all over the world—Olympic medalists from Norway and Sweden as well as weekend enthusiasts. It also features participants from a variety of age groups, including one 70 year old man who recently competed in his forty-seventh Vasalopp.

With Swedes all over the country watching on television, the race starts at eight o'clock in the morning, yet some contestants have been waiting behind the starting line for hours in hopes of getting a good spot. The field takes off from Sälen as a brightly colored mass, but the front line soon thins out as the elite speed away. With good weather, the winner makes it to Mora in about four hours. The all-time Vasalopp champion is Nils "Mora-Nisse" Karlsson with nine victories between 1943 and 1953. Nowadays he usually comments on the event from the television-studio.

The majority of the participants come to the race hoping mainly to enjoy a sunny day out in the forests, occasionally stopping along the way for bananas and cups of warm blueberry soup, the traditional Vasalopp beverage, which is also enjoyed by Swedes at home as they sit and watch the race in front of the television.

The last, tired Vasalopp participant usually slides across the finish in Mora around eight o'clock at night and is interviewed by one of the last remaining reporters hoping to get a comment for the evening news.

—Frida Kasteng

## THE HAGUE

### HAIL NUMBER 14

Johan Cruyff is neither a painter nor a dancer, but he has been compared with Van Gogh and Nureyev. The retired Dutch soccer star, who turned 50 on April 25, was once, however, an artist with a soccer ball. And his recent birthday provoked something close to a national hysteria, with television programs, special newspaper sections, books, and talk shows celebrating his contribution to soccer. Even though he played his last game in 1984 and was fired from his coaching job last year, Cruyff remains an icon in the Netherlands as well as in Spain, where he played professionally and now lives.

Hendrik Johan Cruyff was born in 1947 in Betondorp, a working class neighborhood of Amsterdam. Barely filling out what would become his trademark number 14 jersey, he was an undersized 17 year old when he played his first match in the premier league for Ajax, the Amsterdam soccer club. Two years later, he made his debut on the 1966 national team.

Cruyff's rise to glory coincided with the breakthrough of Dutch soccer on the European and the world level. Ajax became the Dutch national champion, and Cruyff went on to lead Dutch national teams to the European Championship and the ultimate soccer achievement, a World Cup title.

In the 1974 World Cup, the Dutch team, nicknamed "the Clockwork Orange" for its orange jerseys and preci-



**Johan Cruyff's rise to glory coincided with the breakthrough of Dutch soccer on the European and world level.**

sion teamwork, created a stir advancing to the finals. Although the team lost the final to West Germany, Cruyff was named most valuable player.

Although the titles made him famous, Cruyff's style and approach to the game were what still bring gleams to the eyes of soccer aficionados. His instincts for positioning his teammates and his dazzling footwork—all contributed to his brand of "total soccer."

In 1973, he left Ajax and went to FC Barcelona, one of the top clubs in Spain. That very season, Barcelona won the Spanish championship, and Cruyff was nicknamed "El Salvador" (the savior).

In 1978, at the age of 31, Cruyff announced that he would retire as an active player. But haunted by tax debts and bad investments, he was forced to return to the fields. He hesitantly joined the ill-fated American attempt to establish professional soccer, first playing for the Los

Angeles Aztecs and then the Washington Diplomats. In 1981 he returned to a second league club in Spain and subsequently back to Ajax in Amsterdam.

Off the field, Cruyff never kept silent and always seemed to be in conflict with the coaches or the management of the clubs for whom he played. After such a conflict with the Ajax management, Cruyff played his last year with Feyenoord, Ajax's arch rival from Rotterdam. He finally retired for good in 1984, after 520 games and 291 goals.

The next year he became Ajax's technical director (similar to the general manager of a professional US sports franchise) and three years later assumed the same position for Barcelona. In his new role, he continued to prove he knew the recipe for soccer success, with both teams winning national and European championships. However, last year, a bitter conflict with the Barcelona club president ended in his firing.

Now a multimillionaire and a grandfather, Cruyff occasionally does commentary for Dutch television broadcasts of soccer games, takes care of his businesses and the Johan Cruyff Foundation, a charitable organization, and enjoys the good life in Barcelona.

But the Cruyff name has not disappeared completely from the soccer fields. His son Jordi plays in Britain for Manchester United and was a member of the Dutch national team.

—Roel Janssen

## HELSINKI

### WHITHER YESTERDAY'S HEROES

**T**he Finns are regarded by some as more or less sports fanatics. It is true that sports have played an important role in building up a Finnish identity and international awareness over the years, but the ordinary Finn is hardly much different than anybody else in this respect. After a two or three mile jog with the dog, who wouldn't enjoy a cold beer on the couch and a good ice hockey game on television?

In the early days of independence sports was a serious business for the young republic. Even as a Russian grand duchy, Finland sent its own team to the early Olympic Games, winning nine gold medals at the 1912 Stockholm games. But independence five years later seemed to make all the difference. By World War II, Finnish athletes had con-

quered 204 Olympic medals of which 69 were gold. Finland, at that point, was by far the most successful sporting nation, measured in Olympic medals per inhabitant. Even now, the nation's record is not bad: 420 medals in all (138 gold). Today, however, the Finns have been forced to accept the statistical fact that five medals, in the next games, is a good result for a nation of 5 million people. Compared to 40 medals (15 gold) in the 1920 Antwerp games, one might wonder what happened to the Finns?

One might also wonder what happened to those heroic Finns who brought home all those medals. Few succeeded in a second career, and the nation had little use for yesterday's heroes.

Today's heroes are the ice hockey players. Selected at age six or seven and pushed (usually by their parents) into a training regimen that demands all their spare time, it is understandable that the average ice hockey player does not have a particularly good education behind him. So when his career ends, at 35 at the latest, what happens to the player then?

Juha Rantasila, one of the exceptional figures in Finnish sports and ice hockey, decided to do something about this situation. A former star player and now a leading business attorney, Rantasila decided to start a players' foundation to secure their economic futures. In 1982 the Foundation for Education and Professional Improvement of Ice Hockey Players was founded. The beginning was modest, but since then many players have joined, investing their money to be professionally managed so it will be there for them when they hang up their skates.

The need is obvious, says Rantasila. The vast majority of the 300 active league players in Finland have no other profession beyond hockey. The money they get is, however, much less than what players are paid in the NHL, so they must prepare themselves for their retirement. When a player is 20 and in magnificent physical shape, his pension is not on top of his list of concerns. That is why the foundation not only collects money, but also urges the players to think about their futures. Some do, others don't.

The greatest Finnish sports legend of all time, the runner Paavo Nurmi, who captured nine gold medals in three Olympic Games (1920, 1924, 1928) died in 1973 as a wealthy man. Other athletes

have gone onto political careers, but far too many have hit the bottle, forgotten by the world. Juha Rantasila would like to see as few of the latter as possible.

—Thomas Romantschuk

## BERLIN

## GERMANS LOVE SPORTS

**S**ports are a major source of entertainment and relaxation for Germans of all stripes as evidenced by the more than 75,000 clubs affiliated with the Deutscher Sportbund (German Sports Federation). More than 21 million people are members of sports clubs, and another 12 million pursue their sport individually.

German sports are based on autonomous associations and are financed by public funds, sponsors, and member fees. Sports for the disabled as well as international events held by the various sports organizations also qualify for public support.

By far, the most popular sport in Germany is *fussball* (soccer). The DFB, the German soccer federation, is the biggest sports organization in Germany, with more than 5.25 million members. Soccer is played at thousands of amateur clubs and is the country's most popular spectator sport, attracting hundreds of thousands to professional games every week.

But Germans like games of all sorts. Since Boris Becker's victory at Wimbledon in 1985, tennis has grown in popularity. More and more Germans are discovering golf and horseback, and jogging is "in", especially among German politicians. Foreign minister Klaus Kinkel is an ardent jogger.

Olympic handball is also popular among Germans. It is one of the oldest team sports, dating back to the Roman Empire (240 AD). It became popular in Germany in 1893 and soon spread to other German-speaking countries in Europe. German emigrants exported it to South America and southeast Africa. Currently some 45,000 Germans play regularly, and Germany boasts one of the world's best handball squads in international play, having won seven world championships and seven European championships.

Numerous German athletes have mounted the professional sports ranks to become celebrities and millionaires, including tennis aces Boris Becker and Steffi Graf, Olympic swimmer Franziska van Almsick, and world champion For-

mula One driver Michael Schumacher—all of whom are better known internationally than German politicians. Others, like the Olympic decathlon silver medalist Frank Busemann, are new to the media spotlight. Bussman whose success at the Atlanta Olympic Games has transformed the shy, former bank trainee into a media star and a favorite of the advertising industry.

Canoeing also attracts many Germans, but according to Wolfgang Over of the German Canoe Association, canoists and kayakers are not the public darlings because in Germany the boats, not the athletes, qualify for Olympic Games, although some German athletes have gained international popularity, including kayakers Birgit Schimdt and Elisabeth Micheler.

—Wanda Menke-Glückert

## COPENHAGEN

## SOCCER SUCCEEDS

**S**occer is the national sport of Denmark, and it has deep emotional roots. In June 1992, when the Danes had rejected the first Maastricht Treaty in a narrow referendum, national self-confidence was restored by the completely unexpected victory of the Danish soccer team at the European Championship.

The Danes have not been able to win that coveted honor since, but they are working at making it possible. The tradition of amateur sports is very strong in Denmark, so strong that for a long period anyone trying to make a living in sports would have to leave the country. But they were still needed, and allowed, to play on the national soccer team.

Now Danish soccer is rapidly becoming more professionalized. As in any new market there are spectacular failures, and only the very best survive. The top Danish professional soccer club, Broendby, a southern suburb of Copenhagen, has just tapped the stock market successfully, but its history has all the elements of a good business and political story.

Broendby was the first Danish soccer club to be listed on the Copenhagen Stock Exchange, but it became a financial disaster after the management decided to spend most of the money it raised on a speculative investment in a bank that subsequently failed. The club was left with a debt of more than \$30 million.

The club's top manager, Per Bjerregaard, survived this debacle, and is now

focusing the club's operations on its core business, seemingly with some success. Broendby is today one of 12 clubs in the Danish professional league, but it is the only one that has had any kind of breakthrough outside Denmark. Managers and players share the worry that the number of Danish clubs is not sufficient to build the critical mass to identify and sustain soccer talent. But the optimists point out that the professional and the amateur clubs typically share the same playing fields and that talented amateurs are easily spotted and approached.

The soccer grounds are often owned by the local authorities, who make them available free to amateurs but obviously want to charge the professional clubs for their usage. This situation led one of the local Social Democratic politicians in Broendby, a strong supporter of the professional club, to enroll 150 club members in his party so that they would be able to vote for him at the local authority elections this fall. This action triggered a political scandal, with the club management disclaiming all responsibility and the Social Democratic Party excluding its politically ambitious soccer fan. But it has attracted more attention than ever to professional soccer in Denmark, and thus to the shares of soccer clubs.

—Leif Beck Fallesen

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# ARTS & LEISURE

## ART

### Picasso: The Early Years

At the National Gallery until July 27; Museum of Fine Arts, Boston, September 10–January 4, 1998.

What? Another Picasso show? One would think that with all the press Spain's baddest bad boy artist has gotten that art lovers would be burned out on Picasso. Think again. For reasons that probably have more to do

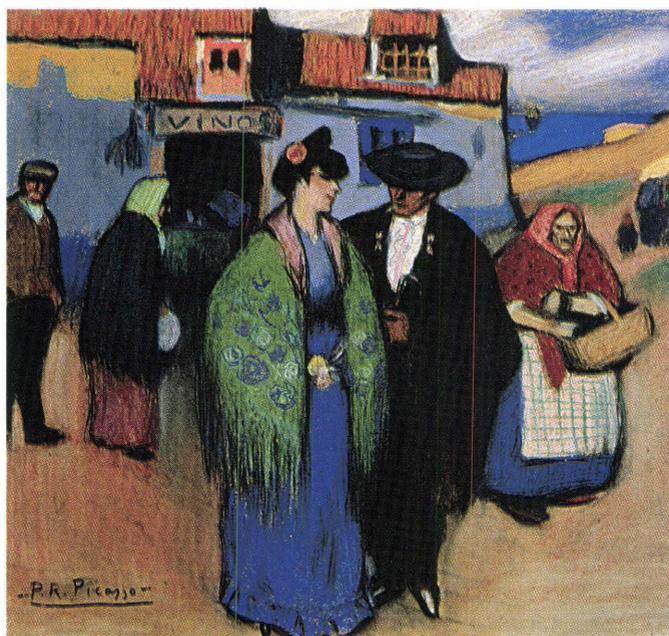
was doing from the beginning, and judging from the astonishing beauty of his early work (the pencil drawing of a human torso in the first gallery, for example, executed when he was but 12 years old), he knew that he possessed not just talent, but a gift.

Born in Málaga, Spain in 1891, Pablo Ruiz Picasso signed his earliest work, titled *Pablo Ruiz*, simply "P. Ruiz." But before long, he dropped his father's surname (Ruiz) in favor of his mother's

Spain, in Barcelona on the Costa Brava, with its first-class art academy, and its alluring night life, and periodically back to Málaga. In 1900, Picasso made the first of many trips to Paris, then the center of the art world. But it was Barcelona where Picasso's art was rooted.

There is a palpable sense of bravado in the 150-odd works displayed here—paintings, watercolors, prints, drawings, and sculpture—an undercurrent of confidence that belies Picasso's youth. For here he was absorbing the artists who had taken late-19th century Europe by storm, emulating their imagery, their techniques, their subject matter, and then saying, in effect, "Well, it's time to move on to something more exciting." But what an exercise it was, and what a dazzling array of depth and subject matter is on display here. If you need an excuse to come to Washington, this is it.

—Douglas McCreary  
Greenwood



Picasso's *Spanish Couple Before an Inn, Barcelona, summer 1900*, pastel on paper.

with Pablo Picasso's astounding productivity and growth as an artist, his early years have not received the same attention as the later periods.

But no more. As *Picasso: The Early Years, 1892–1906* convincingly demonstrates, Picasso's meteoric rise was no fluke. He knew what he

(Picasso), perhaps because he liked the Italian nuances better than the fairly common Spanish patronymic. The family bounced all around Spain as Picasso's father left Málaga and took various positions as an art instructor and museum conservator, in La Coruna in northwestern

schoolmasters; the English and the terrible things they did to us for 800 long years." Thus begins *Angela's Ashes*, Frank McCourt's Pulitzer Prize- and National Book Award-winning memoir. And in these memoir-crazed times, the shelves may overflow with such brags and whimpers, but few can compare with the Frank McCourt story.

In a beautifully evocative prose—you can hear his brogued voice as you read—Mccourt, who was born in Brooklyn to Irish immigrant parents and raised in Limerick's slums, tells a remarkable story of survival. His own "shiftless loquacious alcoholic father" drank the occasional meager wages, and his "pious defeated mother" tried hard to save her few remaining children. They are usually hungry—Mccourt steals fruit to feed his baby brothers and begs a pig's head for Christmas dinner; and often cold—Mccourt and his brothers are sent by their desperate mother (his father is too proud) to collect dropped coal from outside the coal yard.

It is the telling, though, which makes *Angela's Ashes* arresting. People grow up cold and hungry all the time. Somehow, McCourt manages to make cold and hunger not just compelling, but, ironically, entertaining. With neither self-pity nor self-indulgence, we hear of the condemning Catholic church and the useless charities, the hard-hearted relatives, and the mocking schoolmates. It is with an exceptional sense

## BOOKS

### Angela's Ashes: A Memoir

By Frank McCourt; Scribner; 364 pages; \$24

People everywhere brag and whimper about the woes of their early years, but nothing can compare with the Irish version: the poverty; the shiftless loquacious alcoholic father; the pious defeated mother moaning by the fire; pompous priests; bullying

of hope and forgiveness that the horrors of "miserable Irish Catholic childhood" are told.

All in all, Frank McCourt's sad but excellent bestseller deserves to be read.

—Alisa K. Roth

## FILMS

### The Cow's Orgasm

Written and directed by Olga Malea

Olga Malea had an unusual experience for a Greek filmmaker. Her first feature film, a comedy about coming of age in the Greek countryside, entitled *The Cow's Orgasm*, created a stir at Greek box offices within days of its release. In the following months, it proceeded to outsell every other Greek film in recent history.

The film opened in January in five cinemas in Athens and one in Salonika and sold 5,500 tickets in the first two days. Only two big budget Hollywood releases—Mel Gibson's *Ransom* and Demi Moore's *Striptease*—ranked higher in box office receipts for the week. Just three weeks after opening night, the film was playing in 10 cinemas in Athens and had sold 65,000 tickets, an impressive accomplishment given the small size of the Greek market and Greek suspicion toward domestically produced films.

Malea's experience reveals itself to be even more unusual considering that, although she'd made documentaries, she had never made a "short" (as opposed to a feature-length film), an essential element in every would-be filmmaker's portfolio. Her astronomically successful arrival on the Greek market, without the government support and subsidies consid-

ered so indispensable, stunned the film industry.

The movie follows two teenagers, Christiana (Natalia Stylianou) and Athanasia (Irene Balta), who are finishing high school in a small Greek village, and explores the themes of coming of age and sexual awakening. Brought up on romantic dreams about love and marriage, as well as the traditional taboos regarding sex, the two friends decide after witnessing a series of tragi-comic incidents that are part of daily life in the Greek countryside, including among others a cow's orgasm, to become more daring in their love relationships. Christiana, the sexier and more spirited of the two, pursues Vangelis (Kostas Koklas), the manager of the local slaughterhouse, and Athanasia, the more romantic, plans to drop out of high school and abandon her piano studies to run away with Merphy (Vladimiro Kyrakides), a young musician who works as a waiter.

Malea, 37, too lived a daring and adventurous life. Born in Athens in 1960, she studied law in Greece and then earned a doctorate in psychology at Yale University. Yet even while she was finishing her doctorate, she knew that she was preparing to change direction completely. She studied cinema in Greece and in the United States and gained additional experience on the job. She moved to Argentina where, at

the age of 26, she directed her first docudrama, *Tales of la Boca*, a narrative on the Genovese community living in Buenos Aires, and managed to sell it to the Italian media.

Malea, who had directed several documentaries, commercials, and videos, found the inspiration for her film while working on an educational video on the Mycenaean civilization, entitled *From the*

To make it in the Greek cinema, though, Malea had to take some risks as well.

"Overall, my experience as a filmmaker in Greece was positive," she says. "Despite the dirty, underhanded, cliquish behavior of many in the industry, there are some cracks where people with a good idea and determination can squeeze in."

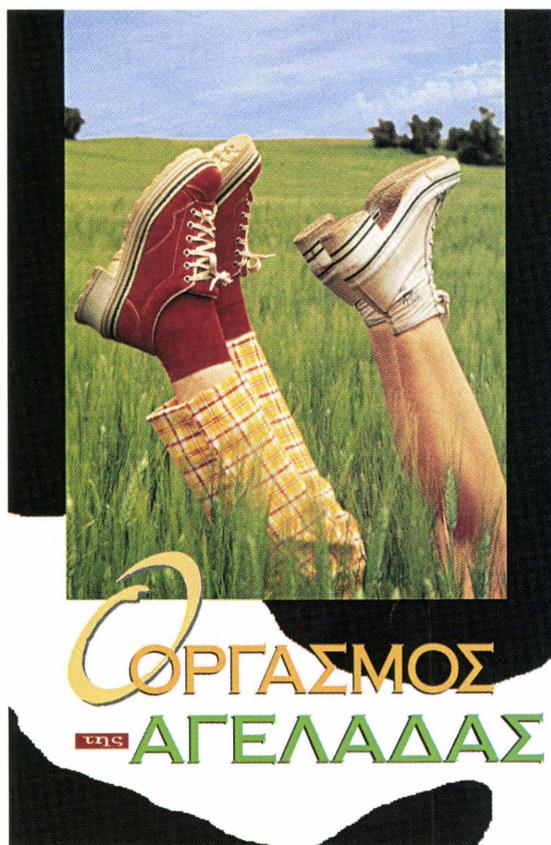
After finishing *From the Palace to the Museum*,

Malea prepared a synopsis of *The Cow's Orgasm* and sent it to the European Script Fund, a now defunct European Commission agency, and a few months later received a subsidy that enabled her to take the time off she needed to write the script. "Without the ESF, I could not have made this film," she says. "When I didn't know where to turn once I had written my script, they even provided me with the name of my producer, Panos Papahatzis."

*The Cow's Orgasm* has seen record-breaking sales, more than 150,000 tickets have been sold to

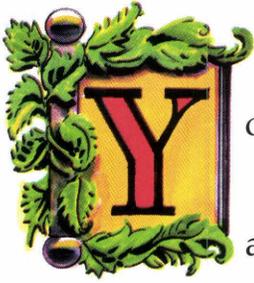
date, and the film is beginning to make an international name for itself. It was included at the Berlin Film Festival Market and has received many invitations to attend smaller festivals, including the Seattle Film Festival and the Minsk Film Festival. At the end of May, *The Cow's Orgasm* will make its American debut in a series of viewings sponsored by the Hellenic Cultural Foundation in New York.

—Saskia Reilly



*The Cow's Orgasm* has outsold every other Greek film in recent history.

*Palace to the Museum*. The Mycenaean were the first to operate slaughterhouses, and Malea wanted to include this in her video. During her research, she encountered an expert in the artificial insemination of cows and other aspects of bovine reproduction. "This man," says Malea, "who had an exceptional sense of humor, in a strange way gave me an experience that provided me with the excuse to do a film on girls growing up and becoming more daring."

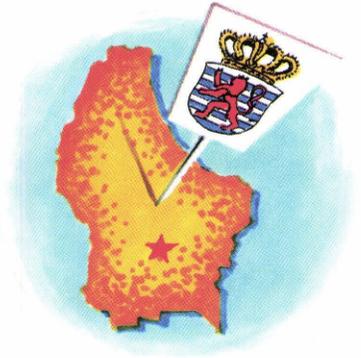


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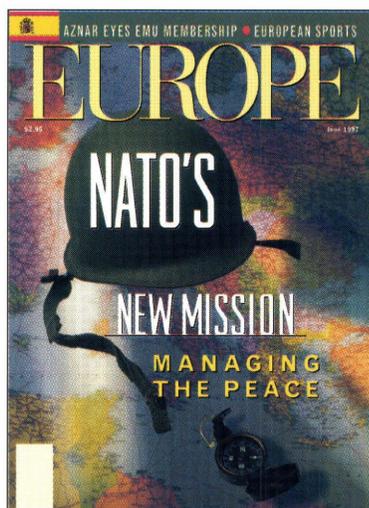
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