Grand Hotels of France • European Islands



Only one airline

HAS France WRITTEN

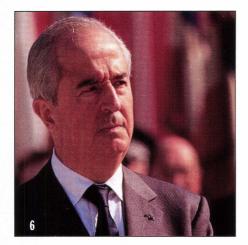
ALL OVER IT.



If you're looking for a voyage that's uniquely French,
no other airline in the world serves it up like Air France. With gateways across
the United States, and convenient connections through its Paris hub to cities like Bordeaux, Lyon,
Marseille-in all, more than 30 of France's tempting destinations serviced by Air Inter, a Groupe Air France
member-Air France covers more ground in France than any other airline.



MAGAZINE OF THE EUROPEAN UNION



26



FRANCE

The Race for the Presidency. Candidates emerge as spring elections approach. *Axel Krause* **6**

Interview. Former French Prime Minister Edith Cresson speaks out on her new role as an EU commissioner. **10**

The Mitterrand Legacy. French President François Mitterrand has well established his place in European history. *Axel Krause* 13

Interview. Pamela Harriman, US ambassador to France, discusses US-French relations, NATO, and the Clinton presidency. **16**

BUSINESS

Bic Writes On. The company that is proving the pen is mightier—and more profitable—than the sword. *Robert Lever* **19**

Côte d'Azur. Known for its scenic shorelines and ritzy hotels, the region is also a beautiful place to do business. *Robert J. Guttman* **22**

TRAVEL

Grand Hotels of France. Exploring the best hotels of Paris, Versailles, and Nice. *Robert J. Guttman* **26**

Jersey. Finance, cows, and leisure in the English Channel. *Susan J. Burdin* **32**

Isle of Skye. A romantic getaway off the west coast of Scotland. *Amy Farmer and Mark Michaud* **34**

Corsica. Mountains and mystery in the Mediterranean. *Alan Tillier* **36**

DEPARTMENTS

- 2 Letter from the Editor
- 4 Eye on the EU
- 39 Letter from Le Shuttle and Capitals
- 44 Newsmakers
- 47 Arts & Leisure



Letter from the Editor

France holds the presidency of the Council of Ministers of the EU for the next five months. They have outlined an ambitious program for themselves by setting an agenda focusing on the economy, jobs, security, cultural diversity, and getting the EU prepared for the 1996 intergovernmental conference,

France will be holding the EU presidency during the middle of their presidential election campaign which has already unofficially begun. Actual voting begins in April for the next president of France.

Axel Krause, writing from Paris, cites unemployment as one of the key problems still troubling France. However, Krause notes that "the French economy is sound" and the economic recovery is continuing. Other key concerns of the average French citizen include immigration, terrorism, and France's role in the world. President François Mitterrand will finish his second seven-year term in office this year, and *EUROPE* looks at the Mitterrand legacy. One of Mitterrand's main accomplishments in foreign affairs has been to "re-launch European integration, while building on French-German relations as the centerpiece of his European policy."

US Ambassador to France Pamela Harriman discusses US-French relations, Bosnia, Russia, US business in France, NATO, the French and American movie controversy,

Former French Prime Minister Edith Cresson, who is the new EU Commissioner in Brussels in charge of Education and Human Resources, in an exclusive and candid interview with *EUROPE* speaks out on French politics, her new role in Brussels, her main accomplishments as Prime Minister, the future of the EU, immi-

and President Bill Clinton in an exclusive interview with EUROPE.

gration, unemployment, and European competitiveness.



The Côte d'Azur is one of the leading tourist destinations in the world. However, the region is now also becoming one of the leading business areas in all of Europe. The Côte d'Azur is home to many American firms, and *EUROPE* speaks to US executives based in the south of France to find out why they chose the Côte d'Azur as a beautiful place to do business.

EUROPE explores the grand hotels of Paris, Versailles, Nice, and Beaulieu for our readers looking for luxury accommodations on their next visit to France. We also look at various island vacation spots in Europe from the Isle of Skye off the coast of Scotland to the island of Jersey in the English Channel to the rugged and rocky Mediterranean island of Corsica.



The Côte d'Azur is not only a beautiful place for tourists but also a profitable region for business.

Robert J. Guttman
Editor-in-Chief

EUROPE

Publisher

Soren Sondergaard

Editor-in-Chief

Robert J. Guttman

General Manager

Anne Depigny

Managing Editor Peter Gwin

Teter Gwin

Editorial Assistant Susan J. Burdin

Contributing Editors

Lionel Barber Reginald Dale Axel Krause

Editorial Interns

Natasha Schlegel

Design

The Magazine Group, Inc./Glenn Pierce

EUROPE, Magazine of the European Union (ISSN 0191-4545), is published by the Delegation of the European Commission, 2300 M Street, NW, Washington, DC 20037. © The European Commission, 1995. The magazine encourages reproduction of its contents, but any such reproduction without permission is prohibited. EUROPE, published 10 times per year, is available by subscription for \$19.95 per year; \$34.95 for 2 years; \$46.95 for three years. Add \$10.00 to non-U.S. subscriptions for postage and handling. Student rate (with proof of enrollment): \$14.95 per year; \$25.95 for 2 years; \$35.95 for 3 years. Bulk rate also available. Editorial, permissions, advertising, and circulation offices: 2300 M Street, NW, Washington, DC 20037; Telephone (202) 862-9555. Available in microform from UMI, 300 N. Zeeb Rd., Ann Arbor, MI 48106; (313) 761-4700

Subscriber services: 1-800-627-7961. (In Canada call 303-447-9330.)

Second class postage paid at Washington, DC and additional entry.

Postmaster: Please send change of address forms to *EUROPE*, P.O. Box 55935, Boulder, CO 80322-5935.

PRINTED IN THE U.S.A.

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

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



The Choice is Yours

Being free to choose is meaningful only when there are enough alternatives available to the chooser. In Germany, Europe's largest market, Gruner+Jahr offers you 30 magazines to reach key target groups with maximum impact.

In addition to our news and general interest titles for men and women, our

special interest magazines in the fields of business, travel, sports, fashions, decorating and home furnishings, parenting, eating & drinking, knitting, gardening, popular science and art take you straight to Germany's most discriminating target audiences.

Please contact us for information on the

various consumer and business markets in the new united Germany, media surveys, competitive cost rankings and detailed rates and data about the magazines shown above. We look forward to hearing from you.

Our fax is: (212)983-5767, and our telephone is: (212)370-5360.



Profiling Personalities and Developments Within the European Union

n January 1, France took over from Germany for six months the presidency of the Council of Ministers of the EU. Its man in Brussels, largely responsible for the smooth running of the presidency, is a grandson of General Charles de Gaulle.

Yet it is highly improbable that the EU will see a rerun of the events of 30 years ago when De Gaulle pursued his notorious "empty chair" policy, boycotting all meetings of the EEC's institutions for more than six months. There is, of course, no call to behave that way in 1995. It is not France which is now out of step with all its partners or has difficulty in getting its Parliament to accept its obligations as an EU member state.

Even if circumstances were different, it would be hard to imagine the 49 year old Pierre de Boissieu, France's Permanent Representative and Ambassador to the EU, behaving like his grandfather. He has little of the imperiousness of his great ancestor. What he has inherited is a quick mind, a ready wit, and the ability to draw concrete conclusions from abstract argument.

This skill was no doubt honed during his period at the elite Ecole Nationale d'Administration (ENA), where, like so many other top French officials, De Boissieu received his training. Since graduating in 1971 his entire career has been spent at the Quai d'Orsay, mostly concerned with EU affairs,

though his last position before becoming Permanent Representative was as director of economic and financial affairs.

During the French presidency his most crucial task is to chair the weekly meetings of COREPER, the Committee of Permanent Representatives, the body which prepares the ground for the 40 or so meetings of the Council of Ministers. If COREPER is well handled, the ministerial meetings should usually result in constructive decisions; if not, gridlock is the likely outcome.

De Boissieu seemed confident enough when, just before Christmas, he spoke to the Center for European Policy Studies (CEPS) about the objectives of the French presidency. Unlike most previous French presidencies, he pointed out, the first half of 1995 is not marked by any crucial deadlines for the development of the Union. There are no heavy dossiers ripe for resolution nor highly contentious points which need settling. Rather the Union finds itself at a half-way point, between the Maastricht Treaty of 1992 and the intergovernmental conference planned for 1996. This will make it difficult to concentrate on current problems when people are either glancing back two years or gazing into the future.

In this situation, France has set itself four priorities, De Boissieu said. The first is developing an audiovisual policy for Europe, though he did not enter into details. The

second concerns growth and employment, which has been at the center of all the preceding presidencies. France wants to see that the necessary operational decisions will be taken during 1995 to ensure that the Trans-European Networks (14 priority projects in transport and eight in energy) approved at the Essen Summit should go ahead as planned and with the necessary finance. It was also vital to carry through the decisions taken in the Uruguay Round of GATT talks and to help set up the new World Trade Organization, while pressing ahead with stage two of European **Economic and Monetary** Union.

The third priority area is security in Europe, following up the Balladur proposals for a new security pact and deepening relations with the countries of Central and Eastern Europe along the lines pursued by the German presidency. Security demands equally the development of relationships with Mediterranean countries and preparing for the conference on the Mediterranean which Spain is due to convene during its own presidency in the second half of the year. De Boissieu emphasized the importance of the new partnership agreements with the former Soviet countries and indicated how important it was that they should not feel threatened by moves to bring Central and Eastern European states into full membership. No previous enlargement had ever before been seen as being directed

against any state, he said, and much thought should be given as to what to say to countries like Russia, Ukraine, and Turkey, who in the eyes of some are closer to the European model than the candidate members. The fourth priority concerns institutions, in particular the preparation of a progress report on the implementation of Maastricht, which the ministers were due to consider in May.

This was not the first time I had encountered De Boissieu. Nearly 15 years ago on my arrival in Brussels, I was invited to have lunch with a then Vice-President of the Commission, François-Xavier Ortoli. De Boissieu, then a young diplomat, attended as Ortoli's chef de cabinet. I began apologizing for my linguistic deficiencies: "I speak French badly," I said, "but can understand it well."

"With the Vice-President, it is just the opposite," said De Boissieu cheerfully, "He speaks English, but he does not understand it."

That the ensuing meal was not a total exercise in noncommunication owed much to the deft touch of De Boissieu. He skillfully but unobtrusively steered the conversation so that we managed to get onto the same wavelength. If he now shows equal skill in handling the often difficult meetings of his COREPER colleagues—linguistically gifted but frequently arguing from widely divergent briefs—the success of the French presidency seems assured. 3

—Dick Leonard

Please note there is a \$4.00 shipment of free publications requested from the Bookshelf. Payment must be in the form of a check or money order payable to: E.C. Delegation.

☐ A Portrait of Europe. Commission.

the 12 member states and the develop-

Organization _

City_

Brussels, 1994, 61 pages. Information on

ping and handling charge per ship-

ment of the Onion. Free.	single market, includes the following				
☐ Partnership: The European Union and the United States in the 1990s. Office of Press and Public Affairs, Washington, DC 1995, 34 pages. A review of US-EU relations. Free	volumes: A Common Market for Ser- vices; Elimination of Frontier Controls; Conditions for Business Cooperation; A New Community Standards Policy; Vet- erinary and Plant Health Controls; and Community Social Policy. §215				
☐ Questions and Answers About the European Union. Europe on the Move, Commission, Brussels, 1994, 15 pages. Free	☐ Completing the Internal Market, Current Status Reports, July 1994: Volume One: A Common Market for Services. Commission, Brussels, 1994, 108 pp. Outlines the status of all direc-				
☐ The Citizens and the Single Mar- ket. Europe on the Move, Commission, Brussels, 1994, 8 pages. Free	tives in banking, insurance, securities, transportation, new technologies and services, capital movements, free move- ment of labor, and more. \$50				
☐ An Industrial Competitiveness Policy for the European Union. Bul- letin of the European Union, Supplement No. 3/94, Commission, Brussels, 1994, 104 pages. Free	☐ Completing the Internal Market, Current Status Reports, July 1994: Volume Two: Elimination of Frontier Controls. Commission, Brussels, 1994, 88 pp. Describes the directives and cur-				
☐ Access to Commission Documents: Users' Guide. Commission, Brussels, 1994, 29 pages. Free	rent action on the control of goods, indi- vidual tax exemption, VAT exemption, and arms legislation. \$35				
☐ EIB Financing for Trans-European Infrastructure Networks. EIB Infor- mation No. 81, European Investment Bank, September 1994, 8 pages. Free	☐ Completing the Internal Market, Current Status Reports, July 1994: Volume Three Conditions for Business Cooperation. Commission, Brus-				
☐ The EIB and Regional Develop- ment. EIB Information No. 82, Euro- pean Investment Bank, Luxembourg, November 1994, 12 pages. Free	sels, 1994, 82 pp. Examines business co- operation, company law, intellectual property, and company taxation. \$40 Completing the Internal Market,				
□ ECSC Financial Report 1993. Commission. Luxembourg, 1994, 96 pages. Balance sheets and accounts of the European Coal and Steel borrowing and lending operations. Free	Current Status Reports, July 1994: Volume Four: A New Community Standards Policy. Commission, Brus- sels, 1994. Defines objectives for the standardization of vehicles; agriculture machinery; food; pharmaceuticals; chemicals; construction products; and				
☐ Publications January-June 1994. Office for Official Publications, Luxem- bourg, 1994, 71 pages. Free	more. \$55				
☐ Completing the Internal Market: Current Status Reports, July 1994— Six Volume Set. Commission, Brussels,	Current Status Reports, July 1994: Volume Five Veterinary and Plant Health Controls. Commission, Brussels, 1994, 112 pp. Presents the issues raised				
ORDER FORM-FREE PUBLICATIONS Mail to Bookshelf Orders, European Union, 2300 M Street, N.W., Washington, D.C. 20037. Please send me the free items I have checked. Enclosed is a self-addressed mailing label.					
Enclosed is \$4.00 check or money order for shipping and handling payable to E.C. Delegation.					
Orders accepted for shipment to U.S. addresses only. Please allow 3 weeks for delivery.					
Name					

_State____

Zip ___

To order these publications, please check the desired items, fill out the order form and enclose a self-addressed mailing label.

by controls placed on veterinary and plant health. \$40

six volume set. Summarizes the approach

being taken in individual business sec-

tors to facilitate the establishment of the

- ☐ Completing the Internal Market, Current Status Reports. July 1994: Volume Six: Community Social Policy. Commission, Brussels, 1994, 320 pp. Discusses the programs covered under social policy, including: the labor market; employment; rights and protection for workers; and more. \$60
- ☐ The European Report on Science and Technology Indicators, 1994. Commission, Brussels, 1994. Focuses on the science and technology performance of the 12 European Union member countries over the last 12 years. You'll find details on: European investment in science and technology; European competitiveness; science and technology policies; research and development in EFTA countries; and science and technology in Central and Eastern Europe. \$70
- ☐ The European Union and World Trade. Commission. Brussels, 1994, 112 pp. Analyzes the most recent annual merchandise trade flows of the European Union, the United States, and Japan. Data is given based on geographic breakdown and product composition. A detailed set of statistical tables is given as well. \$20
- ☐ Migration Statistics, 1994. Statistical Office, Luxembourg, 1994, 109 pp. Presents data on international immigrants in the EU for 1991 and 1992. Provides information on population, working population, age, gender, refugees, citizenship, country of previous residence, and country of next residence. \$14
- ☐ National Accounts ESA: Detailed Tables by Branch, 1987-1992. Statistical Office, Luxembourg, 1994, 173 pp. Contains detailed data by branch of activity for the national accounts of the European Union, based on the European

System of Integrated Economic Accounts (ESA). Tables and charts outline comparable data. \$20

- ☐ National Accounts ESA: Detailed Tables by Sector, Volume One: Non-Financial Transactions, 1981-1992. Statistical Office, Luxembourg, 1994, 903 pp. Includes information on the production process, generation of income, distribution and redistribution, and allocation between final consumption and savings. \$55
- ☐ Occupations in the Tourist Sector: A Comparative Analysis in Nine Community States. Commission Brussels, 1994. Examines the tourist industry in Belgium, Germany, Denmark, Spain, France, Greece, Italy, Portugal, and the United Kingdom, Discusses economic and social dimensions of tourism, the scale of tourist movements, employment in the tourist sector, and current trends.
- ☐ Poverty Statistics in the Late 1980s: Research Based on Micro-Data. Statistical Office, Luxembourg, 1994, 415 pp. Presents data on the economic and social integration of those persons in poverty throughout the EU.
- ☐ Report on Competition Policy: 23rd Report. Commission, Brussels, 1994, 446 pp. An overview of the Competition Policy of the EC and review of recent contributions by socio-economic/political circles. \$35
- ☐ Tourism Annual Statistics, 1992. Statistical Office, Luxembourg, 1994, 289 pp. Contains statistical data on tourism in the EU. You'll find figures on tourist accommodation by category and capacity, arrivals and overnight stays of resident and non-resident visitors, specific data on employment activities and tourists costs, and more. \$35

C	RDEF	₹ F	ORM	-P	RIC	CE	P	U	В	LI	CA	TIO	NS

Mail to UNIPUB, 4611-F Assembly Drive, Lanham, MD 20706-4391. 1-800-274-4888 (US), 1-800-233-0504 (Canada), 1-301-459-7666. Please send me the price publications I have checked above. NOTE: Add postage and handling as follows: US, 5% or \$3.00 min. Outside US, 8% or \$4.00 min. State and local taxes: MD-5% and NY-varies.

My check for \$ is enclosed. (Orders from individuals MUST BE PREPAID before publications are sent.)					
Please send me the free European Community Catalog of Publications.					
□ VISA	☐ MasterCard	Number			
Expiration date_	Signature				
Name					
Organization					
Address					
City		StateZip			



ithin hours of the startling December 11 announcement by Jacques Delors that he would not run for the French Presidency, the franc slumped to a one-year low against the German mark on the world's exchange markets.

Despite a sound economic recovery, the market reaction to

Delors' decision reflected new uncertainty about France's commitment to monetary union and the capacity of France's future political leadership to implement economic and social reforms at home.

"Delors was seen as the franc fort('s) best ally," commented a currency analyst with Credit Suisse in London.

The uncertainty—and very likely the franc's relative weakness-was expected to continue until France elects a new president in early May, or possibly earlier. On another front further repercussions, probably violent, were expected in the wake of the December 24 hijacking of a French airliner by Algerian extremists, who were shot and killed by French police commandos, climaxing a highly-publicized, 54hour ordeal. The Armed Islamic Group, which took credit for the hijacking, pledged retaliation on French soil, prompting the daily newspaper Le Monde to conclude that the "Algerian war had crossed the Mediterranean.'

As he announced his decision, Delors, 69, a former, strong and popular Socialist finance minister, was approaching the end of a highly successful 10-year term as president of the European Commission. He was also perceived as the most credible leftist and pro-European alternative to the front-running conservatives—

By Axel Krause

Prime Minister Edouard Balladur and Paris Mayor Jacques Chirac, both neo-Gaullists.

What Delors symbolized—and his opponents feared was, above all, determination to implement sweeping economic and social reforms in order to resolve the country's number one problem: massive unemployment. When both Balladur and Chirac claim reforms are possible "without cost, I say both are lying," he declared.

Citing personal and political reasons for his decision, De-

lors added he would actively campaign with the Socialists after he steps down as Commission President. He thus foreshadowed heated, wide-ranging debate over economic and social issues that was expected to heavily influence voting in the two-round presidential election, scheduled for April 23 and May 7.

If, however, President Mitterrand, suf-

Edouard Balladur



fering from prostate cancer, were to step down as he said he would if incapacitated, elections must be held within 35 days after his resignation. He is completing a second seven-year term and is sharing power with Balladur, whose party and conservative allies last year won control of an overwhelming majority of seats in the National Assembly.

The Socialist Party reacted to Delors' decision with shock and anger since it left them with no obvious, strong candidate. Former Socialist minister Lionel Jospin and party leader Henri Emmanuelli were considered strong possibilities, as well as Martine Aubry, Delors' daughter, who was running in a major municipal election in the city of Lille.

Conservatives, while encouraged yet deeply divided, announced plans for helping the poor, bolstering European integration and establishing "a dialogue" with labor unions. Early in January, with key Gaullist leaders switching their support away from Chirac to Balladur, the prime minister's chances of winning the presidency soared.

Meantime, public opinion reacted with a mixture of skep-

ranked on the basis of assets, manufacturing, and internationalization—notably export performance and capacity for risk-taking. According to the World Economic Forum and the IMD business school in Switzerland, France last year slipped to 13th place out of 41 nations, behind Germany, Switzerland, Denmark, Sweden, and Norway. State interference in the economy was a major negative factor. The United States, Singapore, and Japan topped the annual ranking.

Immigration. Tensions and sporadic violence have been erupting in suburbs of major French cities, dominated mainly by Algerians, the largest number among France's 6 million foreign residents. Surveys show that a majority of the French want France's borders closed to foreigners seeking jobs. Across the Mediterranean, virtual civil war continues in Algeria amid growing hostility to France among extremist Muslim groups, plus fears that the movements may spread to neighboring Morocco and Tunisia. Crackdowns on North African immigrants in France has continued.

European Integration. Delors' repeated calls for

Lionel Jospin, Henri Emmanuelli, and Martine Aubry, Jacques Delors' daughter, were being considered as Socialist candidates to face the leading conservative candidate Edouard Balladur.

ticism about the political debate and other, more pressing concerns. These were strongly reflected in a survey published by *Le Monde* on December 22 showing that 89 percent of those interviewed believed France was becoming increasingly divided between rich and poor, presenting what the paper described as "a real risk of (social) explosion."

Survey after survey showed barely half of the French population is satisfied with the way in which the country is being governed by the Balladur government in the power-sharing arrangement known as "cohabitation."

Former conservative Prime Minister Raymond Barre, who indicated he might also enter the presidential race, described the mood of the country as "morose."

The surveys and interviews during the past several weeks also highlighted the following key issues facing France:

Unemployment. In two decades, the number of jobless increased from 2.6 percent to 12.7 percent of the workforce totaling some 25 million men and women, a postwar record and one of the highest levels among industrialized nations. Some 2.5 million families in this group subsist very near or below the poverty line; 400,000 are homeless, reflected by the growing numbers of beggars encountered daily in most cities. Although the numbers are declining slightly, economic growth of about 5 percent is needed to cut the jobless level by half.

Competitiveness. France falls below many of its West European neighbors when



French support for a more "federal" European Union have been sharply criticized or attacked by conservative leaders, notably Chirac. Both he and Balladur urge establishing "new impulse" and "reinforced cooperation" among EU members, but neither leader has defined specifically how this would work nor with which member states. The leading candidates stress their strong commitment to Franco-German cooperation as the anchor of the French EU presidency which began January 1.

France's World Role. With more military troops on international assignment than any other member of the Western Alliance and convinced it remains a world power, France, neverthe-

the Balladur government gets relatively high marks from French businessmen. In a survey published in December by *Le Figaro*, 52 percent of those interviewed said they were optimistic about the future, compared to 31 percent a year earlier. But close to 60 percent want more action—lower taxes, budget cuts, bolstered consumer confidence, and, above all, imaginative leadership in wisely and fairly managing the "recovery dividend," which would involve redirecting government resources toward easing the plight of the poor and jobless.

Summing up the dilemma, Alain Minc, a French financier and consultant who authored a best-selling report for the Balladur government on the nation's

such as East-West and North-South high-speed rail projects. These are among major steps to reach his goal: reducing unemployment by 200,000 annually, that would equal 8 percent of the work force within five years.

Chirac, who has served as prime minister twice previously, has bitingly termed the government's approach "hypnosis" and warns of a growing split between average French citizens and what he terms "the elite," who govern from "national palaces." The popular mayor of Paris urges a "national reawakening" and a "social reconversion," which are themes expected to run throughout his campaign for the presidency.

However, Balladur's presidential ambitions had already received a major

boost with his handling of the airliner hijacking, as did the popularity of his tough, blunt-talking interior minister, Charles Pasqua, who helped lead the operation and the subsequent crackdown on Algerians living in

France. Pasqua is widely considered a strong candidate for prime minister, assuming Balladur is elected president.

In a poll published earlier in January by *Le Nouvel Observateur*, asking people to rank the presidential hopefuls, 66 percent said they preferred Balladur, 50 percent cited Barre, followed by Chirac 44 percent, Pasqua 34 percent, Lang 31 percent, and Aubry 29 percent.

Meantime, a major German investment project in eastern France announced just before Christmas showed that the economy was indeed sound, auguring well for the future. The Mercedes-Benz auto and the Swiss watch SMH groups said they planned to build a \$503 million plant in the Lorraine region for making a mini, two-seater compact known as the Swatchmobile, drawing angry protests from German worker unions. A Mercedes spokesman, emphasizing that the companies had found "an ideal production site," cited favorable logistics, lower labor costs, and greater production flexibility among French workers. 3

Axel Krause is a contributing editor for EUROPE and the corporate editor for the International Herald Tribune.

Chirac, who has served as prime minister twice previously, has bitingly termed the government's approach "hypnosis" and warns of a growing split between average French citizens and what he terms "the elite," who govern from "national palaces."

less, has an image problem. Surveys and interviews show that for outsiders, France appears weak, rudderless, overrated, and arrogant. Top French leaders worry about what they claim is US indifference about Europe and, paradoxically, Washington's recent stated preference for German partnership, an initiative that went unanswered in Bonn.

WHAT IMPACT WILL THE RECOVERY BRING?

That question is crucial because, despite all the uncertainty, the French economy is sound. GDP growth, according to most experts, including the Organization for Economic Cooperation and Development, will rise to around 3.5 percent in 1995 from 2.2 percent in 1994. Inflation is under 2 percent, the balance of payments is in surplus and the national budget deficit, while still at 4.1 percent of GDP, should drop to 3 percent in 1996, thus qualifying France for economic and monetary union under the Maastricht Treaty guidelines.

With foreign orders high, profits improved and orders in such key sectors as automobiles, aerospace, and construction brisk, it is not surprising that economic outlook, says: "France is doing better than it thinks, but worse than it could be." The twofold answer, says Minc, is "assuring growth without inflation, capable of stimulating job creation," while adopting the nation's production system to the globalization of world trade. "France as a whole is looking for serious answers, seriously," he says.

Yet, the leading candidates—on the right and left—have remained deliberately vague on specifically how and when they would implement reforms, although most promise a more open, caring society and greater growth, while substantially reducing unemployment levels. Balladur has also promised to build a "social" dimension into France's EU presidency, which would include bringing labor unions and employers from member countries into preparations for the 1996 intergovernmental conference that will recommend reforms in EU institutions.

Balladur, with the strong advantage of operating from the elegant prime minister's residence, the Hotel Matignon, has promised to study easing social security and medical insurance payments for low-income groups and to finance major infrastructure projects,

BANQUE TRANSATLANTIQUE

OPENS THE DOOR TO FRANCE

Providing a Unique Package

French Banking Facilities:

- · Bank Account in FF or US\$
- · Checkbooks and Bank Cards
- Legal and Tax Counseling
- · Multilingual Staff

French Property Services:

- · Mortgage Loans
- Real Estate
- Renovations
- Insurance

A French Bank with One Hundred Years of International Experience

U.S. Representative Office

1819 H. St., NW, Suite 620 Washington, D.C. 20006

Tel: (202) 429-1909 • Fax: (202) 296-7294 • Toll-free: 800-429-1305

PARIS • LONDON • WASHINGTON, D.C. • JERSEY





EU COMMISSIONER

Edith Cresson

Edith Cresson, the former prime minister of France, is the new EU Commissioner in charge of Education, Research and Development, and Human Resources. The former French minister of European Affairs and former mayor of Chatellerault spoke with EUROPE Editor-in-Chief Robert J. Guttman at her office in Paris about the EU, French politics, Europe's competitiveness, François Mitterrand, immigration, unemployment, and French culture in a wide ranging interview. This is the first in EUROPE's series of exclusive interviews with the new EU Commissioners.



Is Europe competitive with the US and Asia today?

Europe is competitive in aeronautics, in space, chemicals, cars, nuclear power, and electronics in general. In other fields our companies are in the lead for water distribution and in some environmental fields. The development of high speed trains—TGV; nobody else has that. It's the best in the world. Europe is still competitive in some new fields. And we will go on being competitive and probably improve. In the computer field, we may have lost the race.

ing for Europe [as a whole]. Of course, increasing the number of countries that get into the EU is not facilitating the establishment of that identity. So that's why there's a great discussion to have a more solid basis. For instance, do we decide on unanimity or majority rule, which is an extremely important discussion because if you need unanimity there's never any decision.

There is much debate whether to build a more solid basis or to include a wider number of states, which is extremely sympathetic. But in a way, it is

The EU is a place of peace and democracy. We've prevented wars.

As a new EU Commissioner, what do you hope to accomplish that would make for a more united Europe?

Two things. First, the identity of Europe is something that's really important. It's not only an open market with no barriers in sight. It's a political realization. And the aim is to be able to have a certain weight in the world that at the moment [we] don't have. It's very important to have some concrete realization. On the other hand, there's an extremely important institutional change to be made in 1996 based on the Maastricht Treaty. Concerning the identity of Europe, Jean Monnet said that if he had known better, he would have started the unification of Europe with culture as the vehicle instead of starting with economics.

Of course, you cannot focus only on culture, but in a way, it is true that every nation or every state has started by a definition of itself. France has been like that. Germany's been like that. And Great Britain. Even the United States. What are we, and why are we here? What are we doing? What is our aim, and what binds us together—not against the rest of the world—but [among ourselves] as an identity?

This [binding identity] is still miss-

true that we have to do both at the same time because we have countries wanting to act in the community, and we have no reason to refuse. We have all reasons to accept. So, we have to move fast on the other point which is [shaping the EU] constitution.

How do you view the next five years of the EU under its new president Jacques Santer?

It's very difficult to know. When Jacques Delors started, nobody expected he would succeed like he did. I remember the French press when he began; there was only about two lines on his nomination. He's never interested the journalists in France because he was outside the country. It is only lately, I mean a few years ago, that [the EU] started to be important. Jacques Santer has a different personality, and we will have to wait and see. He is a convinced European.

Are the European people willing to give the EU time to succeed?

What is the other possibility? If it dissolves it would please lots of people, certainly. It would be disaster in Europe and probably for the world because the EU is a place of peace and democracy. We've prevented wars.

Is the Maastricht Treaty totally incomprehensible to most Europeans?

It's incomprehensible, but I must say that during the Maastricht campaign in my small town of 38,000 inhabitants, people came to the town hall to get the text. They were interested in the text, and they read it, which I think deserves a lot of credit.

Would you consider Mitterrand a great statesman, and what have been his major accomplishments?

Yes. The progress of Europe is his major accomplishment, certainly. Also the fact that the French society has moved a lot during this period. There's less of a type of internal civil war between the right and the left. There's more understanding of economics, which seems astonishing because he's really not an economist. The fact of social peace and the way that people have progressed it has been more realistic.

Isn't it a disgrace for Europe to have this war going on for so long in Bosnia?

Certainly it is a disgrace for Europe. We are doing what we can considering our resources.

Do you realistically see the EU having a united army and having a security and foreign policy?

I hope in the near future, yes.

To join the EU you have to give up some of your national sovereignty. Why would a country like France do this?

Because they are part of the organization. The French don't give up sovereigny to somebody who is outside [the EU]. France is a part, and it has an important part in the decision [process].

So you're not giving up sovereignty by joining the European Union?

You have to give up some sovereignty, certainly yes. But in any organization, it's all the same process. The fact is that we have for too long discussed issues between ourselves. And one always defends the point of view of one's country and tries to find a compromise with the others to come to solution. But the identity of Europe is

not built up only like that. We've got to have something not to oppose but to express what the Europeans think or what they want, and this of course brings a certain delegation of sovereignty.

Do the Greeks and the Portuguese and the Danish all have something in common? Is there an entity called Europe?

Yes, there is a Europe. Some countries are poorer than others, less developed. But we have in common a lot of things.

We have a common culture and origin. We have the feeling that there's a need of social protection that you can't abandon the poor. That health is something that has to be protected for everybody. More or less in all our countries it is like that. Of course less in some poor countries and more in the northern or Scandinavia or France. And there's a feeling that everybody has a right to an education. I think the rights of man are very strong values that are shared by the Europeans.

What are the key problems facing Europe today?

Both immigration and unemployment. You see what's happening in Algeria. That is why we have to help those countries. We have a responsibility. We spend a lot of money in Europe on those countries. And we are of course the main provider of assistance. The Europeans contribute most of the money that is spent in those countries from the outside. And this is normal.

Do you favor a two-track Europe? Should France and Germany go ahead of the other countries?

No. If everybody can go ahead at the same time it's okay. Obviously, there are some slight differences that have to be eliminated, which means we must help the countries that have more difficulties or are in a less favorable position economically to develop. That's what is accomplished through the structural funds, which go to the parts





of Europe that need it most. France is a net contributor. We are pleased to be a net contributor because it's for the profit of everybody in order that everybody can move ahead. This is the aim. The aim is not to have two countries that will regulate things for everybody. But the Franco-German friendship is, in my view, extremely important for Europe.

Do you see the ecu, common currency, coming into being by the year 2000?

Yes. I want the ecu. It is prepared to be the European currency, and this is good.

Will the French be willing to give up their franc for the ecu?

Yes, of course. We don't have the religion with our currency. I can understand this for the Germans and their monetary policy. In their history, they had many great difficulties with the mark after World War II. The inflation problems are extremely important for them. Everybody has its history, and you've got to respect the history of others. We don't have the same consideration, perhaps, with the franc. We have consideration for other things that the Germans have less. To build Europe is to understand the other members. When you understand, it's far easier. So I can very well understand that some Germans are not enthusiastic. But it's a political direction that has to be followed.

You mentioned Jean Monnet. Do you think his ideas for a united Europe will come to pass, or are they outdated?

They are still quite good. Jean Monnet was a very pragmatic man. What counts is the goal that you want to achieve. The goal is very clear in my opinion. It's the same as what Jean Monnet wanted, which is to be prosperous, peaceful, to have an identity and to be able say something, and to be an actor on the world stage.

Are you worried that Americans are domi-

nating the film industry in Europe?

In the film industry it is certain that the Americans are dominating. But there is a sort of shyness in the cinema. It is true that films can touch a great number of people. If you have an enormous market like America, then you have low costs, and you can sell everywhere. The expenses are paid when you export. We don't have that in our countries. And this is why we must try to make European films, which is extremely difficult. Because a European film is a not a patchwork of some Swiss, some German, some French, and some Italian. It's not like that. But we must come to that.

Do you worry that the culture of France is going to fade away because of the dominance of US films in Europe?

No. France has been in existence for 1,000 years. The culture is certainly not going to evaporate. The easiness of the American cinema comes from the fact that it's easier to finance films and because there's a very deep market. It is true that all those people making films in America come from Europe anyhow. And they have probably found a sort of ground where their gifts can grow in a more favorable way, and we must try to examine why. It's not only the size of the market. It's probably also their daring to do things, for instance, the film Schindler's List. I regret this film was not made in Europe. But I understand very well why it wasn't made in Europe. Anyhow, the whole of it was extremely interesting. The European cinema is too intimate. It's too much about inside stories of people, and these types of films are probably difficult to export. When we export films to America, they want us to change everything. You have to have American actors and have jokes that are American and things like that.

Do you favor the WTO?

Yes, it's a good thing to organize.

Do you see youself as an outspoken person?

No, I see a lot of men saying more outspoken things than I do. I don't think I'm more outspoken. I would say my specialty is more doing work than giving speeches. \bullet



uring the autumn of 1994, President François Mitterrand was asked for what he would most want to be remembered.

"That I was a fair president," he told the editor of Le Figaro, Franz-Olivier Giesbert, in a long interview at Mitterrand's country home. "That my two seven-year terms were periods of social and

civil peace, the most striking of this century, and that France under my governance held its place as one of the world's preeminent nations."

His main regret? "That circumstances prevented me from significantly reducing social injustices," he said.

Few French men and women, whatever their political affiliation, would quarrel with that assessment and, indeed, they mobbed and applauded him at public appearances, continuing into January of his final year at the Elysées Palace.

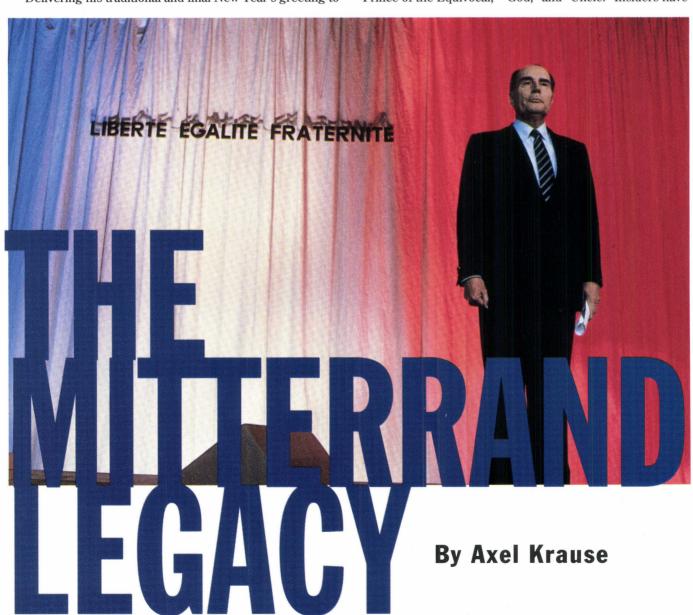
Delivering his traditional and final New Year's greeting to

journalists at the Elysée on January 6 and looking pale and drawn but responding with agility and humor, Mitterrand said: "When I leave (the presidency) it will be without remorse and regret. I will even be somewhat relieved...I will fulfill my (presidential) functions until mid-May, as long as my forces will allow it. I have no reason to think that they won't."

Slightly-built, robust, and a consummate politician, Mitterrand was born October 26, 1916 in a small village in the Charente region of western France—rural, Catholic, bourgeois, and conservative. His extraordinary political career has spanned 50 years, the entire spectrum of postwar France. Yet his personality has remained a complex mystery and many of his actions shrouded in controversy.

What will remain?

Assessing a world leader such as Mitterrand is, even in the best of circumstances, a formidable task, reflected in the epithets used to describe him: "France's Socialist Sun King," "Prince of the Equivocal," "God," and "Uncle." Insiders have



Mitterrand's close relationship with German Chancellor Helmut Kohl helped shape the Paris-Bonn axis with France in a strong leadership position.



The young Mitterrand in 1931 at age 15.

described him as interventionist, cynical, aloof, regal, vain, extravagant, vindictive, calculating, duplicitous, ambiguous, fiercely ambitious, intensely loyal (to old friends), a modernizer, and consensus builder.

The negative side of the legacy stems from the earliest years of his career during World War II. Critics point to his brief participation as a civil servant in the Nazi-backed Vichy government during 1942, claiming he was sympathetic to the regime. To further portray a duplicitous background, they cite "The Ob-

servatory Affair" of 1959, involving an unsuccessful armed attack on him near the Left Bank Observatory by right-wing opponents, who later claimed he had collaborated in the attack to gain public sympathy, a charge vigorously denied.

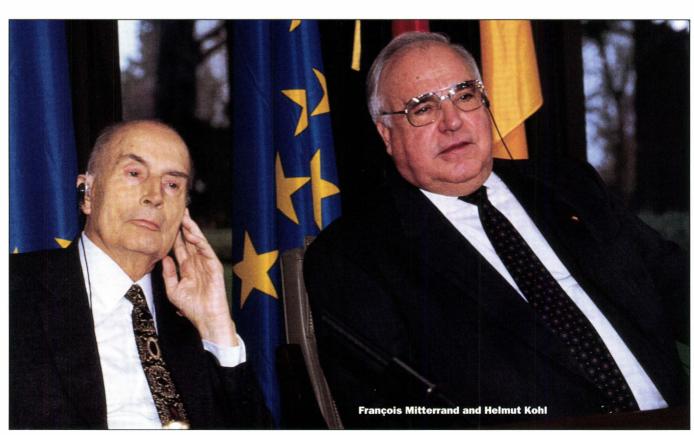
Mitterrand's years at the Elysée Palace have left France

weakened at home and abroad, some critics argue. A fervent Thatcherite, British professor John Laughland, goes so far as to claim he contributed to damaging fatally the nation's political institutions and its economy in a book *The Death of Politics: France Under Mitterrand*.

Less extreme critics cite the legacy of political corruption and the involvement of political leaders, including Mitterrand's closest friends and aides, in financial scandals; among them was former Prime Minister Pierre Beregovoy, who subsequently committed suicide.

Other critical assessments of his role in foreign policy note that he was always at his best during periods of relative stability, notably until 1989 and the collapse of the Berlin Wall and Communism. From that time on, "Mitterrand seemed rather disoriented, unfamiliar with the emerging world order, and distrustful of the emerging nationalism in Central and Eastern Europe," wrote Alistair Cole in his book, *François Mitterrand: A Study in Political Leadership*.

In other words, during the past few years, his much touted foreign policy legacy unraveled, and mysteriously, he was no longer able to provide imaginative responses, perhaps because of his declining health.





What this involved was building on the De Gaulle legacy of maintaining strong, active nuclear, and conventional military forces available to the Atlantic Alliance and using them, as France did during the Gulf War

A related strategy—different from De Gaulle's—involved relaunching European integration, while building on French-German relations as the centerpiece of his European policy. Through his close relationship with Chancellor Helmut Kohl, Mitterrand was thus able to shape the Paris-Bonn axis with France in a strong leadership position.

He also edged France closer to integration within NATO's command structure, while pressing other EU members to build a Euro-

The positive side of the ledger must also start with a look backward. Having resigned from the Vichy regime in early 1943, Mitterrand became an active leader in the resistance movement against the Nazis. From 1947 until 1958, he served in a total of 11 governments as minister, as a non-Socialist or what Cole describes as "neo-Radical."

His reputation was firmly established as the strongest, leftist opponent of President Charles de Gaulle, a legacy that was to remain, reflected by Mitterrand's opposition to many of the ideas of neo-Gaullists Edouard Balladur and particularly Jacques Chirac.

Mitterrand ran for the presidency four times and won twice. Many of us who lived through the tumultuous, upbeat, intoxicating events leading up to the May 1981 elections, recall how he brought the Socialists to power and began the gradual elimination of the Communist Party from the mainstream of the nation's political life. His Communist-backed nationalization of leading—and financially ailing—industrial companies and banks, coupled with heavy government spending, gravely damaged France's image abroad.

Within two years, however, fiscal policy was reversed, spending cuts introduced along with anti-inflationary monetary policy, which has continued until now.

"Socialism is not incompatible with good management," he told me during an interview in May 1986, noting that the state-controlled companies and banks, "are in good shape or are recovering." This legacy was supported actively by those around Mitterrand in the early 1980s, such as Jacques Delors, his first finance minister, and two of his prime ministers, Pierre Mauroy and Michel Rocard.

Mitterrand epitomized the virtues of the historic, strong role of the state in the nation's economic life, and he reconciled the French public with the idea of an active industrial policy.

By far his greatest—and probably his most lasting impact—has come in the field of foreign policy.

President Mitterrand congratulates the commandos who successfully stormed an Air France jet hijacked by Algerian terrorists in December.



pean defense organization around the Western European Union, a process that was continuing early in 1995.

Whatever directions a new French president decides to pursue on the domestic front, Mitterrand's imprint and achievements in foreign policy will remain. To make sure, he told the nation in his televised New Year's wishes that he had urged the Balladur government to place "particular importance" on European social policy as it assumed the EU presidency.

Looking tired, but sounding firm, Mitterrand concluded by urging France to never separate its "grandeur" and the building of Europe. "This is our new dimension and our ambition for the next century," he said. Θ

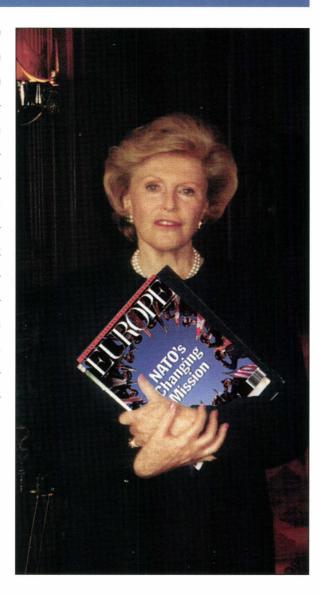
Axel Krause first came to France as a correspondent in 1962 and has interviewed François Mitterrand several times.

EUROPE Interview

Pamela Harriman

US AMBASSADOR TO FRANCE

US Ambassador to France Pamela Harriman, not only an astute observer of American politics, but also a keen student of French and European politics, in an exclusive interview at her office at the US Embassy in Paris in late October, spoke with EUROPE Editor-in-Chief Robert J. Guttman about US-French relations. Other topics discussed by the ambassador include the war in Bosnia, the Middle East, NATO, and European integration as well as President Clinton's policy toward Europe.



How would you define US-French relations at the present time? Are there any major problems?

Our relations with France are really at a better point now than they have been in a very long time. It was an interesting situation when [the Balladur] government started, as they took office the same time as our administration did. There's something good about coming in at the beginning on both sides. We have a very good relationship with the government. We worked very closely with them on the GATT. France is a significant player in the GATT and US Trade Representative Mickey Kantor was here in Paris quite often. This really provided a very good base for a good French-American relationship. Not only are they our oldest ally, but they're also a great ally. Any time in a military involvement, they've always been there by our side, from the days of Lafavette to the Gulf War. Our military relationships are very good. They're the only country in Europe that didn't decrease their defense budget. We have a lot in common to work with them. There have been many other things that we work closely on. In Bosnia, we are working closely in the contact group. The one thing we want is to get united approval as we don't want to go unilaterally. In all of these things we found we can work with the French and work very well.

You mentioned Bosnia. How would you say relations are today between the US and France over Bosnia, and are there any new solutions to try to end this tragic war?

The contact group is working well together. There's no easy solution, but

the cooperation is good, and we have to persevere and try and convince them to agree to the contact group plan for a peace plan for Bosnia. We're all working for the same result.

The French have indicated that they'd pull troops out if we lifted the arms embargo?

We have no troops on the ground. If it is agreed to lift the arms embargo, all the countries which have contributed troops to UNPROFOR would have to automatically remove their troops because the danger would be too great. But that is recognized. At the moment, the Bosnians themselves have asked for us to delay any decision on that because they know that if the troops withdraw, they will be in much more danger.

What is the US doing in Bosnia?

While we don't have troops actually in Bosnia, we do have the air strikes and the aircraft. We have a small numto get this far is a great achievement. The French have worked for this, as indeed we have.

Is immigration a problem in this country?

The two biggest problems facing all of our countries today are unemployment and immigration. And these are the two things that are going to haunt us in the years to come and into the next century. And it's going to be very difficult to get both under control. It's something that we have to all work on together.

Now that the cold war is over, Europe may no longer be in the forefront of US foreign policy. Does Europe still matter to the United States? How do we convince Europeans that we still care?

Europe matters enormously because, after all, nearly 50 percent of all American foreign investment is in Europe. Because of the possibilities of the things the president asked us ambassadors to Europe to do was to involve ourselves in American businesses overseas. It is very impressive how deep seated is the number of American enterprises in France.

It's kind of interesting to see that the Clinton administration seems to be focusing on business as a large part of its foreign policy.

At the end of the cold war, we obviously had an entirely new global world to contend with, and the demise of the Soviet Union happened so swiftly. There were no blueprints out there as to how to manage this new world. And obviously one of the things that is important about the world we find ourselves in today is to stimulate the economies. The economy of Europe is very important to us. Because without prosperity, you get all the problems that we've seen in the former Soviet Union and Eastern Europe. It is essential that we try and create a good economic environment for these countries to be able to prosper because democracy will prosper only if we can have a good economic climate.

Do you see the WTO as useful?

Yes. Absolutely. It will be complicated, and there will be lots of discussions about it. We have got to be a leader in this.

Talking about being a leader, does NATO still serve a useful purpose? Or is it out of date now that the cold war is over?

NATO is essential. What is so important is a new system for European security. That's why in all the talk of enlargement of the EU and its security there has to be a big component of NATO coming into this. It's what we've got to work with the EU and NATO on because the security of Europe depends on organizing a good military security arrangement with Russia and the Eastern European bloc. All of these things provide for NATO a very important role.

We carried an article on the love-hate relationship between France and the US. We seem to see this through the years as a love-hate thing. How would you explain the French-US relationship?

It is very impressive how deep seated is the number of American enterprises in France.

ber of US troops in Macedonia. We're pulling our weight.

Do you think the US and France are at odds because of French commercial interests in Iraq?

Everybody in Europe hopes eventually if Iraq complies with all that is necessary to take off the embargo, that then they will be able to do business. Europe needs to do business and obviously many countries in Europe would like to have the embargo lifted. But [the Iraqis] know perfectly well as long as the demands are not met that there will be no lifting of the embargo. And what we saw recently from Saddam Hussein makes it less likely that the embargo will be lifted.

Do you see any differences in policy between France and the US on the Middle East? Do you think we're in sync?

We're very much in sync. To have gotten the Israelis and the Palestinians

making money in the Pacific, some people think that we have turned away from Europe. When you look at the figures and the facts, you realize that our involvement in Europe is total and very productive. And I'm amazed when I travel around this country by the amount of American businesses that exist—and not only in Paris. Even in smaller places around France. In Grenoble, there's Caterpillar and Hewlett-Packard. In Bordeaux, there's a Ford factory for transmissions, and the largest American employer is General Motors in Strasbourg.

I was just down in Nice doing a story on American business located there.

And I'm sure you went to Sophia Antipolis where there are many US-owned factories. As you saw, wherever you go in France today, you get a big American involvement which is important because it creates a lot of jobs, both in France and back in the US. We believe that trade follows the flag, and one of

You would explain it like in all families. I have seen, certainly, it's been very, very obvious this year how deep the relationship really is. The reaction of the veterans

that came over this summer and the way the French treated them with a gratitude that they felt that was really very genuine. The French have shown a great gratitude and really true affection for America. I hope that the young have been able to understand a little of what this year has meant. I think after the end of the war, people didn't talk about their experiences. After the six long years nobody wanted to relive it. It was a blank. We wanted to go on. A new world, a new order had started. But now, 50 years later, those of us who are left can talk about experiences, and this year revealed a whole lot of things which I know families have told me they never knew about their fathers. It's really shown that there is a very great affection among the French toward Americans for their help in World War II.

Talking about looking back to World War II, do you think the French are now becoming more introspective in looking at their role in World War II? Do you see that happening in the next few years?

I think most people are more concerned with their problems of today and tomorrow than they are of going back. Certainly with an election cycle coming up here there will be a certain amount of going back. But there are a lot of things they'd like to put behind them, and they will. The real problems, such as unemployment, facing France and Europe today are uppermost in people's minds.

How would you define French-German relations today?

Very, very important. And we must never underestimate the deep relationship that exists in this country with Germany—and it will always exist.

Do you see any feelings of anger still existing against Germany today?

It's been curious to me that there doesn't seem to be any anger. I'm sure there are in individual cases. But you



don't get that feeling. Sometimes we don't realize Europe has lived so many thousands of years, and they've had so many wars. I don't feel that there is any basic anger.

You saw it even this summer when the Germans wanted to come to Normandy. There were a lot of people who thought that they should be allowed to do so. I would say there is not any serious problem about this today.

Are the French trying to keep US films out of their country?

If you had no American films in France, 50 percent of the movie houses here would close. It's supply and demand, isn't it? The French love American movies.

But yet there seems to be a contradiction. French people go see American movies, yet the French government seems to want to put a tax on them.

This is something which is going to be an ongoing discussion. The audiovisual situation has got to be addressed. There will be ways of addressing it because of the necessity to have an ample supply of quality films in Europe. But you will also find that there will be more encouragement from American movie makers to do films over here involving European directors and producers. A lot of the movie people have talked to me about that and are happy to do that. So I suspect all that will be favorably worked out.

You're a student of France. What do you view as the most positive traits of the French? Many Americans think maybe the French are arrogant or look down upon us. What would you say?

No, the greatest thing that the French have is a sense of their traditions, which does provide great stability in many areas—family, for instance. That is a very, very healthy thing, that the family unit in France is a very important part of the life of the average French person.

What do you think of this conception that the French are arrogant?

We can also be accused of being ar-

rogant in different settings. The French are very French, and therefore they are arrogant about things French. But that is also their right and their privilege. There are so many Americans in France nowadays. I talked to some American students at a French university recently [who] were very positive about not only liking the country but liking the people.

How would you describe French President François Mitterrand?

Mitterrand probably will go down in history as having been a very, very important and very positive president of France.

What do you think his main attributes have been as president?

He has a real vision for Europe and has been a very, very important player with Germany. His relationship, as we know, with [Chancellor Helmut] Kohl has been very good, and his vision for a very united Europe has been so important, not only for them, it's important to us. People sometimes say to me that America doesn't want a united Europe. It's the opposite. A united Europe is of enormous importance to us. A stable, active, successful Europe is what we hoped for, and Mitterrand has helped in that.

How do the French people see Bill Clinton?

When he was here on his one day in Paris, they told me that there were more crowds out—they have a lot of heads of state here through the year—and that he draws much more attention and interest. Also his address at the National Assembly really impressed the French deputies. They had been told this was a domestic president. And then they saw somebody who had a real vision and authority and a grasp of problems that are of interest to them.

What about the other Clinton? How is the First Lady perceived over here?

They realize that she is a real professional and very impressive. And when the mayor of Paris was in Washington the other day and met with her, he told me had rarely been so impressed as he was by her and her conversation on the health care issues.

WII

the alchemy of

By Robert Lever BIC, KNOWN WORLDWIDE for its inexpensive pens, is one of France's greatest business success stories and one of its best-known brands. And yet Bic is also a major part of the US business landscape, with some 2,500 employees and about 40 percent of the ballpoint pen market and revenues of some \$439 million in 1993 from pens, razors, lighters, and other products.

Bic's story resembles some of the great enterprisebuilding ventures of America, with a single-minded visionary working to perfect a better mousetrap. In this case, it was Baron Marcel Bich, son of an Italian engineer and a Frenchwoman.

Baron Bich built a fortune and an empire that sells some 15 million pens a day in 160 countries—making the Bic pen perhaps one of the most successful manufactured products in the world. Bich died last May at the age of 79, but the company lives on as the largest pen manufacturer in the world with global sales of more than \$1 billion.

Though he lacked a formal business education, Bich

tes n

success in a pen

demonstrated the potential for making money with inexpensive, everyday items.

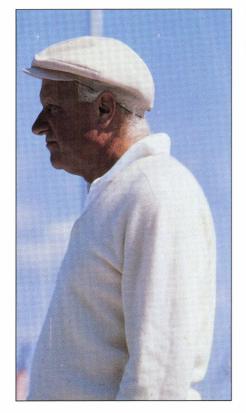
"No one understood better than Marcel Bich that potent 20th century alchemy of high volume-low cost," one obituary writer wrote. "He invented nothing but understood the mass market almost perfectly."

In a letter to shareholders in 1973, Bich wrote that his success was "not the result of a formal education received in a business school, American or French, it was the result of the tough school of business, which I entered at 18 years old by the smallest door."

Bich's philosophy was "ferociously anti-technocratic," as he explained: "Technocracy is a sickness of our time; starting at the top, it gains all levels and results in a mass of consultants, assistants, organizers, but when it comes time to do the work, there is nobody."

Despite his noble title—the barony was established by King Charles Albert of Savoy in 1848—Bich worked as a door-to-door salesman in France at age 19, earned a law degree, and became production director at a British pen and ink manufacturer, Stephens and Swann. Aside from business, Marcel Bich's other passion was yachting. But his attempts to win the America's Cup over 11 years in the sloops France I, II, and III—the first boats from

the non-English speaking world to compete in yachting's most prestigious prize—never bore fruit.



In a world accustomed to fountain pens, the ballpoint was a revolutionary item. The first Reynolds ballpoint sold in New York for \$12.50—and nearly caused a stampede in 1945 at Gimbel's department store.

Bich, who had knowledge of new plastics and molding technology, invested all his savings to buy a pen manufacturing operation and started making pens in a fixed-up shed in the Paris suburb of Clichy after World War II.

He introduced the first Bic pen in 1949, dropping the "h" from his name and in 1953 negotiated the rights to a ballpoint developed by a Hungarian inventor, Ladislas Biro.

Biro's pen was an innovation at the time but leaked, spattered, and above all was too expensive for ordinary people, Bich recalled. Bich worked to improve the technical aspects of the ballpoint and developed a plastic-barrel ballpoint that could draw a line for more than 5 miles. It sold in France for 50 centimes (less than a penny). He sold 21 million in two years and sales rose to 42 million annually the next year.

He expanded to the United States in 1958 after buying the US pen maker Waterman (which was sold in the 1960s), selling the Bic Stick for a mere 29 cents. To convince a skeptical American public, Bic launched an aggressive television campaign which showed Bic pens scraped along ice, shot through guns, and drilled through wallboards, helping make the pens a household name. Its slogan was that it "writes first time, every time."

After expanding his empire to nearly every corner of the world, Bic turned to making disposable lighters in 1973 and disposable shavers in 1976, becoming market leaders in both areas.

"They really dominate the markets they're in, ballpoint pens, cigarette lighters, and disposable shavers," said analyst Linc Werden of Prudential Securities. "They're a very conservative company with practically no debt and a very efficient mass producer."

Bic has grown steadily over the years but with the saturation of the markets has sought to find new products, with mixed results.

An attempt to create Bic perfume that would be sold inexpensively at supermarkets and gas stations failed. Bic also expanded into other areas, buying the French clothing manufacturer Guy LaRoche, but none has been as successful as its core pen business. Acquisitions including the French hosiery firm Dim and lingerie maker Rosy were spun off.

Aside from business, Marcel Bich's other passion was yachting. But his attempts to win the America's Cup over 11 years in the sloops France I, II, and III—the first boats from the non-English speaking world to compete in yachting's most prestigious prize—never bore fruit.

An intensely private man, Baron Bich never attended a business luncheon and gave no interview to journalists for some 30 years, but he did allow himself to be photographed aboard his yachts, which he directed with the same fervor as his company.

He had 11 children in three marriages. His eldest son, Claude, succeeded to the barony and is an executive vice president of the parent company, Société Bic. Another son, Bruno Bich, became chairman of the company in 1992 when his father stepped aside.



The Connecticut-based Bic Corporation is the largest unit of the French parent company and has manufacturing plants in the United States, Canada, and Latin America. In 1992 Bic bought Wite-Out, the second largest maker of correction fluid. Its product line has been expanded to include a wide variety of pens and supplies—pens that glow in the dark as well as retractable Bic Clics—but its basic low-priced pen remains its bread and butter. And the basic Bic ballpoint has fallen to under 10 cents from the original 29 cents. \blacksquare

Robert Lever is an editor for Agence France Presse.



EUROPEAN INVESTMENT BANK

LUXEMBOURG

DM 1,000,000,000 7 ½ % Bonds 1994/2002

fungible with the DM 1,000,000,000 Bonds 1992/2002

WESTDEUTSCHE LANDESBANK GIROZENTRALE

BAYERISCHE VEREINSBANK AKTIENGESELLSCHAFT COMMERZBANK AKTIENGESELLSCHAFT

DEUTSCHE BANK AKTIENGESELLSCHAFT

DRESDNER BANK AKTIENGESELLSCHAFT

BAYERISCHE LANDESBANK GIROZENTRALE CAISSE DES DEPOTS ET CONSIGNATIONS GMBH

CS FIRST BOSTON EFFECTENBANK AKTIENGESELLSCHAFT

DG BANK DEUTSCHE GENOSSENSCHAFTSBANK GOLDMAN, SACHS & CO. OHG

MERRILL LYNCH BANK AG

J.P. MORGAN GMBH

SCHWEIZERISCHE BANKGESELLSCHAFT (DEUTSCHLAND) AG

SCHWEIZERISCHER BANKVEREIN (DEUTSCHLAND) AG

ABN AMRO BANK (DEUTSCHLAND) AG BANK BRUSSEL LAMBERT N.V.

BANQUE PARIBAS (DEUTSCHLAND) OHG

BAYERISCHE HYPOTHEKEN- UND WECHSEL-BANK AKTIENGESELLSCHAFT **BHF-BANK**

CREDIT COMMERCIAL DE FRANCE ZWEIGNIEDERLASSUNG FRANKFURT AM MAIN

DEUTSCHE GIROZENTRALE

– DEUTSCHE KOMMUNALBANK –

DSL BANK
DEUTSCHE SIEDLUNGS- UND
LANDESRENTENBANK

GENERALE BANK

INTERNATIONALE NEDERLANDEN BANK N.V.

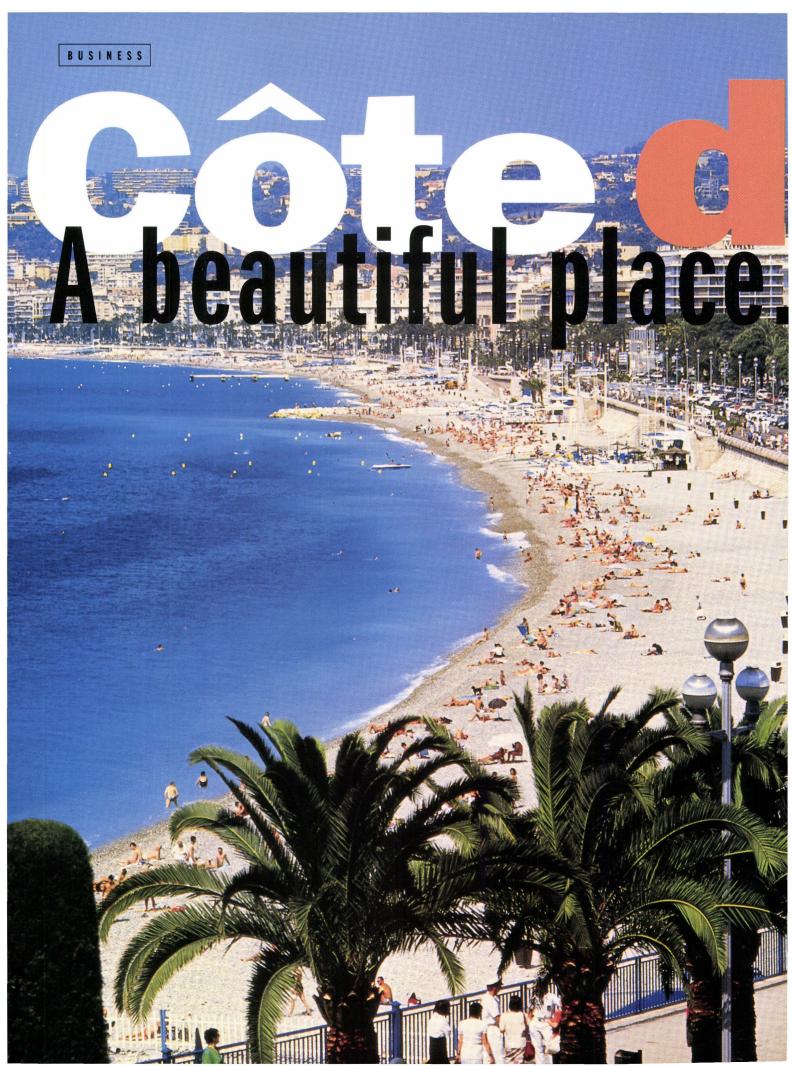
LEHMAN BROTHERS BANKHAUS AKTIENGESELLSCHAFT MORGAN STANLEY GMBH

NORDDEUTSCHE LANDESBANK GIROZENTRALE SALOMON BROTHERS AG

SOCIETE GENERALE - ELSÄSSISCHE BANK & CO.

TRINKAUS & BURKHARDT KOMMANDITGESELLSCHAFT AUF AKTIEN

S.G. WARBURG & CO. GMBH



To do business

The French Riviera conjures up images of beautiful beaches, beautiful people, wonderful sunny weather, the Cannes film festival, the Grand Prix of Monte Carlo, casinos, nightlife, good times, and a wonderful centrally located place to do business in Europe.

By Robert J. Guttman

Business in the Côte d'Azur? Years ago, that might have seemed an odd question. Yet, today the Côte d'Azur can boast of Sophia Antipolis, one of the premiere research and development high-tech science parks in all of Europe. In addition to Sophia Antipolis, international businesses are located from Cannes to Nice along the Côte d'Azur.

Sophia Antipolis is a remarkable acievement. There are nearly 1,000 international companies employing approximately 16,000 people in this research park located outside of Antibes in the hills of southern France. Although the name may sound old-fashioned, there is nothing old about Sophia Antipolis. Everything is state of the art whether it be in the field of computers, telecommunications, or health care.

One of the interesting things to note about the entire Côte d'Azur region and the research park of Sophia Antipolis in particular is the large number of American firms who have chosen this area to be the center of their research and development operations for Europe.

The list of corporations located here reads like a *Who's Who* of American high-tech firms: IBM, Texas Instruments, Digital Equipment, and AT&T, plus many small high-tech firms with their main head-quarters in the United States.

"It is the Silicon Valley of mainland Europe," exclaims Martin Johnson, director of international customer service for Shiva International, a remote networking firm headquartered in Massachusetts with its European R&D office in Sophia Antipolis.

While not many people would confuse the Côte d'Azur with the Silicon Valley, there are many similarities between the two high-tech regions.

Jean-Claude Vrignaud, a vice-president for AT&T Europe based in the AT&T Paradyne Data Communication Products and Technologies offices in Sophia Antipolis, told me that being in the Côte d'Azur is "a bit like being in California. There is some similarity to the Silicon Valley, but in terms of size, nothing can be compared to the Silicon Valley."

When asked how one can could possibly work in such a wonderful place with so many distractions he pointed out that "people work quite well in other beautiful places such as Beverly Hills, Los Angeles, and San Francisco." In fact, "the climate and the many leisure activities are tremendous inducements to bring employees to this area." The AT&T vice-president pointed out that it "is very easy for an American firm to operate and prosper in the Côte d'Azur."

"This is an area used to English-American culture. The English helped develop the Riviera and American and other tourists have always been welcome in this area. The culture of tourism helps this region accept foreigners very easily."

One of the first American firms to set up their research and development operations in the Côte d'Azur was IBM. The American-based computer firm with its headquarters in Armonk, New York, moved to the south of France in 1962. IBM's facility is situated in a



SOPHIA ANTIPOLIS

e set the standard for science parks in Europe. American firms find us attractive because of our international flavor, atmosphere, and services," according to Christian Cabrol, the commerical director of Sophia Antipolis.

Sophia Antipolis is a community of research and educational institutions, development corporations, and production engineering centers as well as public and private sector institutions specializing in high-risk ventures. It is located on a wooded 5,750 acres in the hills outside of Antibes and Cannes in the south of France. The goal of Sophia Antipolis is "to create and develop an economic center focusing on high technology so the Provençe-Alpes-Côte d'Azur region can become one of the major centers of economic development in southern France."

Sophia, which is derived from Greek, means "wisdom," and Antipolis means the "the city opposite." It aspires to be an "international city of wisdom, science, and technology."

Sophia Antipolis looks like a very large college campus with golf courses and housing sites located nearby for its employees. All the buildings are very low and fit in quite well with the environment. The area is very beautiful, but the place seems a little sterile. However, there seems to be quite a team spirit and *joie de vivre* among all the people I met in this very friendly place.

The commercial director told me that the Sophia Antipolis employees have the largest families in all of France. The reason being that the people employed here are content with their jobs and enjoy the many activities of the region and find it a good place to raise children. There is a feeling of optimism and a strong faith in the future.

-Robert J. Guttman

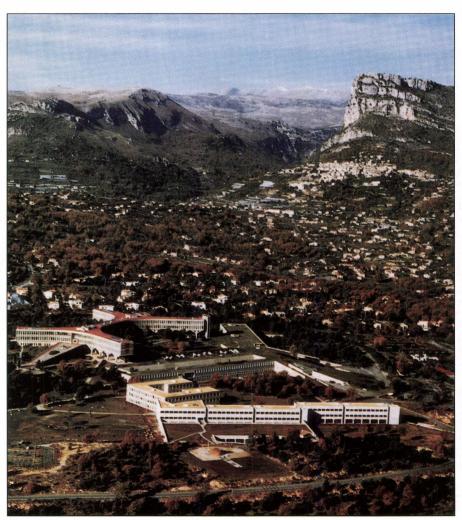
"You are always able to balance your work and your relaxed time. In this area, you are always at peace, whatever your workload is."

beautiful location high among the hills, in a small village called La Gaude, 13 miles from Nice.

Roger Martin, director of IBM's Center of Studies and Research, explained why they chose this location more than

the region and the large number of highly skilled workers who enjoy being in the south of France and as a result are more content and more productive in their jobs.

The IBM executive emphasized that



IBM was one of the first US firms to locate in the south of France.

30 years ago. "We decided to leave Paris, and we needed to select a location where employees would want to go and where it is easy to travel. We selected Nice because it has the number two airport in France, and we decided it was a good and convenient location."

Mr. Martin, told me that it was actually easier and quicker to get to Paris from Nice than it was from many of the suburbs of Paris. He also emphasized the excellent educational facilities in

"You are always able to balance your work and your relaxed time. In this area, you are always at peace, whatever your workload is."

The Côte d'Azur area "produces a lot of synergy" between high-tech companies according to Jacques Moncenis, customs center manager for Digital Equipment's Technical Center Europe based in Sophia Antipolis. "There is a lot of synergy, which is something quite unique in the Sophia Antipolis

Inside FIROPE

FEBRUARY 1995

VOLUME III/NUMBER 2

FRANCE AND THE EU PRESIDENCY

The coming months will present France with some of the biggest challenges to its European policy since the end of World War II. As the European Union struggles to adapt to the end of the cold war and expand to the east of the old Iron Curtain, France is acutely aware that an era is coming to an end.

The new era that is dawning will pose serious new threats to France's principal European interests—maintaining French political leadership of the EU and exerting continued French influence over Germany in European affairs.

Both these objectives will be far harder to attain in a European Union that may reach as many as 27 members by early next century. Few of the likely newcomers have close traditional links—or common interests—with France. Many will feel closer to Germany. And even though Bonn is still cautious about exercising political leadership, Germany's weight in the EU will continue to grow.

The outcome of the constitutional review of the Union's institutions, due to begin in 1996, will be vital for securing France's continued leadership role. But the identity of the president who will lead France through these delicate negotiations is still unknown.

Two of the three men who have dominated the development of the EU for the last 10 years—both of them French—are fading from the scene. President François Mitterrand has attended his last European summit meeting and will leave the Elysée Palace this spring. Jacques Delors has relinquished his post as president of the European Commission and declined to enter the hurly burly of France's presidential elections.

The third of these dominant figures, German Chancellor Helmut Kohl, has succeeded in winning another term of office, but it will almost certainly be his last. And his narrow election victory in October means that it could also be his most difficult.

The French presidential elections, which will not be concluded until May, pose huge question marks over France's European policy. Not only will the future direction of that policy remain unclear until the election results are known, but France's role in Europe may itself become a major issue in the election campaign.

All this makes it a particularly awkward time for France to assume the rotating EU presidency, as it did on

January 1. And French objectives for its six month stint in the chair are likely to be rather limited.

French officials admit that the timing of the elections will make it extraordinarily difficult for the new team in the Elysée Palace to organize a successful EU summit in Cannes this June, a meeting which would normally be expected to set the political seal on France's presidency.

At the same time, Mitterrand's departure is raising fresh doubts as to how far the Franco-German relationship, for so long the motor of European integration, can continue to flourish in the new era that lies ahead.

Kohl made no secret of his hope that his new French partner would be Delors, whose vision of Europe he largely shares. He is much less likely to find himself on the same wavelength as the other probable French candidates.

While Kohl, like Delors, wants a closely integrated federal Europe with strong central institutions, the conservative French government of Prime Minister Edouard Balladur has been moving back toward the Gaullist concept of a "Europe of States" in which member governments would retain most of the decision-making power.

And with Delors out of the running, the chances are much higher that the governing Gaullist RPR party will provide the next president of France, in the shape of Balladur or of Jacques Chirac, the mayor of Paris and a two-time presidential contender.

As things now stand, Balladur would certainly come closer than Chirac to Kohl's view of Europe. Balladur could be expected to support continued steps to economic and monetary union, long the linchpin of French policy in the EU, and to be prepared to offer Germany some further moves to political union as the price of securing that objective.

Chirac, on the other hand, has already raised doubts over his commitment to economic and monetary union (EMU) by suggesting, and then backtracking from, a proposal to hold another referendum on EMU. He could well decide to move on to an even more "anti-European" tack during the election campaign, in the hope of capturing the large bloc of French voters who now appear to be disgruntled with European integration.

Since the September 1992 referendum, in which the French people nearly said no to the Maastricht Treaty on European Union, France's politicians have become only

FRANCE AND THE EU PRESIDENCY (CONTINUED)

too aware of the strength of the anti-European feeling in the electorate.

Equally, the French government has shown grave misgivings over the haste with which Germany wants to extend the EU into Central and Eastern Europe. Those misgivings have been compounded by a concern that Germany's preoccupation with the East is blinding it to the urgency of forging new economic and political links with the countries of North Africa and the Mediterranean.

France, along with its Mediterranean partners, Spain and Italy, believes that Europe's security depends just as much on bringing prosperity to these countries and helping to counter the rise of Islamic fundamentalism as it does on stabilizing the EU's eastern frontier.

But that is not the only reason for French caution about the EU's eastward expansion. Economically, France is worried about the threat to its manufacturing industry from inexpensive imports from the East—and perhaps even more about the effects on the EU's Common Agricultural Policy (CAP), of which France has always been the prime champion.

If it is not to bankrupt the Union, the entry of the Central and East European countries will require major changes to the CAP—meaning that France's vociferous and politically powerful farmers will face further threats to their livelihood.

The political challenge is equally grave for France as the EU's center of gravity moves eastward. Germany's capital, when it moves to Berlin, will be closer to Warsaw than to Paris. The EU's Latin and Mediterranean elements will be relatively diminished—a trend that has already started with the entry of Austria, Sweden, and Finland at the beginning of this year.

Despite its reservations, France now concedes that the next round of enlargement will go ahead. But only on the condition that the 1996 constitutional review reorders the EU's institutions so as to secure French interests.

When new voting rules are agreed for the enlarged Union, France wants to ensure that it will not be consistently placed in the minority by the mass of new, smaller members. So Paris is now looking to form a group of the current five "big" countries that would prevent this from happening.

Balladur has called for a strengthening of France's links not only with Germany but with the UK, Italy, and Spain. With these five countries representing such a predominant

Goals of the French Presidency

France has set four major priorities for its six-month presidency of the European Union, which began January 1:

- Encouraging Growth and Employment: This includes preparing for the introduction of a single European currency from 1997, or 1999 at the latest; removing structural barriers to job creation; pressing ahead with big infrastructure projects like the new high-speed rail lines; establishing penalties for violations of single market rules; vigorously defending Europe's interests in international trade negotiations.
- Promoting European Security: Continuing to search for a permanent political solution in ex-Yugoslavia; concluding agreements on respecting the rights of European minorities and consolidating European frontiers; strengthening the EU's fledgling defense arm, the Western European Union; preparing for the entry of Central and East European countries into the EU; developing new policies toward the Mediterranean and the Middle East; working closely with developing countries associated with the EU, with particular efforts to help Africa.
- Affirming Europe's Cultural Diversity: tightening requirements favoring European-produced films and television programs; promoting European research and education policies; requiring European students to learn two European languages other than their own.
- Preparing the 1996 Intergovernmental Conference:
 Outlining a framework for ministers to start preparing the conference, which is intended to reform and strengthen the EU's institutions before the Central and East European countries join the Union.

-RD

share of the Union's population, he argues it is "unacceptable" that they could be put in a minority.

French officials concede it will be difficult to convince the smaller EU countries to accept this principle, which would mean reducing their voting power. But French thinking about the 1996 review is still in its formative stages.

Thus Balladur has also advanced the concept of a Europe of concentric circles—with France and Germany dominating

WHAT THEY SAID

"Have faith. Europe's spring is still before us!"

—Jacques Delors, outgoing European Commission president, in his farewell address to the European Parliament.

"France does not have to be afraid—not of the future, nor of others, nor of the world. She should believe in herself."

—Edouard Balladur, prime minister of France and leading candidate (RPR) in the spring presidential elections.

"To put off elections would be running away from reality, from responsibility, from the possibility of putting through reforms."

—Silvio Berlusconi, former prime minister of Italy,

protesting Italy's Prime Minister Designate Lamberto Dini's vagueness in determining a date for new elections.

"Political uncertainty remains high."

—Carmen Nuzzo, Italian economist with Salomon Brothers in London, commenting on the collapse of Silvio Berlusconi's right-wing government and Italy's designated 54th postwar government.

"What a pitiful sort of man I would be if one of my friends had difficulties and I refused to support him...Even if Yeltsin has made mistakes, I will not write him off now."

—Helmut Kohl, chancellor of Germany, supporting Yeltsin, while at the same time urging the cessation of Russian military force against Chechnya. the inner core. While France and Germany would be at the center of all EU policies, the composition of the other countries joining them might vary.

Balladur's thinking appears to imply that the UK, Italy, and Spain, for instance, might be in the inner circle on political and foreign policy issues, but not in the inner circle of economic and monetary union. Thus France's special relationship with, and influence over Germany would be maintained—while the other three big countries would be called on to help France to assert wider political leadership.

The UK, at least, finds this vision of Europe attractive and has spoken glowingly of the new identity of views between London and Paris. But London would be wrong to suppose that France is deserting Bonn in favor of a new Franco-British entente.

French officials say that they can agree with the United Kingdom if what London is saying is that public opinion is reluctant to support a great leap forward to closer political integration. But Paris cannot support London if what it wants is to stop the integration process altogether.

Even a Gaullist France appreciates that a country aspiring to lead Europe must be a full participant in every move to a closer union.

-Reginald Dale

EU NEWS

EU/US JOURNALISTS' CONFERENCE

Far from weakening the links between Europe and North America, the end of the cold war has made transatlantic relations more important than ever, and both sides should keep working to strengthen the relationship. That was the overarching theme of a conference bringing together journalists from the European Union and the United States at Dromoland Castle in the west of Ireland in late 1994.

Leading speakers from both sides of the Atlantic said that fears the United States would turn inward, or be distracted from Europe by Asia, had proved to be unjustified—as had fears that the EU would turn into a Fortress Europe, closed to the outside world.

The speakers presented an unusually optimistic analysis of US-EU relations at a time when the EU is striving to expand into North, Central, and Eastern Europe, and the United States is forging new links with Asia and Latin America.

Stuart E. Eizenstat, the US ambassador to the European Union in Brussels and one of the conference speakers, said that those who predicted the Clinton administration would have little interest in Europe had been proved wrong.

Many people had said that with the end of the cold war "the glue that held the United States and Europe together would become somehow unglued and, at best, Europe would get a secondary, cursory place on our agenda," Eizenstat said.

"None of this has happened, and we are indeed deeply engaged in Europe and totally involved in the great and significantly successful experiment in European integration. The countries of Europe are as important as they have ever been."

Politically, the EU was strengthening "the democratic impulse of Europe" and diluting the forces of extreme nationalism and ethnicity which had been breaking out in other parts of Europe, Eizenstat said. "Having the German democracy firmly embedded into the whole of Europe is a tremendous accomplishment of the Union."

Economically, the EU had become a more open, free-trade-oriented institution for American business than it was in the 1980s. "There is no Fortress Europe in the way that people were concerned about a decade ago when the single market was being discussed."

Eizenstat had one concern about US-EU relations. In some policy areas, the complex institutional structure set up by the

EU's Maastricht Treaty was making it difficult for Washington to find a single EU representative to deal with.

But the transatlantic dialogue remained "remarkably deep and intense," and there was "a real sense of shared mission" between the EU and the United States. The EU was an essential partner for the United States in almost every foreign policy endeavor, Mr. Eizenstat said.

Eizenstat's remarks were echoed by Hans van den Broek, EU Commissioner for External Relations and Common Foreign and Security Policy, who said that the Atlantic partnership was now more important than ever. With the completion of the Uruguay Round of world trade negotiations, the United States and the EU were starting to establish a more comprehensive relationship in foreign affairs.

The US-EU summit in Berlin last July was the first to concentrate on foreign policy rather than trade issues, Van den Broek said. While the summits had set up working groups to see how to develop the relationship further, "we want a practical, working partnership, not bureaucracy," he said.

G7 MINISTERIAL CONFERENCE

The G7 Ministerial Conference on the Information Society, hosted by the European Commission, will take place February 25-26 in Brussels. European Commission President Jacques Santer, European Parliament President Klaus Hänsch, and Vice President Al Gore will address the conference, which will include CEOs of leading US and European telecom companies.

EU-US MINISTERIAL MEETING

Foreign Minister Alain Juppé of France and EU Commissioner Sir Leon Brittan met with Secretary of State Warren Christopher and Assistant to the President for National Security Affairs Anthony Lake in the first EU-US Ministerial meeting of 1995 to discuss a range of issues: EU-US relations, the situation in the former Yugoslavia, the Middle East peace process, the new European security architecture, and the search for a director-general to head the newly created World Trade Organization.

Sir Leon discussed his views on the increasing importance of international investment, continued global economic growth, and the need for new policy direction with members of the Clinton administration and of Congress.

BUSINESS BRIEFS

The **Invest in France Agency**, the international arm of the French government agency responsible for attracting foreign investment, announced recently that **Motorola** will invest \$130 million in its Toulouse semiconductor plant. The move will create 250 new jobs and boost Motorola's employment in France to 3,000.

Motorola also announced the creation, in Toulouse, of its first R&D laboratory outside of the US. In collaboration with two French concerns, Laboratoire d'Automatique et d'Analyse des Systèmes and Centre National de la Recherche Scientifique, the new lab will work to develop new technologies in smart power integrated circuits and to create chemical sensors based on semiconductor technology.

Meanwhile **Bell Laboratories** inaugurated its business unit's first research venture outside the US, in the Rennes-Atalante Park in western France. The telecommunications research laboratory will also include the R&D division of **AT&T BARPHONE**, which AT&T acquired last year and should employ 70 people within the first three years.

Based in Saumur, in the Loire Valley, AT&T BARPHONE is a supplier of Integrated Services Digital Network (ISDN)-compatible PBXs, cordless phones, and voice-processing equipment for small and medium-size communications systems. The \$63 million company currently employs 450 people.

Airbus, the European aerospace consortium, won more orders than **Boeing** in 1994, the first time it has beaten its American rival since it was founded by **British Aerospace**, **Aerospatiale**, **Deutsche Aerospace**, and **Casa** of Spain in 1970.

Airbus said it booked 125 firm orders worth \$9.1 billion, or 48 percent of all orders last year, compared with Boeing's tally of 120 orders, or 46 percent of the market. Until now, Airbus's world market share has stuck at 30 to 35 percent.

Airbus closed 1994 with an order for 40 aircraft worth an estimated \$1.8 billion from International Lease Finance Corporation, a Los Angeles-based leasing firm.

This took Airbus's end-1994 order-book to 615 planes worth \$52 billion.

Grand Metropolitan, the British company that owns the Burger King chain, will shortly control the best-selling Mexican food brand in the US. Grand Met paid \$2.6 billion for Pet, the St. Louis-based manufacturer of Old El Paso Mexican Food. Pet will be absorbed into Pillsbury, Grand Met's US subsidiary, which will jump from fourteenth to seventh largest US food company with annual sales of \$5.6 billion.

...

Sweden's **SCA** became Europe's biggest forestry products firm after acquiring a controlling 60 percent of **PWA**, Germany's leading paper and pulp company, for \$785 million. The purchase, from **Viag**, the giant German utility, will boost SCA's yearly sales to \$69 billion. The deal compensates for a setback last year when SCA dropped a planned \$378 million bid for a 90 percent stake in **Otor Holding**, one of France's biggest packaging groups.

Johnson Controls, a Milwaukee-based auto components supplier, will spend \$112 million this year on six new production plants in the UK, Germany, Portugal, and Spain. The company also will open a European technology center at Burscheid, Germany. Johnson opened seven plants in Europe in 1994 at a cost of \$90 million after winning contracts to supply seats and other components to European-based car manufacturers. By the end of 1995 Johnson will have 44 production facilities across Europe employing 7,500 people.

Dow Chemical of the US is poised to take majority control of the drastically slimmed down chemical industry of the former communist East Germany in a deal that brings a dowry of \$1.9 billion from the **Treuhand**, the German privatization agency. Dow's German unit, **Dow Deutschland**, is taking a 51 percent stake in three large chemical plants that employ 12,300 workers, down from nearly 70,000 in 1990. The Treuhand, which will hold the remaining 49 percent, will invest the \$1.9 billion to bring the facilities up to Western standards.

British Steel joined forces with LTV, the US industrial conglomerate, and **Sumitomo Metal Industries** of Japan, to produce low-cost steel in the US. British Steel, Europe's second largest producer, will take a 25 percent stake in

a joint venture called **Trico Steel**, which will invest \$450 million in a mini mill in the southeastern part of the US which in 1996 will start producing 2.2 million tons of flat rolled steel a year from scrap metal.

•••

Daimler-Benz, Germany's biggest industrial combine, plans to invest \$3.2 billion in Asia over the next five years, fanning fears it wants to downsize its domestic operations. German unions and politicians reacted angrily to the firm's recent decision to build its new small "city" car across the border in France. The biggest investment previously was a minivan plant in the US. Daimler Chairman Edzard Reuter acknowledged that Germany's expensive and inflexible labor played a role in these decisions. But he insisted that recent and future foreign outlays were necessary to enable the company to compete in an increasingly global marketplace.

...

Russia's new energy Czars are looking for Western companies to invest in their huge crude oil and natural gas fields to reverse a steady decline in output. Lukoil, Russia's largest oil company, wants to sell around 15 percent of its shares in the West to raise up to \$5 billion to buy modern equipment and develop new fields. Lukoil, whose fields in Siberia account for 15 percent of Russia's total crude output of around 6.5 million barrels per day, is already working with European oil companies. It has a 10 percent stake in a British Petroleum-led consortium developing three offshore oil fields in Azerbaijan.

Gazprom, the world's largest gas producer with yearly sales estimated at \$12 billion, is also looking for Western investors to take a 9 percent stake this year. Like Lukoil, Gazprom, which controls a quarter of the world's gas reserves, is heavily involved in Europe. It supplies 20 percent of Western Europe's gas supplies.

-Bruce Barnard

INSIDE EUROPE Correspondents

Bruce Barnard, Reginald Dale Reuters contributed to news reports in this issue of Inside Europe.

Inside Europe is published by the Delegation of the European Commission, 2300 M Street, N.W., Washington, DC 20037.

The contents of this newsletter do not necessarily reflect the views of the European Union institutions or the member states.

...

area where a lot of these companies are doing a lot of things together. It is very helpful."

Mr. Moncenis and Mr. Vrignaud were both quite enthusiatic about the region's "Telecom Valley." The various telecom firms have formed an association which includes all the American telecom firms plus France Telecom and Aerospatiale.

According to AT&T's Mr. Vrignaud, "The telecom companies all have regular meetings. The goal is to make sure that the different companies which are established here are known for their competence, not ony in France, but internationally."

"Telecommunications and other high-tech sectors now rival tourism as a primary attraction of the French Riviera," says Christian Cabrol, commercial director for Sophia Antipolis.

In fact, more than 25 percent of all travelers now coming to the French Riviera are coming on business. According to Dominique Charpentier, general manager of the Regional Committee of Tourism for the Côte d'Azur, "The main rise in tourism is in business tourism associated with conferences and seminars for high-tech, telecom, and health related businesses."

In addition to being a leading R&D center for computer and telecom firms, the Côte D'Azur is also noted for being a haven for health care companies. Allergan and Wellcome are two large pharmaceutical firms with offices in the area. In fact, while most firms engage in only research and development, Wellcome Laboratories reports that it currently produces 430 million pills a year and 330,000 liters of syrup for the French market. Wellcome and other firms are now adding a manufacturing component to their facilities in the Côte d'Azur. Another new health facility is the European Heart House, which serves as an educational center for cardioligists.

What other reasons do Americans give for doing business in the south of France? Most people I interviewed mentioned the entrepreneurial spirit of the workers which reminded them of the Silicon Valley area of California. Mr. Moncenis of Digital stated that being in Sophia Antipolis and the Côte d'Azur region you feel as if "you are not in France you are somewhere in Europe." He meant this as a compliment to the international aspect of the region.

Location was also always cited as a key reason for doing business in the south of France. François Kester, general manager of Côte d'Azur Development, states that "The French Riviera is at the crossroads of two European growth axis: the Alpine Arc, which develops from southern Germany to Northern Italy and southern France, and the Mediterranean Arc, which goes from Barcelona to Genoa."

Mr. Kester goes on to mention the appeal of this region for American, French, and other international companies by saying that the area has "the same sunbelt phenomena as that seen in the United States."

"Thanks to our famous preeminence as an international tourist destination, the Côte d'Azur is at the heart of the trend of shifting economic focus away from major industrial cities to the south and east of Europe. We benefit from infrastructure, such as our airport, and services geared toward international customers and foreign schools

on a scale and of a high professional level usually found in major capital cities," states Mr. Kester.

I must admit that until my recent trip to the Côte d'Azur I had always thought of the French Riviera as a beautiful place to have a great time in gorgeous surroundings and warm weather. This is all very true. The Côte d'Azur is still one of the best tourist destinations in the world for fun in the sun, but increasingly the region is becoming one of the premiere business centers in all of Europe.

With all of the positive factors mentioned about doing business in the south of France, I asked Mr. Vrignaud of AT&T if he had any negative comments on doing businees in the Côte d'Azur.

"There are two negatives: One, the traffic in July and August is awful, and two, when we hire people for only one or two years they don't want to leave."

C'est la vie! 3

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

Say OUN to a Week in Provence

Join us this spring, summer or fall for a solid week of exciting photography in Provence. We take complete beginners as well as seasoned shooters and share our methods for photographing the striking beauty, the



extraordinary culture, and the people of Provence. Workshops are taught in English by well-known American and French photographers.

You'll stay in a lovely three-star hotel in Aix, tour this whole spectacular region (Aix, Avignon, Arles, the Luberon Mountain, etc.) and enjoy some of the best cuisine in Provence.

Groups are small, maximum 5 photographers, so there's lots of personal attention from instructors, and group camaraderie. But bring your non-photographer friends and family -- we've already organized cooking classes, wine tasting, and more for them. \$1700 excluding airfare.

FRENCH FOTO TOURS

70 Bd Marcel Parraud, 13760 St. Cannat, France Tel: (33) 42 50 66 69-Fax: (33) 42 50 62 46 E-mail: rodbell@romarin.univ-aix.fr In the U.S. call (800) 243-9675

GRAND HOTELS

Exploring the best hotels of Paris, Versailles and Nice

By Robert J. Guttman

ON MY LAST TRIP TO FRANCE I had the good fortune to stay at six of the country's grandest hotels. Hôtel Le Bristol, the Hôtel De Crillon and the Hôtel Plaza Athénée, all located in Paris, are on every list of best hotels in the world including *Conde Nast Traveler* and *Forbes Magazine*. In addition to staying in Paris, I was also fortunate to be able to stay at three other world famous hotels on my trip, including the Trianon Palace in Versailles, La Reserve de Beaulieu outside of Nice, and the Negresco in Nice.



Le Bristol's elevator features a beautiful marble floor.

HOTEL LE BRISTOL

he Hôtel Le Bristol is truly a world class hotel. Le Bristol exudes class and charm with an air of quiet, intimate elegance. From the moment you step into the gorgeous lobby, see the open courtyard gracing the center of the hotel, swim in the rooftop pool, and ride to your room on the wonderful old-fashioned French elevator you feel as if you had been transported back into a more comfortable period of time.

Located on the very fashionable and leading shopping street in Paris, the Rue du Faubourg Saint Honoré, guests have only to walk out the front door and start window shopping—or shopping if you brought along a fat wallet—at stores including Hermes and Lanvin.

After shopping or walking along this fashionable avenue, it is very relaxing to come back to your hotel—in the center of Paris—for a quick sauna and swim at the beautiful rooftop fitness center and swimming pool, which is unique for a luxury hotel in the City of Lights.

While swimming in the pool you can



OF FRANCE

From the moment you enter
the Crillon's opulent lobby,
you realize you will be
experiencing something
wonderful.





Le Bristol's courtyard is unique for a

Paris hotel.

see the Eiffel Tower and Sacre Coeur plus take in a grand view of the Paris skyline. The glass enclosed pool has a huge mural of the Eden Roc Hotel at Cap d'Antibes and is shaped like an ocean going vessel so you literally feel as if you are moving on a large boat through Paris.

Le Bristol has been honored by the *Gault-Millau Guide* for serving the best food of any hotel in the city. My wife and I would not disagree with the guidebook's analysis. We ate in the elegant Restaurant d'Hiver, which had just opened for the winter. Beautiful tapestries grace the huge oak walls, but we were so captivated by the delicious entrees that there was little time to glance at the surroundings.

I can honestly state that I had the best-tasting lobster I have ever eaten anywhere at Le Bristol's restaurant, and I have eaten lobsters at wonderful restaurants throughout the state of Maine. The way the food was served was also beyond compare. The waiter was like an artist preparing the lobster.

Our suite was superb. It was spacious with large closets and had one of the largest and best-equipped bathrooms I have encountered in Europe. Don't worry about a "European" shower at Le Bristol. Our bathroom had a separate large marble shower

complete with Hermes soap made for Le Bristol. The bathrooms have all been recently remodeled at a cost of nearly \$7,000 per room.

Once when we forgot our room key, I went down to tell the desk clerk to send someone up, to let us in. After several minutes had passed and no one showed up, I went down again with the same message. The front desk clerk said: "This cannot be we are known for our prompt and efficient service." We entered our room shortly afterwards and can vouch for Le Bristol's "prompt and efficient service."

For more information, contact: Hôtel Le Bristol, 112, Rue du Faubourg Saint-Honoré, 75008 Paris, Tel 33-1-42-66-91-45, Fax 33-1-42-66-68-68.

HOTEL DE CRILLON

have the easiest job in the world because when our guests arrive they are prepared to live a dream and all we have to do is accommodate them with their wish," says the Crillon's Public Relations Director Veronique Brown.

Indeed, the Crillon does accommodate guests with their every wish in comfort, service, and overall elegance. The Crillon definitely deserves its world famous reputation as a grand hotel. The Count de Crillon, the original owner of this beautiful mansion, located on the Place de la Concorde, would be proud of his palace today.

From the moment you enter the opulent marble lobby of the Crillon you realize you will be experiencing something unique. Even checking into the hotel is a pleasure. At most hotels you have to stand at a front desk and wait patiently (or impatiently if you are like me) until someone bothers to check you into your room.

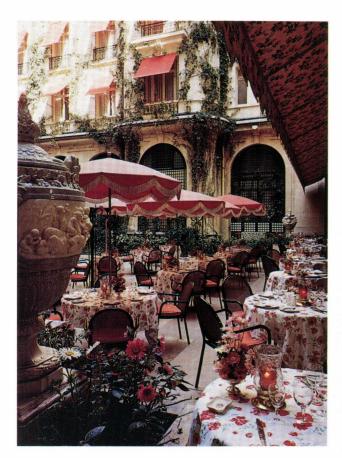
These hassles do not occur at the Crillon. Instead we were asked to sit down in comfortable chairs beside a beautiful desk as the manager checked us into our room. The manager acts as if he had been awaiting your arrival all day as he offers you tea or coffee and explains the ins and outs of the hotel. It is a wonderful welcoming touch that hopefully other hotels will begin to use.

If you have to meet someone for business or for a social drink, the Winter Garden Tea Room, a few steps above the lobby, or Le Bar, in the back of the hotel, would be the best places to meet in all of Paris. As the hotel literature states, "The bar is the setting for many a meeting of hearts and minds." The bar is mentioned in several of Ernest Hemingway's novels including *The Garden of Eden* and *The Sun Also Rises*.

I cannot comment on dinner at Les Ambassadeurs, the restaurant in the hotel, because it is so popular the hotel manager and public relations director couldn't squeeze us in for dinner the evening we were there. However, we were told that the "power breakfast" in Paris is held in the same restaurant. Located across the street from the American Embassy and down the road—or down the rue—from the Elyseé Palace this obviously makes sense. By the way, the breakfast was superb.

When we entered our elegant and spacious suite, we found chilled Tattinger champagne waiting for us. This is especially appropriate since the Tattinger family owns the hotel. In fact, the Hotel de Crillon is the only one of Paris's grand hotels still owned and managed by a French family.

One final word. If you are looking for the best view of Paris from any hotel room in the city, book yourself into the Leonard Bernstein suite at the Crillon. Including a piano used by the late conductor, the very expensive but very luxurious suite has a terrace overlooking the Place de la Concorde and the Eiffel Tower. I look forward to spending an evening, preferably in the summertime, in this once-in-a-lifetime room.



For more information, contact: Hôtel de Crillon, 10, Place de la Concorde, 75008 Paris, Tel 33-1-44-71-15-00, Fax 33-1-44-71-15-02.

HOTEL PLAZA ATHENEE

f you are searching for celebrities in the world of fashion, theater, or show business while you are in Paris look no further than the Hôtel Plaza Athénée.

This is truly a beautiful hotel for the "beautiful" people. There is no better place to celebrity watch than the elegant Galerie des Gobelins where you can have a cocktail or tea and see and be seen by the "appropriate" people in Paris. As the public relations director told me, "Les Gobelins offers deep armchairs where you can see passing by many famous personalities." So, if you are looking to meet Madonna or Jack Nicholson this is the place to hang out.

But the hotel is much more than a celebrity hangout. It is one of the most beautiful hotels in Paris with probably the best and most efficient service I encountered on my trip. My room was truly regal and fit for a king—say Louis XV or Louis XVI—which is the period of

Dining at Hôtel Plaza

Athénée is a

gastronomic delight.

the decor of the rooms. My room overlooked a garden, had a fireplace, and provided a television that could be hidden away with a push of a button.

How elegant is the Hôtel Plaza Athénée? In my bathroom was a card stating "If you should go out today wearing jogging or other sporting attire, would you be kind enough to contact the concierge beforehand, so that he may indicate an appropriate way out of the hotel and later back to your apartment." Most everyone I saw

no matter what time of day was dressed in business attire.

La Regence dining room was gorgeous, the food delicious, the wine list extensive, and the service was beyond compare.

The Backstage piano bar at the hotel

is noted for having celebrity musicians stop by in the evening to play their instruments or sing in a relaxed atmosphere.

Hôtel Plaza Athénée is located in "the heart of the Haute Couture district" of Paris, and it is great to window shop along this fashionable avenue.

For more information, contact: Hôtel Plaza Athénée, 25 Avenue Montaigne, 75008 Paris, Tel 33-1-47-23-78-33, Fax 33-1-47-2-20-70.

TRIANON PALACE

f being in the heart of Paris is not your cup of tea then you might want to stay at the beautiful Trianon Palace in Versailles. Located within walking distance of the famous royal estate of Louis XV and the charming town of Versailles, the hotel is only 20 minutes from downtown Paris. Staying at the Trianon Palace is really the best of both world's—life in the country with great and convenient access to the City of Lights.

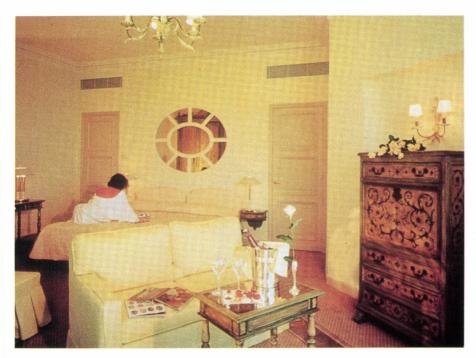
But you may not be too anxious to head into Paris once you see everything the Trianon Palace has to offer.

Our large, gorgeous room overlooked a seven-acre park where sheep, donkeys, and horses grazed below our windows. We felt as if we were deep in the countryside.

Les Trois Marches is considered one of

France's best restaurants.





The rooms at La Reserve provide a romantic setting.

The Trianon Palace has a famous history. There is the Georges Clemencau Room where the French leader in May 1919 presented the Treaty of Versailles conditions to the Germans.

My favorite room was the Marie-Antoinette Bar. Where else in the world would you find a room named after France's last queen.

Dinner at Les Trois Marches Restaurant—considered to be one of the best restaurants in France—lives up to its reputation. The restaurant, which has been awarded two Michelin stars features food of southwestern France. After eating a wonderful meal, we were presented with a cheese tray—actually three cheese trays—with more than 100 varieties of cheese. We were very impressed and quite full.

The main attraction of the Trianon Palace is the one of a kind Givenchy Spa, located in the bottom three floors of the hotel. The spa, to say the very least, is unique. It is the perfect place to spoil yourself with luxurious treatments that are good for your health. After indulging ourselves in a variety of treatments from

multi-jet baths to all types of massages, we went for a swim in the gorgeous pool, took a sauna, dressed, and headed off for a walk around the truly impressive grounds surrounding the hotel.

If you are looking for a luxury hotel, with ideal surroundings in the country but near enough to the city with a chance to take part in Givenchy's

Beauty Realm which their literature says is "the sheer epitome of refinement" look no further than the Trianon Palace in Versailles.

For further information, contact: Trianon Palace, 1, Blvd. de la Reine, 78000 Versailles, Tel 33-1-30-84-38-00, Fax 33-1-39-49-00-77.

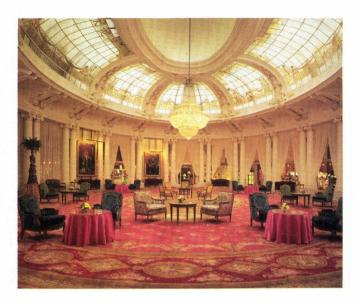
LA RESERVE DE BEAULIEU

hile I was in the Côte d'Azur doing research on a story on American business firms located in the south of France, I stayed at the elegant Hôtel La Reserve de Beaulieu located halfway between Nice and Monte Carlo in Beaulieu-sur-Mer, a small village that looks as if it were part of a gorgeous Hollywood set.

The large and elegant rooms have balconies wrapped around them so you can step outside and stare at the deep blue Mediterranean and the many luxury yachts anchored around the bay. The marble bathroom hidden by a unique mirror from the main bedroom also provides a wonderful view of the sea.

The pink and white La Reserve overlooks the Mediterranean.





Negresco's lobby is

a visual delight.

be misled by the fact that the Negresco is an historic monument. It may sound strange to say, but this is a very lively and very fun, modern hotel in the center of all the activity in Nice.

The splendor of Nice's leading hotel which over-

looks the Mediterranean on the lively Promenade des Anglais begins when you enter the hotel and are greeted by doormen wearing a top hat and black excellent reputation and rightly deserves its two star Michelin rating. If you are in Nice, you have to be at the Negresco.

For more information, contact: Hôtel Negresco, 37, Promenade des Anglais, BP 379, Tel 33-93-88-39-51, Fax 33-93-88-35-68.

It is hard to really write anything but good or excellent comments when one stays at these hotels. Of course, I was a guest of the hotels, and they were on their best behavior, but still I feel all guests receive this type of treatment at these world class hotels. They all deserve their reputations.

I look forward to staying in the Leonard Bernstein suite at the Crillon and having dinner at the outdoor court-yards at Le Bristol and the Plaza Athenee and to returning to the Negresco and La Reserve in the summertime.

After staying at these luxury hotels

The pink and white hotel with a swimming pool overlooking the ocean has been completely renovated in the last year under the direction of the hotel's general manager, Gilbert Irondelle, whose father is the general manager of the celebrated Hôtel du Cap-Eden Roc on Cap d'Antibes.

I felt as if I was staying with a very friendly family in a large restored mansion as the staff of La Reserve is extremely courteous and helpful. There is a very easygoing manner about the hotel which I found very comfortable.

The founder of the *International Herald Tribune*, James Gordon Bennett, a frequent client of La Reserve, was reputed to have introduced the "American cocktail" to the hotel's guests. Today's guests continue the "cocktail" tradition at the hotel's beautiful bar and in La Reserve's stunning restaurant known as "the restaurant of kings and the king of restaurants."

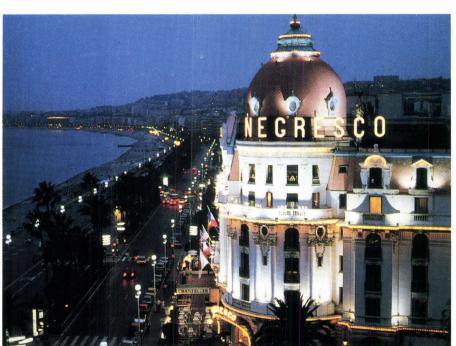
I look forward to returning to this elegant and friendly hotel by the sea on my next trip to the south of France.

For more information, contact: Hôtel La Reserve de Beaulieu, 5, Blvd. General Leclerc, 06310 Beaulieu-sur-Mer, Tel 33-93-01-00-01, Fax 33-93-01-28-99.

HOTEL NEGRESCO

ow many hotels have been classified as historic national monuments by their governments? The Hôtel Negresco received this honor from the French government in 1974.

This world famous Belle Epoque hotel richly deserves its many accolades including "Jewel of the Riviera" and "Nirvana in Nice." But don't



breeches of an earlier time period. The Salon Royal lobby area is the largest, most luxurious lobby I have ever encountered in my travels. The Salon Royal sports a massive and expensive carpet and a huge chandelier.

My room was gigantic with a stunning view of the sea. I was dazzled by all the gold in the bathroom from the bathtub to the sink and was impressed with my very large and comfortable canopy bed.

Le Chantecler du Negresco, the hotel's main restaurant, lives up to its If you are in Nice, you have to be at the

Negresco.

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

JERS

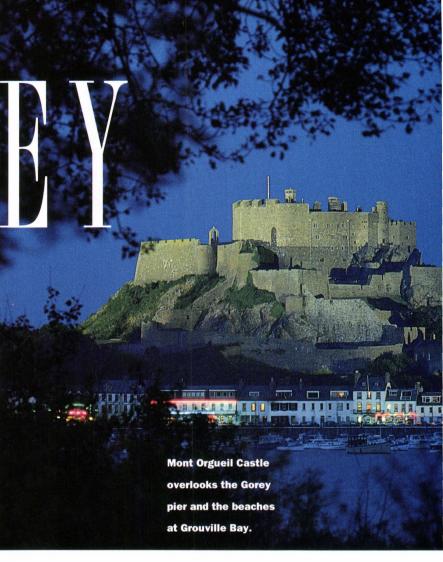
WHEN I TOLD MY AMERICAN FRIENDS I was going to spend my summer vacation in Jersey, I got some funny looks and comments like "why would you want to spend any time in Jersey, let alone your precious vacation days." That was until I explained I was going to the island of Jersey, the largest of the Channel Islands, which lies 120 miles from Southampton, England, and 14 miles from France in the English Channel.

arrived in Jersey on a beautiful summer's day and took a taxi from the tiny airport in St. Peter to a "guesthouse" in Gorey, in the east of the island. The taxi travelled through winding country roads, past hedgerows dotted with wild-flowers, fields of lavender, carnations, Jersey royal potatoes, and the most famous of all Jersey inhabitants—the Jersey cow. With their seductive brown eyes and golden color they are arguably the most photogenic residents of the island.

I began my stay in Jersey with a visit to the fairytale Mont Orgueil Castle which sits high on

a hill overlooking Gorey pier and the adjacent sandy beaches at Grouville Bay. If you believe in fiery dragons and brave knights, the castle will surely fuel your imagination. Documentary evidence traces the castle back to 1212, but archeological digs carried out in the early 1970s unearthed an Iron Age rampart and neolithic pottery and flints which indicate that the site was probably occupied as a strongpoint since the New Stone Age.

In the early 1800s, Gorey was a thriving oyster fishing community and is still famous today for its excellent seafood restaurants, which overlook Gorey harbor and its fishing boats. At the nearby Jersey potteries in Gorey village, you can watch the local potters at work. Each piece is hand-crafted and handpainted which makes it unique, albeit a little pricey. I admired an elegant, one-of-a-kind espresso coffee



Finance, cows, and leisure in the English Channel

By Susan J. Burdin

pot with matching cups and saucers, decorated with gold leaf, for a mere \$1,000. The Jersey pottery restaurant is equally popular for its superb seafood lunch—try the lobster salad or melon with dressed crab, followed by fresh Jersey cream cakes and a pot of tea. Delicious!

Driving from Gorey along the southern coast road, you'll soon arrive in St. Helier, the capital of Jersey. The town is named after a proselytizing Belgian monk, who came to the island in the 6th century. He was one of several holymen with the mis-

sion of converting the islanders to Christianity. His life came to a grizzly end in 555 AD when he was murdered by marauding pirates. His death is commemorated in the Parish of St. Helier's coat of arms—two crossed axes.

During the week, St. Helier is a hive of activity with duty-free shoppers, diners, and office workers from the nearby banks, investment and trust companies. I took a stroll from Snow Hill through the pedestrian precincts of Queen and King Streets and about halfway down came across the historic Royal Square. In years gone by, the *Vier Marché*, as it was known then, was the site of the local market where Jersey farmers would sell their milk, eggs, poultry, vegetables, and flowers. It was here that proclamations were read and where in 1649 Charles II was pronounced king, some 11 years before he ascended the English throne. This was also



the site of public punishments, where locals were sentenced to a day or two in the stocks for minor offenses and witches were executed and their bodies burned. In 1781, the Battle of Jersey was fought in the square, which was the last unsuccessful attempt by the French to capture the island.

It's strange to think that this peaceful island has been the site of many raids and invasions. During World War II, Jersey, along with the islands of Guernsey, Alderney, and Sark, was under German occupation for five years. On July 2, 1940, the headlines of a daily London newspaper read, "Channel Islands Captured: Swastika in Holiday Hotels." Evidence of the occupation can be seen all over the island; at the German bunkers of St. Peter, St. Ouen. La Hougue Bie, the many gun emplacements strategically positioned around the island, and at the German Underground Hospital in St. Lawrence, which the Germans built during the war.

A visit to the hospital is a must. Wandering down the cold, damp 100-yard long corridors, 100 feet below the surface with the voices of German military officers and moaning prisoners playing from a tape gives you the eery feeling you've gone back in history. Visitors

peer into unfinished, dark tunnels where Spanish, Polish, Czech-Slovak, and Russian prisoners worked in the harshest conditions, picking away at granite from morning to night, many dying on the spot from sheer exhaustion. The sound effects, life-like displays, exhibits, and photographs are out-

standing. It is well worth the \$5 entry fee.

Today, the island is famous for its finance industry, which comprises a large number of banks, trust and investment companies, accountants, fund managers, and corporate administrators. There are no capital gains, inheritance, wealth, or sales taxes in the island and local residents pay a flat rate of 20 percent in income tax. Jersey is of special interest to expatriates as non-residents receive Jersey bank interest without any tax liability. The Jersey finance industry prides itself on being one of the leading offshore financial centers in the world.

Once your financial prospects have been improved somewhat, you may feel like putting your feet up on one of Jersey's beautiful beaches—there are umpteen to choose from. It really depends on what you're in the mood for. One of the most popular and the most sheltered is St. Brelade's Bay. Here you can rent a deckchair, wind-breaker, or a paddleboat for a few dollars and take along with you a tray of fresh crab sandwiches with a pot of tea from the numerous cafes along the esplanade. To the west of the island, on the unsheltered Atlantic coastline is St. Ouen's Bay with five gleaming miles of unspoiled beaches. If you get tired of soaking up the sun here, you can watch the local world champion surfers riding the great Atlantic rollers or even have a go yourself. A brisk walk away is the Corbière lighthouse, which is worth exploring, but don't get caught on the path leading up to it at high tide—the sea has claimed several lives in the past. The north of the island has the most rugged coastline and some great walks along the clifftops—the bracing sea air and waves crashing on the rocks below are exhilarating.

So whether it's a bit of relaxation, or history, or financial advice you're looking for, you'll find everything at your fingertips on the beautiful island of Jersey. Just don't expect to be hurried!

Susan J. Burdin is EUROPE's editorial assistant and our Jersey correspondent.

A Traveler's Guide to Jersey

Vital Statistics

Telephone/Fax: From US, dial 44 for UK, followed by Jersey code 534.

Jersey Tourism/Visitors' Service Center, The Weighbridge, St. Helier, Jersey, tel. (44) 534-500777 (general), (44) 534-500800 (free brochure), (44) 534-500888 (accommodation), fax (44) 534-500808. Jersey Airport, St. Peter, tel. (44) 534-46111.

Size: 10 miles by 6; surface area 45 square miles.

Population: 84,082 (1991 census).

Government: Jersey is a crown dependency of the United Kingdom with its own Parliament (the States) and the right to self-govern for the most part. However, the UK retains the right to veto legislation passed by the States and is

responsible for the island's defense and

international relations. The States is made up of five Crown appointees and 53 democratically elected members—12 Senators, 29 Deputies, and 12 Constables. This parliamentary body is presided over by the Bailiff who is a Crown appointee. There are no party politics in the island.

Hotels

Hotel L'Horizon, St. Brelade's Bay. Overlooking the beaches. Queen Elizabeth II once stayed here, tel. (44) 534-43101, fax (44) 534-46269.

Longueville Manor, St. Saviour. A traditional English country manor, with an excellent restaurant, just outside St. Helier, tel. (44) 534-25501, fax (44) 534-31613.

Grand Hotel, St. Helier. Across from the Esplanade, the beaches, and Eliza-

beth Castle. A quick walk into the town center from here. Features a luxurious health club and a fine dining restaurant, Victorias, tel. (44) 534-22301, fax (44) 534-37815.

The Moorings Hotel, Gorey Pier. Right below the castle, overlooking Gorey harbor, close to beaches, with an excellent seafood restaurant, tel. (44) 534-853633, fax (44) 534-856660.

Restaurants

Bistro Centrale, St. Helier. A fine dining French bistro with varied nouvelle cuisine menu.

Ransoms, Faldouet. A great place for afternoon tea with gourmet cream cakes, this cottage-like restaurant also has a pretty garden center.

Zanzibar, St. Brelade's Bay. A popu-

lar à la carte restaurant with sweeping views of the bay; good for Sunday brunch.

La Gondola, St. Helier. Run by local Italians, the restaurant has delicious pasta dishes and a warm, friendly atmosphere.

Pubs

Café de Paris, St. Helier. An elegant town pub and a popular haunt for local "champers" crowd.

The Old Smugglers Inn, Ouaisne Bay. A pub with a real smugglers feel, right on the beach, where local musicians play folk music on weekends.

The Royal, St. Martin. A proper English pub with local draft beers, crisps, and pork scratchings to boot. It even has a dart board and a cozy fireplace.

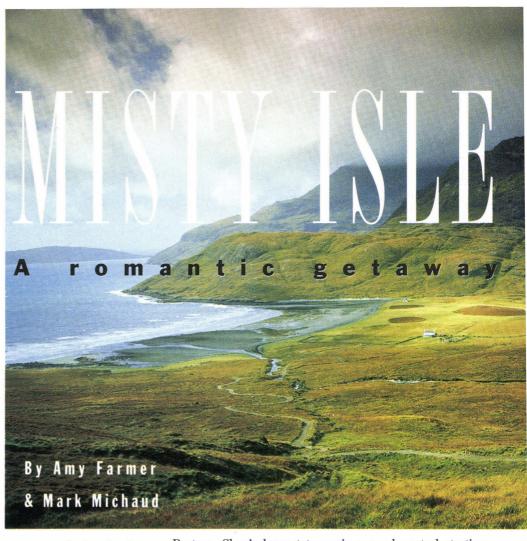
TRAVEL ISLANDS

WHEN WE TOLD people we were planning a trip to Scotland for our honeymoon, "You *must* go to the Isle of Skye" was a familiar response. Upon further inquiry, however, we found that none of those who suggested adding Skye to our itinerary had actually been there. Yet, it is an easy place to imagine. "Isle of Skye" conjures images of a floating

paradise somewhere between waves and clouds. It is a place that everyone seems to know about, although many would be hard pressed to say exactly where they first ran across the name—atlas, history book, fairy tale?

he island, on the western coast of Scotland and the largest of the Inner Hebrides, was carved out of the Scottish Highlands by the sea and settled over 6,000 years ago by prehistoric farmers. It is believed that its name was derived from the Norse words *ski* (cloud) and *ey* (island). Its residents remain fiercely independent, even from their fellow Scots on the mainland. Skye is one of the few remaining places in Scotland where Gaelic is still widely spoken, as is evident by the bilingual road signs.

We arrived at the Isle of Skye via ferry at the Kyle of Lochalsh—one of two Highland ports that offer service to the island. This five-minute trip gave us barely enough time to climb to the ship's deck for a quick look around and then scramble back down to our car. Unfortunately, the ferry's days may be numbered; while many residents of Skye will argue that there is something enchanting about arriving at the island by boat, advocates for broadening the island's economy through increased tourism and trade have won out. The growing steel skeleton of a bridge looms just north of the ferry docks. And as if it isn't controversial enough, the bridge will run through a seal colony (which is, coincidentally, what draws many visitors to Skye).



Portree, Skye's largest town, is a good central starting point for exploring the island. In addition to some new, larger hotels, the town has an abundance of bed-and-breakfast inns. Our B&B, run by Ms. MacLeod (more on her kin later), was ideally situated just off the main street in Portree at the base of Stormyhill.

Seafood on the island, as one would expect, is fresh and well prepared. The town's fishing fleet lines the pier on Quay Street in the evening; however, by early morning the harbor is noticeably empty. Later in the morning, independent salesmen slowly drive through the neighborhoods selling fish. Out of the backs of their cars, they offer the fish not bought by the big markets.

In addition to fishing, tourism has become a major industry on the island. Skye offers some diverse shopping experiences. In Portree, the Skye Woolen Mill—a discount warehouse of sweaters, coats, scarves, and other wool goods—is a popular stopping point for the chartered coaches that bring tour groups to the island. In contrast, at Skye Silver, on the island's sparsely inhabited northern coast, we were the only ones browsing through a shop filled with beautiful handmade jewelry crafted with Celtic designs.

Many tourists come to Skye specifically to enjoy the island's outdoor activities. Hiking—or as the British call it, walking—is an old Skye pastime. Detailed maps of the island's numerous trails can be obtained at the tourist office in Broadford, 10 minutes north of the ferry. The first walk we chose was on the Trotternish peninsula, an ascent through a small forest and past grazing sheep to the Old Man of Storr, which is an obelisk of ancient lava separated by erosion from the rugged mountainside.



The weather changed dramatically as we hiked; the early morning cold and rain gave way to a misty dampness (demonstrating how Skye also came to be called the Misty Isle). Also, as is typical on much of the island, we were not the only tourists hiking the Storr, but we felt secluded, submerged in the lush landscape.

Our second hike, which was substantially more crowded, wound its way up the Quiraing, a steady ascent that encompasses three distinct geological features known as the Needle, the Prison, and the Table.

During the Victorian era, ladies wearing long dresses and gentlemen dressed in afternoon attire lugged picnic baskets and croquet sets up the steep path to the Table. At the top, we discovered the reason why the Victorians apparently risked life and limb. A flat, grassy plateau spreads out surrounded by tall, majestic pinnacles of stone where one catches glimpses of the town of Staffin and the ocean beyond. Sheep dot the landscape, grazing on the verdant plateau and on patches of grass among treacherous outcroppings

above. On the day we hiked to the Table, a group of Scottish school children following in the ways of their ancestors, had hauled a picnic on their trek but had foregone the croquet set in favor of a soccer ball.

While driving on Skye, one inevitably encounters single track roads. These routes, which are only wide enough for one vehicle, are intermittently broken every 100 or so yards by "passing places," at which motorists pause allowing oncoming vehicles to pass. An age-old protocol determines who proceeds and who waits at these intersections, but, as is with seemingly every encounter on Skye, these occasions are friendly and pleasant with the passing driver waving to the other in thanks.

If you'd prefer driving to hiking, the coastal road along the Trotternish offers a milieu of wildflowers and grassy banks overlooking stone cliffs. Springs from the cliffs form the Mealt waterfalls, which in turn descend into the sea below.

Near the northern tip of the peninsula stands the monument to one of Skye's more famous residents, Flora MacDonald. She secured her place in Scottish history by disguising Bonnie Prince Charlie, son of the Pretender to the British throne, as one of her handmaids and assisting in his escape from the British following the climactic crushing of his Jacobite uprising at the battle of Culloden in 1745. His departure from the island to France brought an end to his quest to regain the British Crown for the House of Stewart.

Also on the island's north coast, Dunvegan Castle is the clan seat of the MacLeods and one of the oldest continuously inhabited aristocratic residences in Scotland. Beautifully situated on a point jutting out among tiny, uninhabited islands, Dunvegan Castle presents a perpetual postcard scene. The castle is well-equipped for tourists, providing all the lore and legend of the Scottish highlands. In addition to the clan regalia and memorabilia, the "Fairy Flag" is one of the more notable relics. According to legend, the flag will deliver the clan three wishes to protect it from danger; fortunately for the present-day MacLeod's, one wish remains. After touring the castle, one can explore the grounds around the castle or take a boat tour, which offers close-up viewing of seal and sea otter colonies in the area.

South of the castle and situated on the shores of Loch Harport is the island's highly regarded, and only, whiskey distillery, Talisker—named after a nearby town. Tours of the 160 year old stone and brick distillery end with, of course, a complimentary dram of single malt whiskey.

Our best and most romantic meal on Skye was at a restaurant called The Three Chimneys, on the other side of Loch Dunvegan from the castle. Set in an old farm cottage, the restaurant offers an intimate and elegant setting. The menu presents an excellent selection of traditional Scottish lamb, game, and fresh seafood. The lobster, salmon, and large, fresh oysters were particularly noteworthy.

The Isle of Skye deserves a much longer stay than most tourists allow. However, once people arrive, they often succumb to Skye's enchantment and extend their visit to explore the island's diverse beauty. As we traveled back to the ferry to leave the Misty Isle, we were greeted with a lasting image of the Cuillins, six black, foreboding peaks which reach—at the highest point—some 3,000 feet above the nearby ocean surface. It is a view that both welcomes and bids farewell to visitors as an unforgettable image of the Isle of Skye. \blacksquare

Amy Farmer and Mark Michaud live in Washington, DC.

A TRAVELER'S GUIDE TO SKYE

Vital Statistics

Location: Off the western coast of Scotland, 155 miles from Glasgow. Accessible by ferry via Mallaig and Kyle of Lochalsh. Weather: Will reach the low 60s during summer, be prepared for some rain. Population: 7,000. Area: 540 square miles. Telephone: International dialing code for United Kingdom is 44. Tourist Offices: Portree tel. 471-822270. Broadford tel. 478-2137.

Hotels

The Shieling. A traditional British B&B run by Mrs. MacLeod. Conveniently located a few blocks from the main square, tourist office, many shops and restaurants. Portree, tel. (44) 478-612278.

Kinoch Lodge. Located on the southern Sleat peninsula. Operated by Lord and Lady MacDonald. Expensive and very comfortable accommodations. Sleat, tel. (44) 471-3333. Flodigarry Country House Hotel. Located near the northern tip of the Trotternish peninsula. Accessible to both the nearby mountains and beaches. Moderately priced rooms. Excellent restaurant on the premises. Flodigarry, tel. (44) 470-52203.

Restaurants

Three Chimneys. Located near Dunvegan Castle. Specializes primarily in fresh

seafood (lobster, salmon, and oysters) and traditional Scottish dishes. Boasts one of the finest wine lists in Scotland. **Ben Thianavaig Bistro.** Picturesquely situated above Portree Harbor. Moderately priced. Menu is mainly vegetarian and seafond dishes

Portree House. Located in the main square in Portree. Wide variety of fresh seafood. Moderate prices. Excellent selection of Scottish wines.

OB

CORSICA GUARDS A FRESHNESS and greenery almost unheard of in the Mediterranean of today and the French description of the island as the *île de beauté* (beautiful island) is not a glib slogan dreamed up by the modern tourist industry. Corsica's beauty was praised by artists such as the writer Gustave Flaubert and the painter Henri Matisse.

Somewhat earlier, namely in the 6th century BC, the Greeks

from Asia Minor, who settled there, called the island *kallisté* (the most beautiful). The 19th century writer Guy du Maupassant coined another apt description, "mountain in the sea."

Mystery
and
Mountains
in the
Mediterranean

By Alan Tillier

he mountains that dominate most of the island, are the key to understanding the Corsican character. Corsicans have never been a maritime people instead retreating into their mountain strongholds in the face of pirate raids and the fleets from Pisa and Genoa. This was before the French took over in 1770 and forced the nationalist hero Pascal Paoli into a London exile, a deed still mentioned by the islanders as if it happened yesterday.

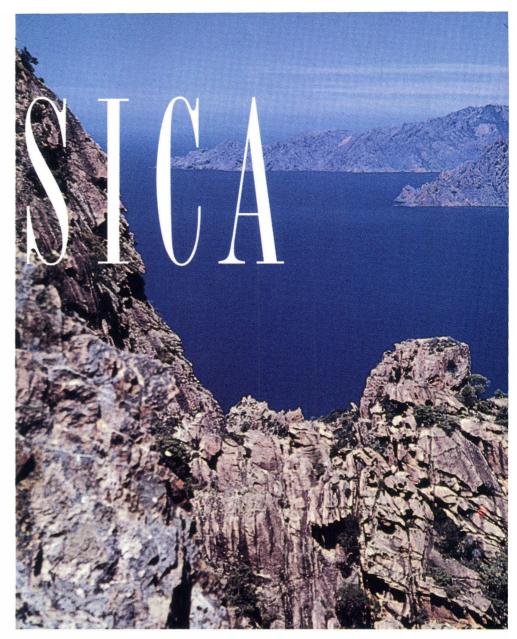
Most of the oldest settlements are therefore withdrawn from the sea. The true Corsican is a *montagnard*, proud, clannish, and secretive, dwelling in fortress-style villages, austere yet impressive, perched precariously on peaks or clinging to the slopes.

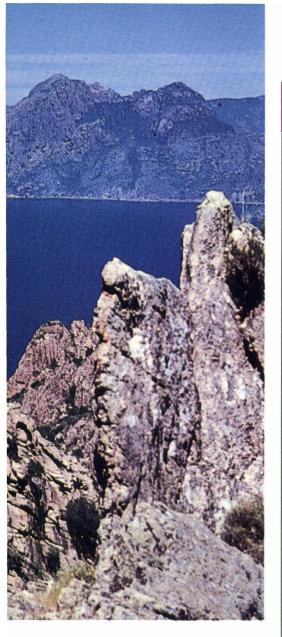
He is often a shepherd making the national cheese, the *brocciu*, produced from either ewe's or goat's milk and eaten with pasta, a sign of the continuing Italian influence on the island.

However, the traditional occupation of keeping herds has given ground in recent years to jobs linked to green tourism without Corsica losing out in the bargain.

Yet the shepherd ties, or myth, remain strong. A large proportion of the huge, worldwide Corsican diaspora of 800,000 living not only in France but also in North America (including 4 percent of the population of Puerto Rico, and numbering almost four times the island's population of 230,000) claims to be of shepherd stock, or so it seems.

Napoléon Bonaparte, the island's





most "notorious son" (because he favored integration with France) was the offspring of a judicial assessor, but the current French Interior Minister Charles Pasqua, one of the most powerful men in the Republic, says proudly that his grandfather was a shepherd.

So the Corsica of sun worshippers, sailors, and colorful harbor cafés is just one reality. The other, more mysterious, is to be found up there in the mountains where society is very closely knit, patriarchal, and watchful. The Corsican is not inhospitable but likes to be understood and respected.

Today's tourist will not be considered an intruder, provided he refrains from property speculation and avoids any suggestion that Corsicans are somehow behind other Europeans because they have no industry. The recent furor (in a teacup) about EU subsidies to non-existent Corsican cows will draw the reply: "What do you expect?"

FRENCH ISLAND OUTPOSTS

one of the several islands off the Brittany and Atlantic coasts of France is very big, but each has its own individual character. Some islands swarm with tourists in summer. Others may be bleak outposts in the ocean but are also beginning to attract visitors. All are linked to the mainland by ferry or launch.

A selection—counter-clockwise from the Channel to the Bay of Biscay.

Chaussey, the only French possession among the Channel islands. Completely the opposite of Britain's big "banking islands," Jersey and Guernsey. Strict zoning limits Chaussey's inhabitants. The locals make a good living from lobsters sold to Parisians. Opposite Granville.

Bréhat, just along the north Brittany coast, is really a collection of islets. Magnificent pink granite rocks and a total absence of cars are two of its attractions. The TGV train now arrives across the water on the mainland so Bréhat is "in." Popular hideaway for Parisian writers with "blocks." Opposite Paimpol.

Belle Ile, the biggest and one of the prettiest of the Atlantic islands, opposite Quiberon. Many hotels, excellent restaurants, even a golf course. Famous also for the château built there by Sarah Bernhardt. Vauban forts from the 18th century are another attraction.

Yeu, off the Vendée coast, is where Marshal Petain was imprisoned after World War II. It's a more joyous place now—and dynamic since the locals have a large fishing fleet of 150 boats. They speak a very distinctive form of French. The up and coming island.

Ile de Re, off La Rochelle, is the only island connected to the mainland by bridge and that means traffic chaos. However, it is big and one can escape the crowds. Go to the end of the island where the white houses and windmills are reminiscent of the Cycladic Islands. Elsewhere, more Vauban forts.

The island's reputation for vendettas dates back to the 19th century and is still valid as 1994 statistics show. Bombs are used against fellow Frenchmen. Tourists are never targets. Still as the locals say, always pick up any old lady in black standing by the roadside unless you want "the evil eye."

Corsica can be a lot of fun if one respects the rules of these proud people. After all, 1 million holiday makers visit the island each year arriving by plane at Ajaccio, Bastia, Calvi, or Figari airports or by the frequent car ferries from Southern French ports or from ports along the Italian coast opposite Corsica (the boat is much more fun and remarkably cheap).

Most visitors come from France, but there are large numbers of Italians, Spaniards, Germans, and English. In fact, the English have long associations with the island—James Boswell, the biographer of Dr. Samuel Johnson, went there to support Paoli and the English set up a short-lived Anglo-Corsican monarchy in the 1770s (something never mentioned in Paris).

In the southern hills, you will hear a charming (and true) story of a middle-aged Englishwoman sitting alone in Félicien Balesi's exquisite Hotel Sole e Monti in Quenza, gazing at the colors of the *maquis* (vegetation) contemplating the future. The woman was Margaret Thatcher.

Now, Scandinavians are discovering the island as well as some Americans and Canadians. What they will find is a small miracle of survival permeated by the scent of juniper, myrtle, rosemary, and lavender, and a host of species and subspecies unique to Corsica.

Napoléon, born in Ajaccio but not always appreciated in these parts because he once fired on the crowd, did find *le mot juste* when he said, "Eyes closed, I could recognize my island by its perfume alone."

Most visitors still come for the 200 miles of superb beaches plus the hundreds of miles of creeks and inlets where the rocks are red and the sunsets magnificent.

More are beginning to enjoy the lovely interior with its unspoiled forests, crystal clear rivers, and waterfalls, notably in the extensive Corsican Natural Regional Park covering most of the island.

Corsica is far more mountainous

TRAVEL ISLANDS

than the much larger West Mediterranean islands of Sicily and Sardinia. Average altitude is some 1,900 feet, with the highest point, the snow-capped Monte Cinto soaring to nearly 9,000 feet.

The visitor has an enviable choice between coastal resorts such as Calvi, Ile Rousse, Propriano, and Porto Vecchio with their often extremely lively atmosphere and a landscape, just a few miles away, that resembles parts of France's Provençe 40 years ago before mass tourism, rich city dwellers playing the peasant, and best-selling books and television series robbed that area of much of its charm.

If the arrival point is Ajaccio, the regional capital, then it is worth touring the city's old streets and visiting the house where Napoleon was born (torn down at one point by a mob) and the Fesch Museum, which contains a remarkable collection of 15th century Italian paintings collected by Napoleon's uncle, a cardinal.

The visitor should then plan an island tour that takes in many of the main regions from Bastia and Cap Corse in the north to Bonifacio, the citadel city at the southern tip opposite Sardinia. Legendary Corsican railways offer one delightful solution. The two, single track lines totaling 150 miles, have been modernized and the services quickened since the picturesque days just a few years ago when the driver would stop for a drink when the mood took him and passengers threw open all the doors to let in the breezes.

Not only is the railway a pretty staggering technical achievement—it climbs to more than 3,000 feet via 38 tunnels and crosses 12 bridges and 34 viaducts—but it offers unparalleled views of the heart of the country, the kind of

close-up that few climbers or hikers achieve. The "main" line runs from Ajaccio to Bastia via the ancient capital of Corte, and there is a branch line to Calvi and Ile Rousse (days of running "not yet advised" as Thomas Cook's European railway timetable tactfully puts it).

For those hesitant about tackling Corsica's tortuous roads in a rented car, there are many coach tours. A typical, eight-day tour swings from Ajaccio to central Corte and then back to the west coast for the famous *calanches* (inlets) of Piano before heading up the coast to the "chic" resorts of Calvi and Ile Rousse and the ancient Balagne vilages set in an area known as the "garden of Corsica" with its vineyards and palm trees. The men of Pisa built forts to defend it.

Across forest lands to the east are peasants still engaged in the ancient art of grinding chestnuts into flour. Cap Corse, north of Bastia, is wild. To the south is the flat eastern coast leading down to Porto Vecchio, another popular tourist resort.

The route back to Ajaccio takes in Corsica's *statute-menhirs*, megalithic warriors with recognizable faces and an ever-present sword. "The first nationalists," someone remarked. All along the way the meals are copious with lots of *charcuterie* of the liver sausage and spiced ham variety and a wealth of seafood by the coast.

One will pass increasingly groups of people hiking, painting, flower spotting, canoeing, and climbing, all activities encouraged by the regional park authorities.

Alan Tillier, based in Paris, is the author of several travel books.

A TRAVELER'S GUIDE TO CORSICA

Vital Statistics

Location: Western Mediterranean, south of France and west of Italy.

Size: 3,350 square miles. Corsica is made up of two departments of the French Republic: Corse du Sud (capital: Ajaccio), Haute-Corse (capital: Bastia).

Population: 230,000

opulation. 250,00

Contacts:

Telephone/Fax: International dialing code for France is 33. For Corsica this is followed by an eight-digit number starting with 95.

Travel: Air Inter (Group Air France), Paris, tel. (33-1) 45-46-90-00, Ajaccio, tel. (33) 95-29-98-20, Bastia, tel. (33) 95-32-10-29. Maison de France offices, or Corsican regional tourist office, Ajaccio, tel. (33) 95-21-56-56, fax. (33) 9551-1440. Car passenger ferries: 12 hour night crossing in winter, five-six hours in season from Marseille or Nice. Coming into service: rapid boats from Italy and Monaco: 2 hrs 30 mins.

Hotels
(Luxury to Modest)

La Villa (April—December), probably Corsica's finest. Owner Jean-Pierre Pinelli has blended the style of a Roman villa with that of a Corsican monastery. The comforts are resolutely Roman. Bedrooms, pool, everything has spaciousness plus views over nearby Calvi where La Villa keeps its two yachts and luxury motor launch. The food is great too, tel. (33) 9565-1010, fax (33) 9565-1050.

Le Maquis, 10 miles from Ajaccio at Porticcio runs La Villa, a close second with its old-fashioned refinement. All rooms have private terraces overlooking the sea and the Iles Sanguinnaires. Madame Salini, the chic owner, has created a year-round haven for stressed CEOs and stars. Tennis, sailing, divingeven boar hunting—are among sports on offer, tel. (33) 9525-0555, fax (33) 9525-1170.

Sofitel, on a peninsula near to Le Maquis, has the efficiency and comfort of this up-market French chain with its private park, beach, and deep-sea diving facilities. There's direct access to the thalassotherapy (sea water cure) institute which practices "contented slim-

ming," tel. (33) 9529-4040, fax (33) 9525-0008.

Capo Rosso (April—October), a more reasonably priced hotel in the picturesque village of Piana with restaurant and pool. It offers an excellent base for visiting the Golfe de Porto, between Ajaccio and Calvi, a stunning coastal region with red granite cliffs, deep blue waters, and delightful creeks, tel. (33) 9527-8240, fax (33) 9527-8000.

Hotel de la Poste (May—September) is situated high in the mountains of Southern Corsica at Aullene. The same family has provided the same hospitality for a century. Guests eat copious meals along with the local mountain folk. Rooms are simple, but impeccably clean. This is for those who love fishing, walking, swimming in rockpools, tel. (33) 9578-6121.

Restaurants

Grand Hôtel de Calla Rossa, near Porto Vecchio, is a member of the prestigious Relais & Chateaux chain, and its restaurant has won a Michelin star. The food matches the luxurious surroundings—trucca de homard aux herbes, chapon braisé, and pigeon are among the great dishes accompanied by the local Torraccia, Peraldi, and Nicrosi wines. There's a 140 franc menu at lunchtime—a bargain—but expect to pay three times more in the evening, tel. (33) 9571-6151.

Le Chalet is René Caumer's contribution to the seafood reputation of Calvi with langouste and bouillabaisse to the fore. Excellent paella, too. Menus start at only 100 francs. You eat extremely well for double that. Nicrosi white at 150 francs. Popular with international jazz stars playing at the June festival—Caumer is an organizer, tel. (33) 9565-0050.

Hotel Sole e Monte (March—November), close to the peaks of Bavella, southern Corsica, is the restaurant of Felicien Balesi's hotel. The country-style cooking is famous throughout the island and beyond (Margaret Thatcher has eaten at the table) as well as some three-star chefs from France. Many beat a path to the little village of Quenza, tel. (33) 9578-6388.

AN OVERVIEW
OF CURRENT
AFFAIRS IN
EUROPE'S
CAPITALS

n November I was invited onboard Le Shuttle—Eurotunnel's car carrying service—during one of its

France. I was thrilled, even when I found out that altogether 60,000 people (many of them Eurotunnel shareholders who needed cheering up) were being offered

this unique opportunity.

On the appointed day I rolled up with my two guests at the tollbooth in Folkestone, where a smiling lady checked our ticket and then waved us on, with a yellow Post-it Note as identification, stuck on the windscreen. After a short detour to the Passenger Terminal Building, which carries a good range of whiskies but not much else worth stopping for, we drove on to the British and French border controls

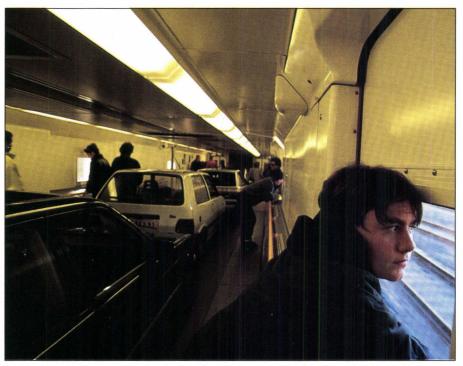
which are conveniently one behind the other. Two beaming officials glanced at our passports, then sent us on to the next batch of Shuttle employees, wreathed in smiles, who directed us to our place in the pre-boarding area.

While we waited to embark on the historic crossing, everyone got out their cameras and took photos of everything in sight. The favorite spot for souvenir snapshots was underneath the sign which read: "Le Shuttle Tourist Service—Next Shuttle Departure: 12:50 CET (Central European Time)."

Almost right on time came the mo-

Letter from Le Shuttle

mentous moment when we were allowed to drive down the loading ramps and onto the waiting shuttle. It took a little longer than the advertised eight minutes because everyone insisted on stopping



Le Shuttle carries passengers and their cars through the Eurotunnel, 115 feet underneath the bottom of the English Channel.

and snapping each other's cars as they disappeared through the side doors of the loading carriage.

Once inside we were ushered to our respective places by crew members who had obviously graduated with top honors from Le Shuttle smile school. Some stayed on the lower deck, some were sent up an interior ramp to the upper level. It pays to be sober when boarding, because there is not much room for erratic driving between the raised passenger walkways that run the length of the carriages.

Once parked, the cars had to be left

in gear, the windows open so no important announcements would be missed, and the photographic frenzy had to

come to a halt because the fire detectors are so sensitive that they can be set off, not just by a flashbulb, but simply by the glow of a car cigarette lighter. This could have some interesting repercussions:

> Anyone trying to sneak a quick smoke may well wind up having an impromptu shower.

When we were all aboard and gaping out of the shuttle's small windows, it happened. Smoothly, sleekly, it slid away from the loading platform and whispered toward the tunnel's mouth. Gasps of delight from the passengers, proud grins from the crew, and the sound of a popping champagne cork from a carload who were celebrating the

crossing in style.

After that it was a matter of trying to tune in Shuttle Radio, which was having a few teething problems, chatting to the charming and well-informed crew, peering out of the windows from time to time at the dark tunnel walls rushing past and wondering how an experience as extraordinary as crossing 115 feet underneath the seabed of the English Channel could be so...well, deeply ordinary. It was like virtual unreality travel.

When we emerged in France 35 minutes later and drove straight out of Le Shuttle and up onto the autoroute, we

had to have a copious, three-hour lunch just to convince ourselves that we were really there.

The trip back to England was equally anodyne. We did have a bit of exercise by way of a fire drill, which had us all trooping into the next carriage and then back again, but it was pretty tame stuff. By contrast, it made me remember one horrific Channel crossing by ferry, with the sound of waves crashing, dishes breaking, people retching, and the toe-curling tension of impending disaster. That was a terrifying trip, but one I will never forget.

Le Shuttle takes away all that possible turmoil of wind and waves and substitutes a seamless, maximum-efficiency

ride. It is ideal for the busy executive crowd, who want to use the half hour to sit in their cars and work. But for tourists who believe that getting there should be half the fun, Eurotunnel might have provided Le Shuttle with a few nautical touches. If, for example, the windows were aquariums or small video screens showing marine scenery, if there were a snack bar serving fishy tidbits and bloody caesars, it would be easier to believe that you are actually traveling under the sea, instead of just going on the longest subway ride in the world.

—Ester Laushway

One reason many Spaniards were taken unawares was the widely held but mistaken belief that Elena and her sister Christina were not permitted to wed until their brother and heir to the throne Prince Felipe had himself been betrothed.

Another reason that most people assumed that Felipe would be the first down the aisle was that press coverage of the romances of the three royal offspring has mostly focused on the handsome and incredibly tall young man of 26 who, when not studying for an advanced degree at Washington's Georgetown University, enjoys squiring aristocratic blondes around the marinas and yacht basins on the Mediterranean island of Mallorca.

And while Princess Elena, 30, who is



Queen Sofia and King Juan Carlos present their soon-to-be sonin-law Jaime de Marichalar Saenz de la Tejada (center left) and their daughter Princess Elena (center right).

MADRID

ROYAL WEDDING

In the days of yore, the pealing of church bells announced impending weddings in the Spanish royal household, but this time it was the urgent ringing of wire machines in newsrooms across the country which heralded the upcoming nuptials of Princess Elena de Borbon and her longtime beau, Jaime de Marichalar Saenz de la Tejada.

The happy announcement came on a Wednesday afternoon in late November and took the country totally by surprise. Indeed, Spain's wildly popular gossip magazines, which closely track the lives and loves of King Juan Carlos' three grown children, had to scramble hard to rejig that week's issues with the appropriate splash covers and breathless coverage in order to meet their Thursday deadlines.

a champion equestrienne, had been linked romantically in the past with various young men among the horse set, there had been no recent rumors or reports of new beaux on the horizon.

Several days after the announcement, bridegroom Jaime, 31 years old, scion of an aristocratic family, and employed as a banker at Credit Suisse in Paris where the couple met, went to the Zarzuela Palace near Madrid to formally ask for her hand.

After the king gave his blessing, it was announced that the wedding would take place in April in the cathedral of Seville, the third largest Christian church in the world after St. Paul's and St. Peter's and which was once a mosque.

Another reason Spaniards are excited is that this will be the first royal nuptials in Spain since Princess Maria Teresa was married here in 1906. King Juan Carlos and the Greek-born Queen Sofia were wed in Athens.

—Benjamin Jones

LONDON

ECU ISSUED

wo-thirds of the adults in the UK want a referendum before a single European currency is introduced, according to a recent poll. But the fiscally astute rulers of the Isle of Man, a tax haven halfway between the UK and Ireland, have already introduced the first legal tender ecu coin in the UK.

"This is to prepare the people of the Isle of Man for the prospective replacement of sterling with ecus," explains Stuart Craig of the Isle of Man Treasury. "It will be a momentous change and will cause upheaval, so we want to get our

people used to the idea."

The island's fiercely independent population of just under 70,000 are used to matters financial, as many of them make their living working in or servicing the island's huge offshore banking sector.

The first legal tender ecu gold coin, with a face value of 75 ecus (\$82 approximately), was struck in late November. The coins have the queen on one side and the Manx triskeles (three human legs—the emblem of the island) surrounded by the 12 stars of Europe on the other.

The gold coins were limited to a worldwide issue of 2,000.

But the island also issued silver coins with face values of 25 ecus and 15 ecus.

"They are legal tender in the Isle of Man, which makes it legal tender in the UK, like a Scottish bank note," says Taya Pobjoy of the Pobjoy mint, which manufactured the currency.

Pobjoy and the Isle of Man have worked together for 21 years during which time they have introduced several coin-making innovations, including the first Braille coins. They have also been first with the one pound coin, now common in mainland UK, as well as two pound and five pound coins.

The UK poll showing that more than 50 percent opposed a single European currency cuts little ice on the island. "It doesn't matter if it is gold teeth or yen, so long as the government says its legal tender," fish exporter Fred Smith told a local paper. "We'll sell kippers (a local specialty) to anyone as long as they've got the geld."

Neither did they have any problem at the Stakis Casino in Douglas, the capital of the island. "We're used to taking different currencies on the island, and we'll just take this on board with everything else," says casino director Kevin O'Brien.

"I'm sure we'll be giving a very reasonable exchange rate of the ecu before long, but," he adds, "if someone handed over 75 ecus on a busy game, there wouldn't be the time to do the conversion."

It may yet take some time to convert the average citizen of the UK to the idea of a single European currency, but in at least one corner of the United Kingdom, there is no problem at all.

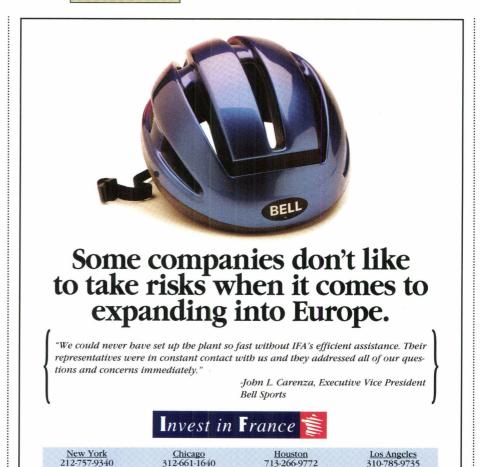
—David Lennon

LISBON

SAINTLY CELEBRATION

he Portuguese capital, Lisbon, is attempting to reclaim its patron saint, Anthony, from Padua, the Italian city with which he is most commonly associated. A varied program of activities began in January, aimed at highlighting different aspects of the life of Portugal's only home-grown saint, who was born in Lisbon some 800 years ago. The people of Lisbon traditionally pay tribute to him on June 13, a local holiday, with everybody out in the streets enjoying lively street parties with traditional food and wine. But in popular tradition he is also the patron saint of marriage, and many Portuguese arrange for their weddings to take place on Saint Anthony's Day.

The future saint was actually born in 1192 as Fernando de Bulhões near the present cathedral, and there is a church named after him on that site. After early schooling in Lisbon, he moved to the monastery at São Vicente de Fora, which was established by the first king of Portugal, Afonso Henriques, who came to the throne in 1139. It was a time of conquest and definition of national identity, in which the church and the religious orders played an important part. Later, he moved to Santa Cruz de Coimbra, a center whose high cultural level was recognized all over Europe. His meeting with visiting monks from Assisi and the arrival at Santa Cruz of the remains of five Franciscan martyrs from Morocco finally prompted him to join the Franciscan



Order. He is then thought to have traveled to North Africa before visiting Sicily and arriving at Assisi. There, his life as a mendicant friar, preacher, theologian, and mystical writer turned him into one of the central figures of the Church and medieval European thinking.

In the eyes of the promoters of the 800th centenary commemorations, Saint Anthony was the first great Portuguese with an international profile, a citizen of Lisbon, Padua, and the world. Their 18month activities are therefore also aimed at underlining the importance of the culture and traditions of his country of origin, Portugal. Activities, include exhibitions, religious services, publications, conferences, and seminars. The tourist authorities are also reinforcing their promotion of religious tourism to Portugal, whose Marian shrine at Fatima is already a popular destination with visitors. mainly from the United States, Brazil, and Europe. Since Lisbon's stint as European Capital of Culture ended in December, the organizers are keen to extend cultural activities with an international appeal. The commemorations end after 18 months, precisely on June 13, the day

Saint Anthony belongs to the people of Lisbon. This leaves the city with just another year and a half to go until its next major challenge: staging the Expo 98 World Exhibition in Lisbon.

—Peter Miles

BERLIN

STATE OF THE PRESS

publishers are suddenly upbeat about their business after three years of recession. At their annual convention in Bonn they described the situation in the print media as "satisfactory and stable" in an expanding market. After the worst recession since World War II advertisement revenues appear to be picking up again. In 1993 they had dropped by 5.8 percent and during the entire recession by 6 percent. Worst hit were job and automobile advertisements—negative 31.7 percent and negative 11.7 percent respectively.

Confirmation of the recovery was music to the ears of the publishers, who gathered in Bonn to celebrate a double

anniversary. One hundred years ago the Association of German Newspaper Publishers was founded, and 40 years ago its successor, the Federation of German Newspaper Publishers (BDZV), was formed.

With 32.9 million copies sold per day, Germany has the highest total newspaper circulation in Europe. The 383 dailies make up the lion's share with 25.8 million copies sold daily. In addition, there are 31 weeklies and nine Sunday newspapers. While the total circulation in western Germany rose by 1.4 percent, it dropped by 4 percent in the eastern part of the country.

President Roman Herzog, addressing the publishers' gathering, posed the question of whether the interests of the citizens of the eastern states had been sufficiently reflected in the national press. "It would be more than regrettable if a split in the media landscape was to establish itself for a long time," he warned. Eastern German writer Erich Loest pointed out that eastern Germans must get used to the bulky western German newspapers. The easterners were accustomed to thin newspapers, which they read from front to back. Now confronted with a large variety of heavyweights, they found them most difficult to cope with. Selective reading is still a fairly new concept.

A stable market and improved ad revenues are only a temporary relief for the publishers. After three years of falling prices for newsprint, suppliers are now trying to make up for losses. They have just announced a whopping 25 percent price increase, which will undoubtedly raise newspaper cover prices and ad rates in 1995. The publishers are urging the European Union to increase the import quota for newsprint.

The print media is also confronted with fierce competition by the non-reading, television generation. For Alfred Neven DuMont, publisher and editor-inchief of four newspapers, the competition of the electronic media will become merciless. He says it will continue to expand and lower standards. German publishers were too late in getting involved in electronic media. "The concept of our newspapers is that of yesterday and the day before yesterday," Neven DuMont said.

Hans-Wolfgang Pfeifer, editor-in-chief of the prestigious *Frankfurter Allgemeine Zeitung*, says newspapers will not be replaced but supplemented by electronic media. The superficial information provided by television increases demand for in-depth background information which television cannot offer. But newspapers must not "overkill" readers with opinions and views. They should draw their attention to facts which are worthy of reflection. Professor Elisabeth Noelle-Neumann, head of the respected Allenbach demographic institute, is also optimistic about the future of the print media. Her studies over 25 years show that German readers continue to be interested in page-long articles and interviews. "Only the publishers themselves can kill the newspaper if they go in for brief stories. lots of color, and artsy page designs," she told the publishers. Appearing to get her message, they laughed and gave her a big round of applause.

-Wanda Menke-Glückert

ROME

WEEKEND WARRIORS

To work weekend shifts or risk losing their jobs as well as 400 new jobs for the area—that is the question facing members of the autoworker's union in Termoli, a small city in southern Italy. The argument has spilled out the of the local union halls and into the mainstream press, usurping the headlines of other major stories including the fall of Silvio Berlusconi's government.

Briefly, the argument stems from Italian automaker Fiat's decision to locate a motor manufacturing facility in Termoli, which has a very high rate of unemployment, primarily among the youth. Fiat's decision is the result of a political accord by which a company creates new jobs in a particularly depressed area, and in return, it receives fiscal considerations from the government.

However, after the plant was open Fiat proposed adding shifts on weekends. The unions examined the proposal, discussed it with their members, and then, in view of the difficult times, decided to accept the proposal. In return, Fiat promised to hire 400 new people at the Termoli factory.

All seemed fine. The union representatives presented the accord to the workers as a victory: The workers already hired won't have to increase their total work hours; they will recoup the hours spent working the weekend shift during the regular work week; and there will be 400 new jobs for the region.

Fiat and the union leaders, however,

hadn't taken the rank and file workers into account. When it came time for the workers to vote on the proposal, it was unexpectantly defeated. News programs televised interviews with workers at the factory who candidly declared, "No, I don't want to work on Saturdays. I want to stay at home. I have other things to do."

In reaction, Fiat threatened to close the factory and "move everything up north." Politicians and industrial sociologists unleashed their opinions in the newspapers, some in favor of the worker's position and some against what many labeled "the egoists and lazy bones" of Termoli.

In the end, it seems as though a compromise will be found. The unions are trying to convince the workers to accept the proposal, and Fiat has agreed to not make an immediate decision. Even the government has tried to mediate. But the basic premise remains: Has the weekend really become so untouchable to Italians that they are ready to risk their job for it? And to think the concept of the free weekend isn't even a Mediterranean institution but was imported from the United States.

-Niccolò d'Aquino

AMSTERDAM

SUBSIDY DEBATE

All of a sudden, the traditional Dutch political support for European integration is waning. And the reason is quite down to earth: The Netherlands have become a large net contributor to Brussels.

As a matter of fact, up until 1991 Dutch contributions to the European Community were smaller than the refunds received, particularly through subsidies of the Common Agricultural Policy. Despite the small area of the country, the Dutch agricultural sector is extremely strong, especially in dairy, meat, and horticultural products. After the US and France, the Netherlands is the third largest agricultural exporter in the world.

But in 1995 the Netherlands will pay a net of about \$2.5 billion. That makes the Dutch, in percentage of gross domestic product, the largest net contributor to Brussels. And over the next few years, the amount will increase even more, up to \$3.4 billion in 1999.

This has made politicians uneasy.

Parliamentarians, both from the Christian Democratic opposition and from the liberal, market-oriented government party, have raised questions about the net flow to Brussels. They argue that while deep cuts are made in Dutch subsidies and social spending there is no reason for increased flows of European subsidies. Also, incessant reports from the European audit office of fraud involving subsidies have increased the suspicion about the way the money is spent.

The reasons for the sudden change in the net-financial position of the Netherlands go back to 1992. First of all, the adoption of the MacSharry plan for reform of the common agricultural policy (CAP) has changed the subsidies that flow back to the Dutch agricultural sector. After the MacSharry reforms, subsidies have shifted toward corn and grain farmers, through set aside programs of land. Dairy farming, the largest receiver of European subsidies in the Netherlands, is receiving less support. And as the MacSharry program will continue to raise the Netherlands' share of the CAP, over the next few years the Dutch will receive less and less.

The second reason is the agreement reached at the Edinburgh Summit in December 1992 to increase funding for the social and regional "cohesion funds" of the Union. These funds go primarily toward the economically weaker southern member states and Ireland. This has added to the overall bill to be paid by the richer members. But while other contributors have successfully managed to receive subsidies from Brussels for their weaker regions, the Netherlands has been particularly slow in that area. Only this year, and after much difficulty, a region was found that fulfilled the criteria for support from the structural funds. Not surprisingly, per capita, the Dutch receive less than any other member state and for every guilder contributed to the structural funds, just 25 cents comes back home and 75 cents goes to other countries.

Little is to be done. Dutch Prime Minister Wim Kok (who in his previous position as finance minister was closely involved in shaping the EU contributions) has warned not to focus exclusively on the net flows. The Netherlands, he argues, benefits in many other ways from EU membership. And after all, Dutch national subsidies still outpace European subsidies in a huge way.

-Roel Janssen



France has the right prescription for the success of Eli Lilly's European operations.

"We significantly increased our investment in our factory at Fegersbeim because of the availability of a well trained work force with good work ethics as well as an excellent history of industrial relations."

> -Sidney Taurel, Executive Vice President Eli Lilly and Co.



New York 212-757-9340 Chicago 12-661-1640 Houston 713-266-9772 Los Angeles

DUBLIN

RAINBOW COALITION

he shock of the fall of the government, which had the biggest majority ever in Ireland, and its replacement by a "Rainbow" coalition of two left wing parties and a right of center one is still being felt in many sectors of Irish life. How the Fianna Fail Labor government was torn apart over the appointment of a senior judge and the failure to extradite a pedophile priest would seem to be more the stuff of political thrillers, but it was all too real and led to the resignation of Albert Reynolds as prime minister while he was being tipped for next year's Nobel Peace Prize for his efforts to end the conflict in Northern Ireland.

It was Reynolds' stubborn insistence on appointing Attorney General Harry Whelehan to the presidency of the High Court against the wishes of his junior partners in government, the Labor Party, which began the downfall of Reynolds and his Fianna Fail Party which has been in government since 1987. First the Labor Party under its leader, Dick Spring,

walked out of the government in protest against Whelehan's appointment. Then it was discovered that a request for the extradition of a Catholic priest, Brendan Smyth, from the police in Northern Ireland for alleged sexual abuse of children had lain for seven months in Whelehan's office without action being taken. Reynolds tried belatedly to get Whelehan to resign as a judge but failed so he resigned himself.

Later Whelehan did resign, but it was too late to save Revnolds, so his successor as leader of Fianna Fail. Bertie Ahern, tried to put together a new government with Labor. This was on the point of being agreed when Labor discovered through a report in The Irish Times that more ministers than Reynolds had been involved in trying to hide the full facts. So Spring dumped Fianna Fail and negotiated a different government with two other parties, the conservative Fine Gael headed by John Bruton and the small Democratic Left, which had jettisoned its Marxist ideology just before the collapse of communism in Eastern Europe over five years ago.

The formation of the new Rainbow Coalition headed by Bruton made politi-

cal history as it was the first time that there had been a change of government without having a general election. Ireland has now moved toward a continental European model where shifting alliances between elections can be frequent.

The upheaval has also shown that Irish politics have moved toward the center as the program of government now being followed could have been supported in most details by any combination of parties. With the economy in its best shape in decades and peace in Northern Ireland becoming more firmly established, all the new government has to do to run its two-year course is avoid the personality clashes and lack of trust which brought down its predecessor.

It is this government which will have to prepare and steer through Ireland's presidency of the EU in 1996 when important decisions will have to be taken on changes in the treaties which could result in the country's neutrality being revised.

—Joe Carroll

ATHENS

GREECE'S JEWEL

A then's newest museum, located just below the Acropolis, is dedicated to jewelry. If you have been studying the columns of the Parthenon and the sculptures in the museum on the ancient hill, the Ilias Lalaounis Museum, filled with rich goldwork, makes for just the right contrast.

Ilias Lalaounis is Greece's best-known goldsmith. He comes from a family of jewelers but broke away from making traditional pieces more than 30 years ago and set up his own workshop. He set it up in the old family home, a 19th century neo-classical mansion, with high ceilings and tiled floors.

Last year, his team of goldsmiths moved to a new factory outside Athens. The old workshop has been transformed into a museum with a rooftop café looking up to the Parthenon. The director is Ioanna Lalaounis, the youngest of four daughters who now run the business, leaving their fathers free to go on designing.

It was the growth of tourism in Greece that helped Lalaounis become a familiar name in international jewelry. When he set up, there were fewer than 2,000 goldsmiths working in Greece. Now there are more than 40,000 concentrated in Greece's most popular island resorts—Mykonos, Rhodes, and Corfu.

Lalaounis started by designing jewelry based closely on ancient Greek models. He used the soft, yellow gold popular in the ancient world to make necklaces and earrings that might have been worn by classical Greek visitors to the Acropolis in the 5th century BC. To offset the gold, he used unusual semiprecious stones like dark blue sodalite and milky rock crystal.

But he moved to more varied collections, recreating Greek wildflowers in their rocky, mountainous settings using gold and semiprecious stones or adapting motifs from ancient cultures and the Middle East in stylized modern designs.

The historic themes continued. Russian authorities decided to display Priam's Treasure, the 2nd millennium BC hoard unearthed at Troy and removed from a Berlin museum by Soviet Forces in World War II. Lalaounis's versions of the jewelry, based on early photographs, are a striking reminder of a unique discovery.

Occasionally, he undertook ambitious projects, for example, designing sets of elaborate "body" jewelry of interlocking gold plaques from neck to toe, inspired by that worn by Byzantine princesses.

Pieces from more than 40 collections are on display. Some from the past are still available at Lalaounis boutiques in Paris, London, and New York. But his trend recently has been toward less bulky jewelry, often combining silver and gold in the same piece. In fact, the museum also illustrates how tastes in jewelry have changed over a generation.

The Ilias Lalaounis Jewelry Museum is at Caryatidon 4A, Athens. Tel: 9221-044. Open daily 9 a.m. to 4 p.m., Wednesday 9 a.m. to 9 p.m. Closed on Tuesday.

-Kerin Hope

BRUSSELS

FALLEN POLITICIAN

his is a little moral tale exemplifying that politicians, like George Washington, should never tell a lie. It is because he overlooked this simple rule that one of the most promising Belgian politicians now finds his career in ruins. Leo Delcroix, who was minister of Defense until early December had acquired a reputation as being one of the most forceful and effective ministers in the center-left coalition led by Jean Luc-Dehaene. In less than three years he has pushed through the biggest reorganization of the Belgian armed forces since 1945. Starting in July 1992, he abolished conscription after the 1993 call-up, reduced the size of the forces from 80,000 to 40,000 (plus 5,000 civilians and 2,500 trainees), and imposed a non-indexed budget frozen at \$3 billion until 1997 (a cut in real terms of \$625 million over five vears).

The 45 year old Delcroix was widely admired, and people began to view him as a potential successor to Dehaene. He was easily the most popular figure in Dehaene's own party, the Flemish Christian Democratic Party (CVP), and he won a

NEWSMAKERS

ne of architecture's great mysteries rises in graceful curves above the rooftops of Florence. How was the 135-foot wide dome which crowns the 15th century Duomo church ever built? Its architect **Filippo Brunelleschi** raised it without a supporting scaffold, using 25,000 tons of stone, timber, and brick.

Now a Florentine architect, **Massimo Ricci**, claims that he has found the secret of its construction. To prove his theory,

which took him 20 years to develop, he has started building a replica of the dome, one-fifth its actual size, in a park on the banks of the Arno River. When it is finished in about two years' time, the mini-Duomo will stand 30 feet high and will have cost around \$500,000.

Its 30-foot wide interior will house an exhibition on the technique that Ricci believes was used to build the original and which he calls "the rule of the flower." It is based on just three cords, a plumb line, and eight small moveable rib guides.

...

Three years after he captained France's tennis team to a remarkable Davis Cup victory over the United States, Yannick Noah, 34, has had his new career as a pop singer interrupted and has been reappointed to lead his country in next year's competition. Noah is replacing Georges Goven who succeeded him and under whose leadership French tennis has gone into a serious slump.

Noah, whose dreadlocks used to cause as much of a stir at center court as

large number of preference votes in the European elections last June. He chose, however, not to take up the seat he won in the European Parliament, preferring to remain as a national minister.

It was during this election campaign that he made his fatal error. Suddenly asked during a television interview if he owned a villa in the south of France, he replied: "No, no, believe me. Not me. Absolutely not."

Unfortunately for Delcroix, journalists from a Flemish satirical magazine made further inquiries and discovered that Delcroix was indeed the owner of a villa at the resort of Bornes-les-Mimosa but that his ownership was disguised by the creation of a "hollow" company in whose name the title deeds were registered. When they challenged the defense minister, he denied outright that he had anything to do with the villa or the company.

On December 6, the magazine published an article which accused Delcroix of having directly lied about the ownership of the villa, suggesting also that it was connected with a whole series of irregularities, including the employment of Belgian workers to build the villa without declaring their wages. Delcroix was on a ministerial visit to Bulgaria when the article appeared but returned the next day to give a press conference designed to explain away the allegations.

The press conference went disastrously for Delcroix. He admitted having lied but put this down to "an error by an inexperienced minister" who wanted to protect his private life and not compromise his electoral campaign for the European Parliament. He did not want to be known as the owner of a villa in the south of France, he explained, so as not to be bracketed in the public mind with Guy Mathot, a former Socialist minister accused of having bought such a villa with



We made life a little sweeter for NutraSweet in France.

"Invest in France Agency played a key role in the rapid installation of our facility in France. Thanks to their in-depth knowledge of the French system, we were able to become operational much faster than anticipated."

-Nick E. Rosa, President NutraSweet Europe



New York 212-757-9340 Chicago 312-661-1640 Houston 713-266-9772 <u>Los Angeles</u> 310-785-9735

the proceeds of corruption.

The money for the villa, which he said had cost him a total of \$400,000, had come from family sources, his parents, and his parents-in-law both contributing. Yet he was hesitant and unconvincing when replying to detailed questioning, and highly critical reports appeared in all the Belgian newspapers.

Delcroix drew the logical conclusion and penned a letter of resignation to Dehaene, who made no attempt to dissuade him. It is not impossible that Delcroix may be able to stage a comeback in the years ahead. Yet it is unlikely that he will ever again be spoken of as a future prime minister.

-Dick Leonard

LUXEMBOURG

CORPORATE EMIGRATION

when Europe Online, an interactive computer network that allows Europeans to tap into a smorgasbord of information services, was looking for a location for its headquarters, Luxembourg emerged as its best choice. Luxembourg, according to company officials,

Agassi's ponytail, is determined to shake his team out of the doldrums with the help of trainer **Patrice Dominquez** and with some fresh talent onboard. One player he has his eyes on is **Lionel Roux**, 21, who Noah says has all the qualities to make a great player. "He has the physique; he's a fighter; he trains hard; and he never complains."

For anyone who has money to burn, there are now some haute couture cigars on the market designed by French fashion designer **Pierre Cardin**. They come in two styles—La Belle Epoque and Le Bistro—to suit both formal and more relaxed smokers and are somewhere between corona and double-corona in size. Cardin's consultant for their design was a man who knows his Cubans: none other than **Fidel Castro**. The Cardin-Castro combination of talents does not come cheap: the cigars range in price from \$174 to \$388.

A Dutch textile weaver has come up

with the very last word in elegance.

Margaret Sabee designs made-to-measure burial habits and personalized shrouds for anyone who wants to go out in real style. Most of her customers like to choose their own "going-away" outfits and then put them in a drawer until they are needed. "To others it might appear morbid," she says, "but people like to organize every aspect of their lives in Holland."

-Ester Laushway

was a strategic fit for Europe's information highway, which was launched by German publisher Burda with support from French and UK media groups as well as French and German banks.

"Strategic fit" is one point that Luxembourg's consulates have been stressing in their stepped-up campaign to attract foreign companies to call the Grand Duchy home. The country has embarked on an approach to offset the huge role played by banks and other financial service industries with an expansion of telecommunications, broadcasting, cinematography, and other high-tech enterprises. Government officials like to talk about turning Luxembourg into Europe's "Mediaport." Core manufacturing plants have also been welcomed.

"As access to international markets and information becomes increasingly necessary, Luxembourg is positioned to become the strategic center of global interactive industries," says Egide Thien, counsel general for the New York consulate.

In making its sales pitch to foreign companies, Luxembourg notes that its current corporate tax rate (33 percent) is the lowest among the 14 other European Union members. Luxembourg also points out the potential synergies that could benefit companies locating near others developing like technologies as has been the case with the Silicon Valley in California.

Luxembourg offers companies an individually designed package of incentives that may include research and development grants, favorable loan terms, land, facilities, and measures to reduce labor costs.

During the last two years, Luxembourg has gained some significant investments. Last winter, Rubbermaid Inc. announced that it would invest \$10 million to build a toy factory near Differdange close to the French border. The US manufacturer said it will make "Little Tike" plastic toys at a new 215,000-square-foot plant and establish its European headquarters and distribution center for the toy, office, and commercial products divisions at the same site. The company plans to employ as many as 200 people by 1997.

Last May, Guardian Automotive Europe SA opened a new automotive glass manufacturing plant in Grevenmacher, which created 300 new jobs. The \$625 million facility is the fifth plant that Guardian has established; the others are

located in North America and Spain. Guardian has had other facilities in Luxembourg since 1981.

Goodyear located a multi-million dollar worldwide research headquarters for its rubber and petrochemical products as part of a strategic reorganization in Europe in which the group's marketing and sales jobs were relocated to Colmar Berg while the administrative staff was moved to Akron, Ohio. Goodyear's work force in Luxembourg totals about 3,500 people in its four plants and development center.

Total foreign investment in Luxembourg has climbed from \$10 billion in 1980 to \$31 billion in 1993. Negotiations, according to New York consulate officials are underway with computer imaging companies, financial information services, and broadcast and satellite telecommunications concerns.

—James D. Spellman

COPENHAGEN

SWEDISH BONUS

The Danes expressed sincere joy when they greeted the Swedish decision to join the European Union on January 1. Copenhagen is especially glad since it now becomes the capital of the Oresund region, which includes the southernmost counties of Sweden and the city of Malmo, which is just across the Oresund waterway from Copenhagen.

The Swedish counties of Scania, Halland, and Blekinge were Danish until 1657 and have since then preserved an independent state of mind and a flag to boot. In the November referendum that paved the way for Swedish EU membership, more than 80 percent of the citizens of the city of Malmo voted yes, far above the national average. Political commentators only half jokingly concluded that the three counties had decided to return to Danish roots.

Politically that is obviously not in the cards. But business-wise it is happening. The airport of Malmo looks to an uncertain future, as the Copenhagen Airport Authority and the Scandinavian airline SAS after the referendum decided to make what may become a multi-million dollar investment in a new mega terminal in Copenhagen.

It will be in use by the time the new 10-mile Oresund tunnel and bridge link between Copenhagen and Malmo is opened to traffic in the year 2000 if everything goes according to schedule.

On the Danish side, the land works on the link are already visible, immediately adjacent to the airport.

The population of the Oresund region will be more than 3.2 million and more than double the number of consumers in the Greater Copenhagen conurbation. Swedes already love to shop and be entertained in Copenhagen, though the low value of the Swedish currency makes this an expensive pleasure. Danes find good bargains in Sweden.

The future of the region will be based on more mundane business propositions. More than 3,000 people commute by ferry across the Oresund daily, and with a bridge and tunnel link breaking down the time barrier, that figure may rapidly double or triple. The pharmaceutical industry is strong on both sides of the Oresund, and there is talk of a "Medicine Valley," inspired by Silicon Valley of California.

Much will depend on how price sensitive potential commuters are because a toll equivalent to the present \$60 ferry round-trip ticket is to be levied. This price is intended to give trains and buses a major comparative advantage. It has been a political prerequisite that the link should be paid for by the users. But if too few car owners are willing to pay the steep price, most observers expect that the prices will come down.

—Leif Beck Fallesen

Photo Credits

Cover:	Richard Passmore/Tony Stone Images	
p. 6:	Jean Bernard Vernier/ Sygma	
p. 7: p. 10: p. 13: p. 14 top: p. 14 bottom: p. 15 top:	Bernard Bisson/Sygma Giansanti/Sygma Jacques Witt/Sipa Sipa Press Regis Bossu/Sygma T. Orban/B. Bisson/ Sygma	
p. 15 bottom: p. 16: p. 20: p. 22:	Alain Noques/Sygma Robert J. Guttman Jean Guichard/Sygma Richard Passmore/Tony Stone Images	
p. 24: p. 26: p. 29 top: p. 29 bottom: p. 30 top: p. 30 bottom: p. 31 top: p. 31 bottom: pp. 32–33: pp. 34–35:	IBM France Hôtel Le Bristol Hôtel Plaza Athénée Trianon Palace La Reserve de Beaulieu La Reserve de Beaulieu Hôtel Negresco Hôtel Negresco British Tourist Authority Geoff Dore/Tony Stone Images	
pp. 36-37:	French Government Tourist Office	
p. 39: p. 40:	Alain Noques/Sygma Philippe Marcou/Sipa	

ARTS LEISURE

BOOKS

PARIS AFTER THE LIBERATION 1944–1949

By Antony Beevor and Artemis Cooper; Doubleday; 431 pages.

Collaborators, Communists, cafe society, Christian Dior, Camus, and the cold war.

Any book encompassing all these diverse topics would seem to be a disjointed and disconnected venture. However, the authors successfully pull off placing these seemingly unrelated topics into a highly enjoyable and easy to read account of Paris and all of France during the critical years 1944-1949. The book starts before the liberation of France, moves to the actual liberation of France by the United States and her allies. discusses the official trials of Petain and his Vichy government officials, the unofficial purges of suspected collaborators, an intriguing profile of Charles De Gaulle, the role of the Communists in postwar France and ends with the successful implementation of the Marshall Plan.

Paris After the Liberation 1944-1949 provides many anecdotes and is quite full of gossip about the cafe society of Paris, intellectuals, fashion, theater, and the diplomatic corps (Co-author Artemis Cooper is the grandaughter of England's first postwar ambassador to France) but interspersed through these vignettes are serious observations of France during a very crucial period of her history.

One is struck by the vivid

accounts of the Vichy government under Petain during the war. "Vichy bent over backward to help the occupiera policy that was taken to appalling lengths when assisting the deportation of Jews to Germany." And "Petain's

regime had already introduced anti-Jewish regulations without any prompting from the Germans."

Throughout the book the authors discuss how De Gaulle and others tried to perpetuate the idea that somehow the Vichy government was an aberration. According to Beevor and Cooper, Vichy was not an aberration and the attempts at dealing with this sobering idea still faces France today.

The profile given of De Gaulle is of a brilliant but quirky soldier and politician who basically set himself up as France's government in exile all by himself and then came back to lead France only to abruptly quit and not return to power until the late 1950s.

"De Gaulle was not an easy man, and unlike Napoleon, did little to encourage warmth or loyalty, except in his immediate entourage." DeGaulle's anti-American and anti-British attitude is apparent throughout the book. However, this does not really distract from the general's overall strategy to restore France to "greatness" as he



would say.

Another factor often overlooked in a discussion of France after World War II was the important role played by that country's Communist Party. "In 1945, the French Communist Party was the most

powerful political organization in the country." Much of the book looks at the role played by the Communists in organizing strikes and other disruptive tactics in the post World War II years. It wasn't until the implementation of the Marshall Plan that the fear of a Communist "victory" in France completely disappeared.

After De Gaulle abruptly left the presidency in 1946 many people—including De Gaulle himself—felt that the general would be called back to "save" the country from leaders not of his stature. However, a group of leaders including Prime Minister Robert Schuman proved themselves quite capable of governing and helped pull France through the postwar years without De Gaulle's assistance.

"The tortuous relationship with the United States" is another key theme. The so-called love-hate relationship with America still exists today. The authors trace the roots of this unique relationship from the exhilaration of the French greeting their

American liberators to De-Gaulle's continuing distrust of the United States throughout his political career.

Paris After the Liberation 1944–1949 is a thoroughly enjoyable and readable book that brings Paris—and France—alive during those critical years.

-Robert J. Guttman

PORTRAITS OF FRANCE

Z ut alors! What must these publishers be thinking, tempting us so unconscionably with such an enticing selection of new books on France? Here we are bravely attempting to survive the winter, and they tease us with luscious photos of sun-dappled vineyards and fields of fragrant lavender. Oh, all right, we give in. Brighten up our dreary days, if you must. Anything has to be warmer than February.

Begin with *Provence*, a glorious volume that captures that coziest of places, Provençe. Imagine the fun God must have had creating this delightful region of southern France, hugging the Mediterranean and basking in extraordinary sunlight. *Provence* captures the area's incomparably grand canvas in photographs by Sonia Bullaty and Angelo Lomeo that are more like impressionist paintings of Matisse, Cézanne, or Van Gogh. There are fields of sunflowers, palettes of skies dazzling in magenta and azure, and grand flowers brimming from pots, window boxes, and gardens. Marie-Ange Guillaume's glowing commentary complements it all. This is a book to savor on

a cold winter's day. (Abbeville Press \$45).

If you have ever wiled away an afternoon in a French café, you can undoubtedly close your eyes and set your senses in motion to recapture the experience: the scent of espresso and Gauloise, the sound of cups on saucers, the feel of cool marble tables and smooth rattan chairs. The French Café captures this delightful fixture of French life in 211 photographs by Eric Morin and text by Marie-France Boyer—from the grand establishments of Paris to small rural bistros in country villages. Pour yourself a café au lait and enjoy. (Thames and Hudson \$20).

You don't have to be an architect or designer to love Paris, and you won't have to be one to enjoy Metropolitain: A Portrait of Paris. Matthew Weinreb's enormous, detailed photographs will allow you to see the city with an expert's eyes. Here is a close-up of an iron gateway on a bank. There is a wide-angle shot of the brilliantly colored glass skylight of Au Printemps. Fiona Biddulph's text adds anecdotal trivia from centuries of Parisian architectural history. Did you know, for example, that King Henri III wept during the entire ceremony dedicating Pont Neuf because his two friends had killed each other in a duel that very morning. Hence the bridge is sometimes called Pont des Pleurs, or Bridge of Tears. (Phaidon \$50).

Monet was not the only artist to be taken by the charms of Giverny, the sundrenched village just northwest of Paris. *Monet's Giverny: An Impressionist Colony*, by William Gerdts, captures the lives and works of the artist colony that followed Monet to this sleepy village: Paul Cézanne, John Singer Sargent, and lesserknown artists such as William

Blair Bruce, Frederick Frieseke, and Lilla Cabot Perry. In art and prose, Gerdts has captured what life was like in one of the art world's most famous colonies. (Abbeville Press \$40).

For some, the museums of France hold the country's treasures. For others, the windows of pâtisseries and boulangeries display the real artistic masterpieces. Apparently, Linda Dannenberg is in the latter category, for she has written Paris Boulangerie-Pâtisserie, a loving tribute in text, photograph, and recipe to 13 of the city's most blissful bakeries and pastry shops. Somehow Dannenberg persuaded bakers to part with their recipes, which you can try yourself. For less caloric versions, simply feast your eyes on Guy Bouchet's enticing photographs. (Clarkson Potter \$35).

The novelist Colette once noted that there is not one Provence, but several. The Most Beautiful Villages of *Provence* bypasses the more well-known, glitzy, and commercial spots and instead concentrates on the region's tiny villages, many perched against hillsides or nestled in fragrant meadows. If Hugh Palmer's photographs and Michael Jacob's text inspire you to take a trip of your own, simply consult the listing of festivals, markets, hotels, and restaurants in the back of this handsome volume. (Thames and Hudson \$40).

The first literary reference most children have of Paris is: "In an old house in Paris that was covered with vines lived twelve little girls in two straight lines." For the lucky ones, Ludwig Bemelmans' *Madeline* is only the beginning of their literary adventures, for Paris has evoked a bibliothèque full of novels, poems, essays, stories, letters, and plays. *A Place in the World Called Paris*, edited by Steven Barclay and illustrated

by Miles Hyman, is an anthology capturing the literary output of Paris in just the 20th century—our own. More than 170 excerpts range from Franz Kafka on the Mètro, to Truman Capote on visiting Colette, to Claude Debussy on the Luxembourg Gardens, and yes, even Bemelmans on

the city's underworld (alas, a far cry from dear little Madeline). (Chronicle Books \$19).

So if February seems as if it contains nine weeks instead of four, these glorious books on France may help you endure until spring arrives. Until then, *courage!*

-Elisabeth Farrell

No One Covers the New Europe Like	
EUROPE	
M A G A Z I N E	
Subscribe to EUROPE, the only magazine that covers timely and important business, economic, and political events not only in the European Union but throughout Europe. From Paris to Moscow, from politics to travel, EUROPE gives you the information you need to stay on top of the news. No one covers the New Europe like EUROPE.	
D. A. A. S.	
Return this coupon to EUROPE, P.O. Box 55935, Boulder, CO 80322-5935	
\$19.95 for one year (10 issues).	
\$34.95 for two years (20 issues).	
- II	
Name	
Name	
Name	
Name	
Name	

You're pitching new business in Novosibirsk. You just got back from Tallinn. Last month it was Kiev. Now they're talking about Tashkent.



The only easy part is picking the airline.

For reservations and information call 1-800-645-3880 or see your travel agent. Accrue or redeem miles in either Lufthansa Miles & More™ or United Mileage Plus® when you fly on Lufthansa flights or flights operated by our global partner, United Airlines.



Some of the earliest attempts to communicate abstract ideas can be found at the Lascaux caves in the Dordogne region of France.

20,000 years ago we

were on the cutting
edge of communications
technology. And we've

been there ever since.

