BLAIR SPARKLES

But Britain's Old Labour is far from dead *p14*

ACADEMIC BUSINESS

Why Insead degrees are second class *p22*

THE EUROPEAN

2 - 8 OCTOBER 1997 **No. 386** **France Ffr17.00 Germany Dm4.50 UK 75p**

Satellite wars

The crowded battleground for 24-hour TV news

EUROPEAN PRICES

Austria S32	Croatia KN14	Denmark Kr17.00	Greece Dr500	Ireland (Rep) IR£.75	Malta Ml0.90	Poland Zl7	Slovenia Sit360	Switzerland F4.00	USA $3.00
Belgium Bf60	Cyprus C£1.40	Finland Mk15.00	Hungary HUF240	Italy L3,500	Netherlands Fl 5.00	Portugal (Cont) Esc 430	Spain Ptas325	Turkey TL200,000	Canada $3.50
Canary Isles Ptas350	Czech Rep Kc78	Gibraltar £1.40	Iceland Kr195	Luxembourg Lf60	Norway Kr20.00	Slovakia Sk70	Sweden Kr20.00	Yugoslavia YUD13.00	**World prices – See Page 3**

★★

Clipper 98
Round the World Yacht Race

Have you got what it takes?

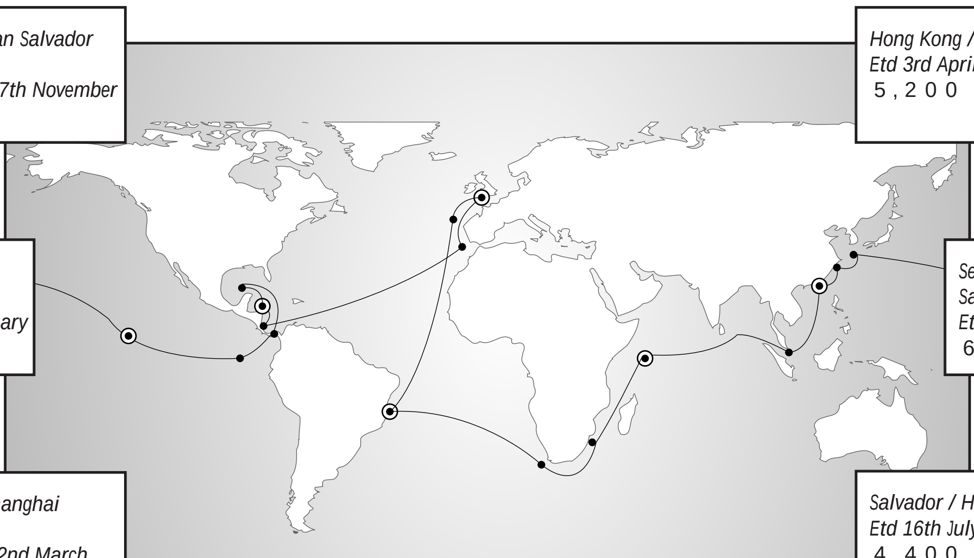
Following the overwhelming success of Clipper '96
Clipper Ventures would like you to join them in 1998
for The 2nd Clipper Round The World Yacht Race.

In October 1998, this unique round the world yacht race sets sail from Plymouth and heads out across The Atlantic to Cuba, then travels through The Pacific. There will be 16 stopovers in some of the world's most exotic locations. The race offers an experience of a lifetime: Sir Robin Knox-Johnston will select the crews from both experienced and non-experienced yachting enthusiasts. Prices include full training along with a clipper clothing pack.

1st leg
Plymouth / Madeira / San Salvador
Nassau
Etd 17th October - Eta 27th November
5,000 Miles

2nd leg
Nassau / Havana / Panama
Galapagos / Hawaii
Etd 28th November - Eta 19th January
6,250 Miles

3rd leg
Hawaii / Yokohama / Shanghai
Hong Kong
Etd 31st January - Eta 22nd March
6,000 Miles



4th leg
Hong Kong / Singapore / Seychelles
Etd 3rd April - Eta 6th May
5,200 Miles

5th leg
Seychelles / Durban / Cape Town
Salvador
Etd 18th May - Eta 6th July
6,600 Miles

6th leg
Salvador / Horta / Plymouth
Etd 16th July - Eta 21st August
4,400 Miles

To register your interest for a detailed brochure for one or more legs,
please write, fax or telephone 01234 711 550

Clipper Ventures PLC, Incon House, 10 Stilebrook Road, Olney, Buckinghamshire MK46 5EA.
Telephone: +44(0) 1234 711 550 Fax: +44(0) 1234 711 250 Tel: 07000 Clipper Email: 101752.1361@Compuserve.com

CONTENTS

AMEL EMRIC

Ashes to ashes: the earthquake that killed ten people in Umbria also reduced to dust priceless frescoes in the basilica of St Francis of Assisi Page 20

Cover illustration: Katz/Harding/TCL

EDITORIAL OFFICES: 200 Gray's Inn Road, London WC1X 8NE. Tel: +44 (0)171-418 7777 Fax: +44 (0)171-713 1840 Home page: http://www.the-european.com Editor's e-mail: editor@the-european.com

EUROPEAN WORLD PRICES

Australia .... $A 3.95	Dubai .... Dh 16	Jordan .... JD 2.75	Lebanon .... LL 6,000	Qatar .... Riyal 16	Thailand .... Baht 75
Abu Dhabi .... Dh 16	Egypt .... EP 15	Kenya .... Ksh 200	Malaysia .... S$ 7	Saudi Arabia .... Riyal 16	Tunisia .... Td 3.75
Bahrain .... Din 1.650	Hong Kong .... HK $25	Kuwait .... Kd 1.25	Morocco .... Dh 35	Singapore .... S$ 7	UAE .... Dh 16
Canada .... $ 3.50	Japan .... Y 700	Israel .... NS 10	Oman .... Rials 1.700	South Africa . Rand 12.95	USAFE .... US $1.95

Denmark - importer and distributor: International Press Distribution Denmark ApS, PO Box 9006, 1022 Copenhagen K, Denmark Basic annual subscription rate £52 - £150. The European is a registered trademark of The European Limited 'The European' (USPS 008-803) is published weekly for $135.00 per year by The European Ltd., 200 Gray's Inn Rd., London WC1X 8NE, England and distributed by Speedimpex USA, Inc. Periodicals postage paid at Long Island City, N.Y. and additional offices. Postmaster: Send address changes to: The European, c/o Speedimpex USA Inc., 35-02 48th Ave. L.I.C., N.Y. 11101-2421

Printed by Mirror Colour Print Ltd, St Albans Road, Watford WD2 5RD. Printed by Mirror Colour Print Ltd, Hollinwood Avenue, Oldham OL9 8EP.

ISSN - 0959 9061A

THE EUROPEAN
2-8 OCTOBER 1997 No. 386

Germany's engine misfires

FRIDAY, 3 October, is the Day of German Unity – the seventh anniversary of unification – which makes it an uncomfortably apposite occasion for the coalition partners in Bonn to cut the burden of taxation imposed to pay for it. Yet that is precisely what they are doing. Unfortunately for the German taxpayer, and for the economy as a whole, it is all they are doing.

Germany's taxation system, indeed its whole social security and employment legislation, is in a mess. High wage costs and punitive taxation are crippling the economy, killing incentives and keeping industry in a straitjacket; they serve the interests of no one but bureaucrats and accountants. Something drastic needs to be done. Everyone agrees. From the taxpayers' union to the employers' federation, there is unanimity that tax reform, as part of an overall package that will also radically alter the nation's pension provision structure, is long overdue. But it's not going to happen. Not until it may be too late.

Whether the supplementary solidarity tax – which Chancellor Helmut Kohl was obliged to introduce in spite of his 1990 election pledge that unification would be a free lunch – is reduced from its current level of 7.5 per cent to 5.5 or, as the more radical of Kohl's Free Democrat allies wants, to 4.5 per cent, amounts to mere tinkering with the economic engine, when what is needed is a major overhaul.

Last week's failure by the parties to achieve agreement to push through the drastic legislation required was a *prima facie* example of the political system letting the economy down. At the very moment when broad consensus was required, the opposition Social Democrats opted to play politics.

Bitterly divided internally between the traditionalist old-style socialists headed by Oskar Lafontaine and the reformist radicals lined up behind Gerhard Schröder who look to Tony Blair's New Labour landslide in Britain for inspiration, the SPD opted for obstructionism. By blocking an agreement on tax reform, for the sake of embarrassing the government, they have ensured that it will become the battleground on which next September's election campaign is fought.

If they thought it would win them friends among the electorate, it may have been another case of catastrophic misjudgment. Denying the need for reform is tantamount to denying the need for oxygen. And they know it. Already their "alternatives" to Kohl's tax reform plans look muddled. Rudolf Scharping, the man who led the party to inglorious defeat against the immovable Kohl in 1994 and now holds the reins between the jockeying candidates for next year's leadership bid, could only waffle.

The SPD's fantastic plans to increase the social security budget by Dm30 billion ($16.7bn) are hardly likely to be covered by a petrol tax and some vague talk about "closing loopholes". Proposed increased taxes on tobacco and life insurance are just so much more cosmetics.

What Germany needs is fresh incentives for investment, a restructuring of income and corporation tax to reduce the absurd complexities. Kohl's stalled plans to cut the top rate of income tax from 53 per cent to 39 and the starting rate from 25.9 to 15 per cent had a ring of common sense to them. They were also tied in with a necessary package of changes to the social security system, urgently needed if the country is not to be crippled well into the next century by the burden of a vast population of pensioners to be paid for from a shrinking economic base.

Germany has to swallow the bitter pill that its employment and social security measures are too expensive. If the nation is to regain its role as the workshop of Europe, it is going to have to kickstart the economic motor again by reinventing the potential for profit which has been lost over the years by governments more concerned with spreading the benefits of the economic miracle than ensuring that it kept happening.

Kohl's plan to cut the solidarity tax amounts to tinkering when what's needed is a major overhaul

It is one of those delicious but disconcerting ironies that Kohl's "wet" conservative Christian Democrats are having to face up to abandoning aspects of their cherished "social market economy" just as Blair's New Labour government is launching something that sounds remarkably akin to it. But until now the German consensus on the need for "compassion" has lacked what Blair calls the "hard edge".

Stretching the fabric of the public purse ever thinner is not the answer, nor is stitching up loopholes – a measure that is by definition only a stopgap. Karl-Heinz Däke, president of the national taxpayers' union, described the politicians' failure to agree a reform package as "a national shame". It is also a bad joke. Whoever wins next year's elections will be forced to return to the issue and, in the end, the package that goes through will inevitably look very similar to the one that has just been rejected. There just aren't that many alternatives.

The failure to achieve an all-party agreement that would have commanded public support for the necessary cutbacks is a signal that the era of consensus politics in Germany has closed. The opposition's frustration with Kohl's seemingly unshakable tenure of power has led it into a position of outright confrontation for its own sake. Tax reform, which should have been a national priority, has become a political football. The deciding factor will be who scores the most own goals.

SPD trump card: page 18

SEVEN DAYS

That was the week...

Beef ban 'was justified'
The European Court of Justice said the EU ban on British beef exports was justified because it countered a real risk of mad cow disease. The advocate-general, Giuseppe Tesauro, made his pronouncement after the ban had been challenged, with backing from the government, by the British National Farmers Union. The full court will rule on the issue by the end of the year, but the advocate-general's opinion is a good indication of the way the ruling will go. British beef exports were banned in March last year after mad cow disease was linked to a fatal human ailment, a new variant of Creutzfeldt-Jakob disease.

Front takes to the streets
The Front National announced its provocative plans to change street names in the four French cities where its members rule. Out will go those named in honour of left-wing heroes and people like Nelson Mandela. In Vitrolles, where the Front's Catherine Mégret (*pictured*) presides, even the Avenue François Mitterrand will revert to Avenue de Marseille.

Le Monde wants L'Express
The Paris newspaper *Le Monde* is ready to make an offer for the weekly news magazine *L'Express* if shareholders agree at a meeting in the coming week. The Havas group, which owns the magazine, values it at between Ffr400 million and Ffr500m ($66m-$83m). Jean-Marie Colombani, the newspaper's director, says it has a historic opportunity to build a great press group.

Brewer raises the stakes
British brewing giant Bass threatened to pull investment out of the Czech Republic if a controversial merger between the two largest domestic breweries, Plzensky Prazdroj and Radegast, was allowed to go through. Graham Staley, a Bass director, said: "We believe we have a very strong case both from a competition law perspective and from a legal protection of minorities perspective." Bass holds a 55 per cent stake in the third-largest Czech brewery, Prazske Pivovary, and a 33 per cent stake in Radegast.

...what's to come

Nobel pursuits
The 1997 Nobel season gets under way when the Karolinska Institute in Stockholm announces the medicine prize. Then comes the peace prize, with its agonising decision on who today can match earlier winners such as Mother Teresa and Nelson Mandela, it being understood that posthumous candidates are not favoured. This year it is the scientists who are hoping to grab attention. The Royal Swedish Academy of Sciences, which presents the physics and chemistry awards, said the new crop will produce more excited speculation than usual about who will be worthy to receive such prizes.

Rift for Parisian lovers
A determined Green effort to sever the tight bonds bonds of love binding Parisians to their cars is accelerating hard. There's bound to be trouble ahead as the auto-fanatics and political enemies begin to strike back, high polution levels or not. Dominique Voynet, seen as a wild and woolly environment minister of the eco-left (*pictured*), startled the city with a brusque move to ban half the cars in the capital. She announced immediate imposition of restrictions on the vehicles that enter Paris at a rate of three million a day, using the old trick of dividing them between those with odd and even number plate. Transgressors will face immediate fines of Ffr900 ($149) and the immobilisation of their vehicles. Watch out, Dominique, they won't like it.

Papon set for trial
At long last the trial will begin of Maurice Papon, a senior French civil servant who held high office under the wartime Vichy regime of Marshal Petain and who went on career building to become prefect of police in Paris in the presidency of General de Gaulle and a deputy in the National Assembly. Now he has to answer charges of committing "crimes against humanity" for his part in the arrest and deportation of French Jews to Nazi Germany in the 1940s. One of the prosecutors is the son of Serge Klarsfeld, who has devoted his life to tracking down such villains.

PRESS WATCH

GERMANY
Süddeutsche Zeitung

WHOEVER makes use of tax loopholes acts legally. Anyone who exploits their own loopholes does not. This distinction is actually very simple. That an economics minister has behaved as if the difference did not exist is curious. In the case of the economics minister, Kajo Schommer, everything turns out to be blameless tax trickery, involving complicated tax law. An economics minister must not offer psychological assistance to tax evasion.

IRISH REPUBLIC
The Irish Times

A DISTINGUISHED sociologist describes emigration as "the centre of the Irish experience of being modern". Seventy million people around the world claim to identify with Ireland. Gradually it is being realised that the "existence of this vast extended Irish family creates an immense reservoir of goodwill towards Ireland", in the words of the last government. The possession of a diaspora can be turned to the advantage of all.

FRANCE
Le Monde

THE huge fire which has devastated Indonesia and threatens the whole of southeast Asia is dramatic. Not just for the air pollution which it has caused and which perhaps indirectly led to the crash of an aircraft. This pollution, unlike the kind which poisons big cities elsewhere in the world, is not the result of progress. It is not pollution linked to wealth, but to poverty and the over-exploitation of natural resources for a few often unscrupulous big companies.

AMERICA
The New York Times

THE new law imposes a three-year bar to re-entry on illegals who leave the country and a ten-year bar on those who leave after April. They may have to return to their countries to get permanent visas. Fighting illegal immigration is a difficult and important job. Congress should do it so as to deter illegal entry at the border. Deporting Central American war refugees and those on the verge of getting green cards will not achieve that goal.

JOZO PAVKOVIC/AP

Symbol of hope: a crane operated by S-FOR troops retrieves the first stone from the river

Bridge leaps over Mostar's riven soul

THE BRIDGE at Mostar, the symbol of peaceful coexistence between Muslim and Croat that was destroyed in the Bosnian war, will soon span the river Neretva again.

Hungarian divers from the Nato-led peace force in Bosnia, S-FOR, began retrieving stonework from the river bed in preparation for rebuilding. The international project's leaders hope that the reconstructed bridge will be as similar to the Ottoman original as possible.

"Hungarian troops did underwater studies before the first stone was lifted," said an S-FOR spokesman. "The bridge is a symbol of the city. It linked both sides, the Muslim and Croat. We were at the site a few days ago and people came up to ask us about plans and to express gratitude."

The Stari Most, or "Old Bridge", was built in 1566 when Bosnia was under Ottoman occupation. It was completed on the orders of Sultan Suleiman the Magnificent and gave the town its name: "guardian of the bridge". Its single-arch span became Mostar's biggest tourist attraction.

SANDRA SMITH

HEALTH ■ Britain leads the way in telling people what's bad for them

Inspectors losing their sanity

Ronald Payne

THESE are busy and exciting times for a small but growing number of people who by rights should be called the Interferers. Their grandiose speciality lies in telling others what is good for them and what is bad for them.

All the world's a classroom, with Mr and Mrs I Know-Best standing up there on the dais pontificating. Lesson one is that the man from Interference HQ knows best.

As is well known, the British have always been busy in this field. It's a tradition, you see. By no means do they enjoy a Europe-wide monopoly, however; their European relations equipped with old-established bureaucracies of their own are no slouches when it comes to bossiness.

But in the last few days two important events have come to light which open up whole new areas of busybody activity in the United Kingdom. In Chichester, an agreeable small town on the south coast, chief environmental health officer Gibson (and what a wealth of emotive power is packed into that title) made a stupefying *démarche*.

He approached a respectable wine merchant of the town, writing in these terms: "It is observed that you sell old and antique wines and other alcoholic drinks, eg Taylor's Port of 1924. These old bottles are not at present labelled as to whether they are fit for human consumption or not ... bottles should clearly be labelled 'not fit for consumption due to age' or some similar wording."

So that's that, and we don't want to hear any fancy talk from connoisseurs or wine buffs and all that class of person railing on about vintages. Old Château d'Yqem could seriously damage your health. And what about Napoleon brandy, self-labelled as being obviously past its best drink-by date? The term "bar codes" is one that assumes a totally fresh significance.

Anyway, what is life without pleasure or without danger?

This comes on top of the already well-advanced process of dehumanisation of the drinking man, as demonstrated by the health lobby's use of the term "units" of alcohol. "Barman, give me a unit, please. Make it a double unit." That can only be the order of customer unable to distinguish between between a pint of watery beer and a glass of fine Burgundy.

Even at the height of his presumption, however, Mr Gibson of Chichester did offer a glimpse of human understanding in his edict. "People may think this is humorous," he admitted in writing, "but they wouldn't if they fell ill." These antique bottles might have been lying about for decades in thick mould in rat-infested cellars. That was the fear that haunted the environmental health department whose officers at the time when these bottles were laid down would have been known in those primitive times as sanitary inspectors, charged with making sure that the drains were in working order.

So busily are the Interferers looking after the public interest that they forget that most folk do still have a few milligrams of common sense stowed away somewhere. There is plenty of evidence around to prove, conclusively as the cliché has it, that when wine is corked or turned to vinegar, which it sometimes is, the first taste automatically provokes a defensive reaction: we spit it out.

The unwanted protection offered to wine drinkers may be a new front in the health war. It will probably go down in the chronicle of urban legends. But do not suppose that other battle areas are being neglected, because the ministry that supervises such matters in Britain also issued a communiqué last week.

Professional scientific figures gravely warned about the perils of eating more than a few grams a day of what they chose to call "red meat". My idea of red meat is a thick steak or a finely sizzling hunk of sirloin. For them, it includes the white meat of veal, joints of lamb or pork – indeed, anything that is not fowl or fish. But even the ministry officials could not prove that the satisfaction of meat eating was the equivalent of a death warrant. Nor were they able to demonstrate that the delights of vegetable eating can lead to life everlasting.

Anyway, what is life without pleasure or without danger? As a Prussian monarch once shouted at his grenadiers (whose meat ration, incidentally, was half a kilo a day): "Dogs! Would you live for ever?"

NASA TV/AP

My heroine! Through the hatch from space shuttle Atlantis comes astronaut Wendy Lawrence, straight into the arms of Anatoly Solovyev, Russian commander of the battered Mir station. Atlantis brought supplies, a repair kit and new crew.

Jospin forced to think again on jobs

BEFORE the elections in June, France lapped up the plan to cut everybody's working week without loss of pay and create 1.4 million jobs. Now it is beginning to look like a pipe dream.

It was Prime Minister Lionel Jospin's pet project, but growing opposition from employers and from within his government is forcing him to reconsider. French workers currently clock up 39 hours a week. Jospin proposes to reduce it to 35 hours, and turn the surplus into jobs for the unemployed. Ministers are to meet employers and union leaders on 10 October; it promises to be a very angry conference. The main issue is whether or not the plan will become law or be watered down to become a recommendation.

The conflict within the government is a clash between socialist ideals and economic realities. Labour Minister Martine Aubry supports the enforced 35-hour week; Finance Minister Dominique Strauss-Kahn favours a voluntary measure for fear of an economic backlash.

Meanwhile Didier Pineau-Valencienne, deputy leader of the employers' council, the CNPF, has threatened to boycott the summit if the government intends to force the change through by law. Trade unions are threatening strike action if the 35-hour week remains no more than a nice idea.

CATHY SAVAGE

ADVERTISING ■ Thousands sign up to operator's free calls package

Swedes sold on phone adverts

Sam King

SO. You're on the phone to your best friend catching up on what went on at the party that you left early because of the babysitter. "And you'll never guess what happened next," says the friend. "Tell me, tell me," you reply, all tensed up.

Suddenly there comes an online intervention by an excited man praising the properties of a new brand of rash-beating nappy. After ten seconds he goes away again and you finally get to hear about Saturday night.

This is the world of telephone advertising, where you can chatter for free, as long as you don't mind Captain Cleaner Fluid or Miss Miracle Stain Remover chipping in every two minutes with a jingle.

An American innovation? Not so. For once, the European underdog has beaten the US advertising masters at their own game. Carl Ander and Frederik Palmaeus, founders of the Stockholm firm Gratistelefon, have scored a triumph on home ground.

Already 40,000 Swedes subscribe to the service, happy to listen to ads in return for unlimited free national calls. Indeed, some say they provide a welcome break from Aunt Nellie complaining about her lumbago.

Gratistelefon is working to capacity and exporting its system, even to the US. Advertisers have long been seeking a way to exploit the telephone market; Ander and Palmaeus were simply the first to refine the idea so that revenue from adverts exceeds the costs of providing free calls.

The company can tailor material to suit the subscriber and can play a different jingle to the call receiver. Gratistelefon also vetoes "undesirable" subjects. "We carry no adverts on sex or religion," said Ander. "And we don't want politics either."

The package has already attracted big name companies such as the Hennes & Mauritz clothing chain and McDonald's. Ander is now adapting the scheme for other phone companies. Norway's Telenor, Telecom Finland and Promotional System Phone in Italy are carrying out trials.

He is not perturbed that the German company o.tel.o is trying to go it alone, claiming that the patent taken out by Gratistelefon doesn't cover the original concept of free phone advertising. "They will be back to see us in December," he predicted. "A couple of others thought they could just start up like that. They came back to us within a few months."

WINNERS

Chelsea Clinton, the presidential daughter who thinks she would like to be a doctor (*pictured*), is off to Stanford University, the Harvard of the west coast. The White House can't be much fun for a 17-year-old, so she was rejoicing while mama agonised over losing her and Mr President pondered the $50,000 it will all cost him.

Bill Gates, the 41-year-old magnifico of computer software, is up there again in the highest-earners lists. *Forbes* magazine gazetted him as the richest man in the world, his fortune rising at the rate of $400 million a week to $39.8 billion. Commiserations to the Sultan of Brunei, toppled from top perch on only $38bn.

Fatima Bhutto, 15-year-old member of the powerful Bhutto clan in Pakistan, has joined early in the family's passion for political manoeuvring. A poet, she launched a book of her verse by declaiming rhythmic venom against her auntie, Benazir Bhutto, the former prime minister who is now in Europe to sue Swiss banks for freezing the funds in her bank accounts.

LOSERS

Zoran Djindjic, the first non-communist mayor of Belgrade, ceased to be mayor after seven months in office. Former allies in the opposition ganged up with enemies on the city council to end his reign. They accused him of being ineffectual and of "abusing his functions in order to promote his party".

Peter Mandelson, friend of Tony Blair and British minister without portfolio, was stunned to find himself also without a seat on the ruling body of New Labour. Even more humiliating was the fact that voters at the party's annual jamboree in Brighton preferred left-winger Ken Livingstone.

Emma Bonino, the trouble-seeking European commissioner for humanitarian aid (*pictured*), found herself in need of some relief herself during an encounter with the Taliban on a voyage of adventure to Afghanistan. Her party offended religious police by taking pictures of women in hospital, and were all held. "They pointed Kalashnikovs at us," said indignant Emma on her release.

COVER STORY

Why the costly battle for TV sports rights will end with losers all round - page 42

TV WARS ■ With eight satellite news stations in Europe, and more to come, the battle is for survival

Today's news: there are too many channels

MARK PORTER, DAVID BRIERLEY AND CLAIRE ATKINSON

THE scenes at the EuroNews headquarters in Lyon were frantic. In their offices, executives were making fraught telephone calls to their corporate bosses in Paris. But the most hardened veterans knew the game was up. EuroNews, the money-losing operation established five years ago to compete with CNN and Sky News as a truly European television news station, was in their eyes utterly finished.

The dream of establishing an independent European news station was about to come into direct conflict with the brutal commercial realities of the European television business.

Realistically, a takeover by Britain's feisty ITN television news company may turn out to be the salvation of EuroNews, which has never made much impact on its own. It is now set to be relaunched as an subsidiary of ITN, a company owned predominantly by British commercial TV stations. ITN's board is expected to nod the deal through at its forthcoming meeting. It is likely that EuroNews will soon be moved to Britain, and installed alongside ITN in its glittering headquarters in central London.

For Stuart Purvis, ITN's chief executive, who negotiated the deal with EuroNews's owners, the relaunch of the ailing station will provide an opportunity to project ITN into one of the most treacherous television games around. Some might say he has just signed up as a player in a game of Russian roulette. The certainty is a fatality – the only doubt is which player in the highly competitive field takes the bullet.

Television news has suddenly become the hottest European media battleground of them all. At least eight pan-European news channels are now battling it out and there are more in the wings. The hope of all the players is to survive into the new millennium, when it is expected that the survivors might inherit a rich reward as digital desktop systems lead to the creation of a pay-per-view market for news-on-demand.

But the battle is going to be bloody. The players include the world's largest and toughest media operators. Time-Warner, biggest global media company of them all, is stepping up investment in CNN International, the original all-news channel that has operated in Europe for more than a decade and was subsequently folded into Time-Warner with the rest of Turner Broadcasting.

CNN's deadly rival from America, CNBC, a unit of the American NBC network which is owned by the mighty American General Electric Company, is competing with CNN satellite-for-satellite in Europe, and has recently been strengthened by inclusion of programming from MSNBC, the joint venture between NBC and Bill Gates's Microsoft.

If two competitors is company, then three starts to look like a crowd. Sky News, a UK-based service owned by British Sky Broadcasting, in which Rupert Murdoch's News Corporation has a 39 per cent stake, now boasts that its signal is received in scores of European countries. It has recently stepped up its business coverage, via a tie-in with Murdoch's Fox news channel in America.

If these are the titans, there is no shortage of wannabes snapping at their heels. Among them is a private army, otherwise known as Bloomberg, with its recently established business television network with access to 38 million homes Europe-wide. This is a tough outfit which has fought its way up in the face of fierce opposition in America, and is now determined to crack Europe.

And there are still more. European Business News (EBN), launched in 1995 by Dow Jones, which owns the *Wall Street Journal*, theoretically reaches 31 million homes in 40 countries. Now add to this the prospect of a rejuvenated EuroNews under British control, as well as a new news station from the BBC, and a host of stations in languages other than English from Italy, Spain and Germany, and the stage is set for a colossal slug-out.

It's as glamorous a business as can be imagined, especially as all the competitors pile on to the Internet and prepare for the advent of digital broadcasting. The main problem is that nobody other than CNN is making any money. Tom Hall, media analyst at Deutsche Morgan Grenfell, says: "There are a limited number of things that consumers are willing to pay for, such as entertainment or sport. Most audiences expect to get the news for free."

The services face stiff competition not just from each other but from entrenched national news services. Inevitably, since they concentrate on national news agendas, these attract the mass audiences most valued by advertisers.

What's typically left for the news stations is the dregs of the audience, except at times of great national and international events. The Gulf War and, later, the OJ Simpson trial, became CNN's finest hours. In Britain, Sky News achieved its highest ever viewing figures of 5.5 million viewers on the Sunday that Diana, Princess of Wales, died. However, these sudden peaks are difficult to exploit commercially and, when the exceptional event fades, they can be followed by long troughs when audiences for the news stations can at any moment be measured in the thousands.

Advertisers, consequently, have not really taken to the rolling news format. EBN, for example, claims to be available in 31 million European homes, but attracts a daily audience of just 70,000.

The upshot is that even market-leading CNN shows some of the most unimpressive advertising seen on television anywhere – endless shots of grand hotels in remote cities and mail-order offers for weird body-building machines. This is strange fare for its claimed upmarket audience. Sky News has better advertising, but only because it uses spots that are booked primarily for transmission on its more popular entertainment and sports channels.

On the other hand, analysts claim CNN International has made profits of $275 million this year. Indeed, Chris Cramer, the former BBC executive who heads CNN International, which formats the news for audiences outside the US, points out: "We are very profitable. The competitive situation is very tough because we are almost certainly alone in making money. We're the market leader but everyone wants a share of our business. EBN, BBC World, Sky News – they are all trying to take a slice out of our profits."

The way ahead for CNN, says Cramer, is paradoxically to become less international. "The way ahead is regionalisation. I have just launched regional channels to Europe, Asia, Africa and South America. The BBC would kill to regionalise but it does not have the money."

EuroNews, editorially the weakest of the European news channels, against such competition appeared to be the network most likely to collapse. Born amidst the post-Maastricht enthusiasm for a European audiovisual industry independent of American influence, and heavily subsidised by both France and the EU, its programme offering has been frankly unimpressive. Housed in a dismal modern office block on the outskirts of Lyon, it has always appeared to operate more as a bureaucracy than as a hard-charging news operation. Audiences have been insignificant.

Moves to snatch it from the maw of decline and convert it into a stronger contender began in late spring, as Purvis flew into Paris's Charles de Gaulle airport for takeover talks at the Rothschild banking HQ in Rue de Faubourg-St Honoré. The finest claret was sipped as the beginnings of a deal were mapped out. Meanwhile, executives at the Europe-wide news service 600km away in Lyon, who were and remain dead set against the takeover, sat in trembling expectation.

They knew that Purvis was one of the most outspoken critics of their news

continued on page 10

ANDY BAKER

Key business players: Mike Bloomberg (above) and CNBC's newsroom (left)

'There are a limited number of things that consumers are willing to pay for. Most expect the news for free'

All the players want to survive but the battle is going to be bloody. The players include the world's largest and toughest media operators

Pioneers of the rolling frontier

Founding father: Ted Turner

CNN is the great-granddaddy of round-the-clock news services, yet it is less than 20 years old. Launched on 1 June 1980 by Ted Turner in Atlanta, Georgia, it was mocked and derided at its inception, not least because it set out to challenge the long-established American television networks.

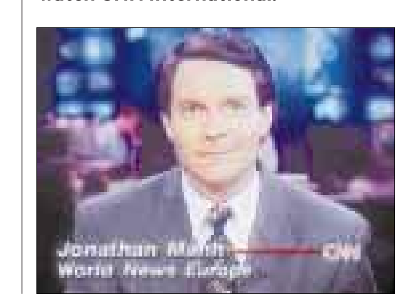
For many years it was a marginal player and when, in 1985, Turner launched its global television news channel, CNN International, he was not certain it could survive. The Gulf War transformed its fortunes. It was this "big event" that finally proved the value of a 24-hour news service and brought CNN global recognition.

Last year Turner sold Turner Broadcasting, including CNN, to Time-Warner for $8 billion. The deal confirmed its status as a global broadcaster. Today, CNN claims it is "the largest and most profitable news and information company in the world". It is probably the world's only profitable round-the-clock news service. Annual revenues are $900 million and Wall Street expects profits this year to reach $275m.

Its programmes can be seen in 184 million households in more than 210 countries and territories via a network of 15 satellites. It spends $500m on news gathering annually and boasts 32 bureaux. Aside from CNN, its American domestic service, and CNN International, the company boasts a highly regarded financial channel, CNNfn, and an American cable channel, Headline News.

CNN has just expanded its global service to provide four regionally distinctive news services catering specifically for Europe (with Africa and the Middle East), Asia, Latin America and the United States.

CNN suffers when there is no big event to report. Prior to the death of Diana, Princess of Wales, its viewing figures were rumoured to be falling. Nevertheless, it remains market leader in Europe. According to the European Media and Marketing Survey, CNN International reaches 32 per cent more viewers than EuroNews and seven times more than BBC World. In the course of a normal week, 6.1 million viewers watch CNN International.



COVER STORY

BBC WORLD

Veteran player in a new game

In-depth cover: Marcus Bignall

"WE started ten years later than CNN" is the cry from BBC World. Despite this handicap, the BBC's global round-the-clock service is now a formidable competitor to CNN. Originally called BBC World Service Television, the British service derives its strength from the 50 international bureaux and 250 foreign correspondents of the BBC. Indeed, it no longer has an independent newsdesk but has been integrated into BBC News and Current Affairs. A spokesman says: "Globally, it's the largest news-gathering organisation. Our strengths are breaking stories and news analysis."

It has teamed up with commercial partners around the globe to exploit this strength and reduce financial risks. In Europe, BBC World is distributed by European Channel Management, in which Pearson, the *Financial Times* publisher, owns 45 per cent and Cox Communications, an independent group, holds ten per cent. BBC World claims to reach 50 million households in 187 countries. It broadcasts entirely in English, except for Japan, where it provides a service simultaneously translated into Japanese. A service with subtitles in Mandarin Chinese is to start in Taiwan later this year.

Unlike CNN, BBC World offers a mixture of news, current affairs programmes, documentaries and lifestyle programming. Though CNN clearly leads the way around the globe, BBC World insists it is catching up and, in some markets, notably India, enjoys a significant lead.

BBC World's interpretation of the statistics provided by the European Media and Marketing Survey differs distinctly from that of CNN. It boasts of its 2.2 million monthly viewers and one million weekly viewers and claims it has 600,000 regular viewers in Germany, an increase of 100 per cent within a year. But on a daily basis it attracts just 192,000 viewers.

Although the BBC does not disclose the venture's financial progress, it does admit it is still loss-making. A spokesman admits: "We sold all our advertising space during the Hong Kong takeover and the 50th anniversary in India and Pakistan. But that doesn't happen every week."

Capturing the 'Big Event': the Gulf War has been described as CNN's finest hour

continued from page 9

programmes and corporate structure, and had even refused to allow them access to ITN video coverage. He was their declared public enemy number one.

Their aim was to keep the insipid and ailing EuroNews French based and in French hands. But to no avail; media companies such as CanalPlus were unwilling or unable to come to the rescue. Purvis harboured no such sentimental ambitions. Via EuroNews, he figured, he could launch ITN into the new game of international news services. What's more, he was willing to sign a £5 million ($8m) cheque for the privilege (with more to be invested later).

If he succeeds (as now looks likely) after a summer of vigorous corporate courting with EuroNews chiefs in Lyon and the Rothschilds, it will mean ITN competing across Europe for the 24-hour news audience, even if the audience itself remains pitifully small by the standards of mass-entertainment television.

But if ITN considers itself a big player, then it may be underestimating the scale of its opposition. Looming over all of this is the spectre of the world's most ambitious information technician, Bill Gates. Already a master of the Internet, he has created a joint venture with NBC which many believe to be his vehicle for integrating television into the web. If it works out, it is thought that Gates will next try to buy NBC itself, and take full control of its CNBC news channel.

MSNBC and CNBC both operate impressive Internet sites (as does CNN) and the integration of the broadcast product with the Internet offering is obvious. NBC claims the station can now reach 150 million homes worldwide, including 64 million in Europe via the Astra and Eutelsat satellites and cable networks. NBC Europe president Allan Horlick last week sounded a warning note to the players rushing into the market. He told *The European*: "Most people believe that the business news genre is too crowded. There will be consolidation over time and, when it takes place, CNBC is going to be the number one."

The problem is that nobody other than CNN is making any money

Brent Harman, managing director of the UK television company Flextech (owned by the biggest US cable network, TCI), is even more downbeat: "News is

CNBC
FIRST IN BUSINESS WORLDWIDE

News strung across the web

'Too crowded': Allan Horlick

BILL GATES, the chairman and founder of Microsoft, has the reputation of a visionary businessman. Aside from dominating the software market for personal computers, Gates is intent on becoming a player in the global information business as a content provider, competing with established giants such as Reuters, AP, Dow Jones and Bloomberg. He is thought to have spent $1 billion in this quest. This includes several hundred million dollars on MSNBC, a joint venture between Microsoft and NBC, the American giant whose NBC Europe channels reach 64 million European households.

MSNBC, launched in July last year, has two basic features: a round-the-clock cable news network and a news website at msnbc.com. Both services are loss-making but there is no doubting the ambitions of the business partners.

Like the BBC, NBC is using its worldwide news gathering presence to establish a global service. In Europe, through its NBC Europe news and entertainment programme, it ranks third among the Europe-wide broadcasters. It attracts 375,000 viewers daily, while its recently launched 24-hour business news network, CNBC, is taken by 14 million households.

Bill Wheatley, vice-president of NBC News, says: "Ideally, we will be a worldwide 24-hour news service."

MSNBC's cable service has been more successful than its website. It reaches 34 million homes and will enter 50 million by the year 2000. Wheatley says: "The cable television service is gradually building. A lot of Americans found the channel because of Princess Diana. We doubled our figures."

Although it claims to attract almost as many American web-surfers as the praised CNN website, msnbc.com has had its share of bad publicity. The website had to be redesigned shortly after its launch and 50 employees were dismissed.

A competitor at a traditional news agency remarks: "Gates was disappointed with the quality of the content. He has found it difficult to replicate what we do."

Though the website boasts all the technical gizmos, it does not match the CNN site for slickness and breadth of international coverage. Its UK-specific news service failed to work, while its German new service, provided by ZDF, German state television, was excellent. The cost of the service is considerable, yet advertisers have yet to be tempted. Wheatley says: "There is universal disappointment at the absence of advertising. That is the issue for content providers. Will advertisers support this media?"

The cable television business is more promising. "We thought it would take about five years. We are quite confident it will be a profit-making business."

expensive. Get out of it. News channels are a limited market. Financial news is a good segment to be in. There is a unique demand for it, but it is a matter of getting the distribution and the advertising to support it. They are under pressure." It's not surprising that Flextech wants to warn off competitors. It is a partner with Britain's BBC in its efforts to create new stations of its own, including a 24-hour news channel, and is also a major shareholder in EBN.

But bosses at ITN are not put off. Purvis remains optimistic that ITN can be a major player. He expects the acquisition of EuroNews to be completed by the end of the month, if the ITN board approves a EuroNews business plan currently being drawn up.

A novel element in this plan is Purvis's recognition that not everyone in Europe wants their news in English. ITN has already forged a joint newsgathering team with the German public service channel, ZDF. This ostensibly cost-cutting exercise will ultimately prove useful in news coverage for the new-look EuroNews. The two will have access to each other's bureaux and will combine forces on international stories, in the first such UK-German bilateral arrangement.

Meanwhile, the public service broadcasters, some of them armed with money provided by licence fees, are stepping up to play the game, too. The BBC's 24-hour news station (aimed primarily at the UK) launches within the next few weeks on cable systems in Britain; a sister service is already available via BBC World, on mainland Europe. BBC World, which is funded to the tune of £30 million by Pearson, British owners of the *Financial Times* and the American cable company Cox Communications, is able to draw upon the BBC's bureaux around the world and thus has a ready-made and vast newsgathering operation. But its on-screen presentation is flat and the service still looks under-resourced. Pearson has indicated that it might drop out and has held talks about selling or reducing its stake in the venture altogether.

Just to confuse matters further, a host of non-English language channels is now entering the fray. The Italian public broadcaster Rai is planning a free 24-hour news channel, while German public broadcasters are already funding their own news and parliamentary service. The Spanish backed Toda Noticias is one of four news channels carried by the Spanish pay-TV outfit Via Digital, which launched on 15 September.

Non-English channels are now entering the fray

So far, the American competitors have offered Europe a version of their news stations that's little changed from the ones they broadcast to their domestic audiences.

To succeed in the European battleground, they are starting to recognise that they must localise their output to suit local needs. The leader in this is Bloomberg, which has chosen to launch specific national services in conjunction with press agencies all over Europe.

continued on page 12

Europe's view of the facts

ITN takeover?: Stuart Purvis

EURONEWS boasts that it is "Europe's leading all-news channel covering world news 20 hours a day from a European viewpoint in five languages". It was launched in 1993 by the European Broadcasting Union, backed by 19 public broadcasters, including ERT of Greece, France 2 and France 3, RAI of Italy, RTVE of Spain and RTP of Portugal. In 1995 Générale Occidentale, the French conglomerate, took a 49 per cent stake in the EuroNews operating company. It is partially funded by the public, with grants from the European Parliament and Eureka Audio, "an organisation promoting European co-operation in the audiovisual industry".

Broadcasting in English, French, German, Spanish and Italian, EuroNews claims to "present the news through the images themselves, backed by informative commentary on the facts, without national bias or presenters' influence". It has programmes covering the arts, fashion, eastern Europe and the Mediterranean, but primarily it is a news service, broadcasting solidly during the early morning and evening. Ninety million households in 38 countries can receive the service. Latest survey figures show it reaches 1.1 million viewers daily, making it number two in Europe after CNN.

Eyes open for business

Business staple: Michael Connor

LAUNCHED in 1995 by Dow Jones, the financial information giant, and Flextech, the British cable company, European Business News claims to be the "first 24-hour European TV service catering for the business person in everyone". Like many of its major competitors, it is trying to maximise its resources. These include the AP-Dow Jones news wire, the bureaux of the *Wall Street Journal* and Wall Street Journal Television in New York. It claims to produce all but a fraction of its content in-house, yet its London head office has just 130 employees.

Its staple of business and market reports plus weather and travel news is expanded by a smattering of programmes on technology, the media, management, personal finance and motoring.

EBN reaches 31 million homes in 40 countries. Earlier this year it launched German-language programmes and now one-third of its viewers are German. It aims to be profitable within four years.

Its interpretation of the viewing data allows it to claim that it is "the fastest growing pan-European cable and satellite channel, with an upmarket, high-spending audience profile". Given that only one per cent of the homes able to view its service actually do so, EBN has opportunities for growth.

COVER STORY

Bloomberg
FINANCIAL MARKETS
COMMODITIES
NEWS

Pitching for professionals

Inevitable move: Mike Bloomberg

BECAUSE Bloomberg is a private company, the size of its investment is unknown, but it is considerable. State-of-the-art studios are being built around the globe and staff are being hired. London-based staff have risen from a total of ten to 125 within a year.

Like its competitors at EBN, Bloomberg Television benefits from an existing wire service. Like others, it sees the move into satellite TV as inevitable. Katherine Oliver in London says: "It is a natural progression that we get into television."

The core of Bloomberg's business is the Bloomberg terminal. There are currently 75,000, rented for $1,200 a month. The feed of television pictures and information broadens this service and, presumably, should attract more subscribers. Here, Bloomberg competes head on with Reuters.

"We want to go for a wider audience," Oliver claims. This means Bloomberg will compete with CNN, BBC and BSkyB for the domestic viewer. Oliver anticipates that Bloomberg, distributed by satellite and cable, will have a potential reach of 200 million homes. Its financial news service is in English, French, Italian, Japanese and Spanish.

Bloomberg Television resembles a computer monitor, with different windows and information feeds on screen. The service is pitched at the busy professional who will consult the screen several times a day. The maximum report length is six and a half minutes. Oliver observes: "The screen does the surfing for you."

continued from page 11

"It is really very simple; in France, for instance, they speak French and want national news, not another language from a foreign perspective," says the company's president, Mike Bloomberg.

"As digital allows us to choose between more channels, we no longer have to settle for another country's idea of what news should be. Hence our decision to produce national channels in partnership with local news agencies.

"In France, Bloomberg Television has linked up with the Agence France Presse news agency to provide both journalists and stories to air on the channel which is carried on the CanalSatellite digital package. It has other deals with EFE in Spain and Ansa in Italy, where it is carried via Telepiu's D+ platform."

He estimates that Bloomberg is already received by around 38 million homes in Europe, distributing its signal via the Astra satellite system, based in Luxembourg.

Bloomberg Television is by far the most eccentric of the new stations. It features information panels taking up the largest amount of space on the screen, while studio based talking heads read the news and discuss business in a corner of the screen.

Bloomberg has focused on advertising as its source of revenue and claims that information panels have helped to keep viewers' attention even if they lose interest in the newsreader. It is also said to be one of the cheapest forms of television news, with the studio-based newsreaders even operating robotic cameras.

Bloomberg Television is by far the most eccentric of the new stations, with talking heads in a corner of the screen

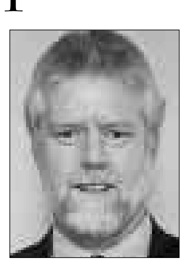
If this is the future – with bargain-basement news channels erupting out of every satellite – then it may be that the explosion in television news will do nobody very much good.

The current rush to launch news channels may serve the vanity of high-paid television executives anxious to impress their boards of directors with colourful charts illustrating the globalisation of their news divisions, but until a convincing demonstration is made that audiences really want a choice of a dozen or more news channels, one can only recollect the observation of the pioneering Canadian media pundit, Marshall McLuhan.

He famously observed that the medium is the message. But what if the viewers don't get the message?

SKY News

Loss-leader into profit seeker



Sky News boss: Nick Pollard

SKY News, the 24-hour news service of BSkyB, the British-based satellite television group, is now growing from a strong base in Britain. Although it can reach some 15 million homes in 37 countries, Sky News' strength is undoubtedly British, although it strives to offer a European view of world events.

A spokeswoman says: "Sky News is watched by one million people every day in Britain, where we have ten times the audience of CNN." It is sold as part of the BSkyB packages of film, sports and entertainment channels. For many years, Sky News was loss-making. Now it claims it has been in profit for about a year, thanks to sales of international subscriptions and domestic advertising. Previously, it was seen as a loss-leader within the BSkyB package of services.

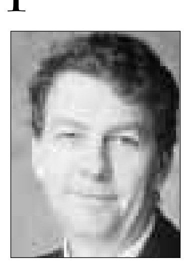
BSkyB and Sky News are part of Rupert Murdoch's worldwide media interests. Murdoch, who holds 39 per cent of BSkyB, has taken Sky News into the Asian market through Star TV, his wholly owned Asian television service. Sky News reaches 24 Asian countries through the Star distribution system.

Launched in 1989, Sky News has forged a European news consortium with CBS, the American giant, and RTL, the French television company. It strengthened its news-gathering hand through a deal in 1995 with Reuters Television, the world's largest supplier of television images and information.

Sky News Australia was established last year as a regional operator, and plans are afoot to launch country-specific services in Japan and India. In Britain, Sky News achieved its highest ever figures of 5.5 million viewers on the day that Diana, Princess of Wales, died.

REUTERS

Wholesale problems



Branding sells: Phillip Melchior

SINCE its inception in the 19th century, Reuters has been a wholesaler of news, selling information for others to use. Critics inside and outside Reuters say the venerable agency is losing ground to Bloomberg in the market for on-screen information and Reuters television operations, built up from the company's share in the Visnews agency, are troubled.

Reuters has missed the opportunity to establish its own television channels and its television crews operate in the traditional wholesaler mode. Sky, with which Reuters has a contract to supply video footage, has angrily accused Reuters of failing to deliver the quality of coverage it has required.

Reuters boasts it offers a fuller range of services than any of its competitors (Bloomberg laughs at this claim) and that it is one of the few companies making profits from the worldwide web. Reuters does do reasonably well reselling its news wires to many of the leading web sites, but its own sites are not impressive and ultimately the Internet is a big threat to its position.

Phillip Melchior, director of media business, says: "The web is a whole new publishing medium. Information providers such as Yahoo or Excite are second-generation publishers, yet they do not have editorial staff. Almost all take our service and pay a fee." (Melchior is mistaken: both Excite and Yahoo employ large staffs of editors.) Melchior thinks that the quality of information on the web is an important issue. With so much second-rate or inaccurate information, he claims the Reuters brand guarantees quality.

Reuters has recently announced its own web-based service. It will offer to the public a close approximation of a financial dealing-screen at a reasonable cost, but the service will be offered only through resellers such as banks like ABN Amro and information providers such as Yahoo. "The web is only a delivery mechanism," Melchior says. "We believe that the new technology offers a bright future for our traditional business rather than a threat." Yet there are clear threats.

Competitors like Microsoft look far more agile on the Internet than Reuters, which remains tied fundamentally to the trading screen is the key source of Reuters' profits. It offers television pictures to its dealing screens only on special occasions such as the British budget day.

AGENDA

BRUSSELS ■ Coffee and croissants at ten o'clock in the morning spell changing times for the men left behind when high-flying wives grab the top executive jobs

Euro Studs seek new role in life

PAOLA BUONADONNA

WIM VAN CAPPELEN

Babes in arms: men at the heart of the EU are having to get used to the duties of husband and mother

WHILE high-flying Eurocrats spend most of their days and half their nights keeping the wheels of the great European Union engine turning, it stands to reason that their spouses have to find other way of keeping themselves amused. So in Brussels, as elsewhere, there are a variety of social activities to keep ennui at bay – coffee mornings, discussion groups, and a few mutual self-help sessions.

But when the grass widows gather at ten o'clock on a sunny Friday morning at the popular breakfast venue Le Pain Quotidien near the centre of the city, there is one difference. All those present munching their croissants, sipping their *café crèmes* and dandling babies on their knee are men. We are witnessing the weekly meeting of the ironically named Spouses Trailing Under Duress Successfully – or Studs, for short.

Perhaps not surprisingly, even in the atmosphere of new equality which is at the heart of the European ideal, not all of them are happy to be there.

Jeff Finer, a 37-year-old British former garage owner, moved to Brussels when his wife landed a plum job with the European Parliament. He is achingly candid about his sense of exclusion and loss. "Since the move the roles have reversed completely," he says. "I have become a taxi service for the kids, I do all the shopping and cleaning. My wife does not even know how much things cost."

He is eager to talk. "I still experience an enormous sense of depression at times. It is my wife's life, my wife's money. It's an ego thing but it hurts. The worst is, you can become so passive. You just sit at home all day, staring at the carpet and then your wife gets mad because you haven't done anything around the house."

This group is role reversal with a vengeance. For Studs was initiated by the women. "It is the brainchild of the American Women's Club, another support group in Brussels," explains Studs' president Gerry Blair. "They came up with the name. There was nothing going on for men who had followed their wives here, and the women were fed up with their men moping around the house."

Studs has a membership of 70, and is growing. Most are Americans in their thirties and forties who have taken leave from their jobs, or retired, in order to be with their high-flying career wives, and are forbidden from working in Europe by visa restrictions. But the group has several Britons, two Frenchmen, a German and other representatives of EU or third countries. Seventy per cent of them have children. Their wives are well-paid lawyers, top managers for multinational corporations or officials in EU institutions.

Morwenna Jones, an Englishwoman who, with Enid Gordon, co-wrote a book about the female expatriate experience in Brussels, finds Studs an interesting example of how men's and women's roles have changed. "We came across so few male trailing spouses that they hardly deserved a chapter to themselves," she recalls. "Now there are hundreds. It must be a difficult experience because society is still not used to it, while it remains widely acceptable to be a stay-at-home wife. The good news is that women are getting better and better jobs."

Allan Randerson, at 32 one of the youngest members, is the living example of social mores trailing behind economic trends. He gave up a managerial position in Britain two years ago when his wife moved to Brussels to work for oil company Exxon. "If Studs had not been there I would be very down right now," he says. "I was so young when we made the decisions. Even close friends could not understand why I gave up a career at its most crucial stage to follow my wife. It was a relief to talk to the other guys and find out I was not that unusual."

Allan is wearing a suit and sips his coffee in a hurried, businesslike manner. He is soon off to his part-time job, giving English lessons. One senses that his dress code, amid the expanse of baseball caps and sweaters, is a way for him to cling to his identity.

Someone with few regrets is fellow Englishman Victor Brown, 40, who comes accessorised with six-month-old son Anthony. A biologist by training, he quit the lab two years ago to follow his executive wife, who works for an agrotechnical company. "It was a logical choice," he recalls. "My wife's career was going vertical, while mine was really horizontal." His assertion is greeted with a knowing chuckle around the table.

Victor takes care of the housework and looks after the two children. He is even a popular member of the mothers' association in the village where he lives. "Children are accepted in this country and I do not have to sit at home with them all day. I am very happy doing what I am doing. I can observe nature when I walk the dog. My office is the forest."

If there is such a thing as a typical Stud, it has to be 35-year-old Gregg Miller. The former banker is enjoying a late breakfast wearing comfortable leisure clothes. "The group has been a terrific support for me in the early weeks, which were absolute chaos," he reflects. "I have made many friends in it. I really enjoy my new life now. We have two wonderful children. Back in the States my wife and I worked all hours and I would never have got to know them if we had not come here. But I will say that she does get a hard look if she comes home late ..."

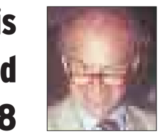
The men are tucking into thick slices of bread and jam, swapping computer advice and cooing over Victor's son. One big fellow is producing red handkerchiefs out of thin air. This is Jacob Boman, the group's magician-in-residence. "I was unemployed when my wife got a job working for a Swedish MEP. I did not have much to give up," he muses. "Of course, now I depend on my wife rather than social security as I try to get into business as a professional magician." His biggest problem is the difficulty in making friends with the local population. "I know I should be making an effort with French and Flemish," he says. "But I speak two languages already and frankly I cannot be bothered."

'The women were fed up with the men moping about'

The Americans appear much more positive and enthusiastic. But while they look at Brussels as a gateway to Europe, for their European colleagues it is more like a prison term in a small, dull country. Similar feelings of frustration filled the pages of Morwenna Jones's book. But she points out that the final outcome of her research was an optimistic one: if the women were strong and determined, they were able to turn their expat experience into a time of growth and change. Maybe the same is possible for the men, she argues.

Jeff Finer smiles stoically at this suggestion. "My wife and I love each other," he says. "We have been through tough times before, like having very little money. What has stopped me from walking out in the darkest moments is the thought of our kids and our future together. Maybe the sacrifice I made will turn out to be worth it. I hope so."

NEWS



Italy's Rifondazione Communista is threatening to veto the budget. Could they be serious this time? page 18

POLITICS ■

Tony Blair, creator of New Labour, towered over the party conference, but if he is wise he will also have heeded the voices which reminded him of the party's left-wing roots

PETER NICHOLLS

CHRISTOPHE ENA

History lesson at the coronation of Blair

MARTIN JACQUES

THIS week's Labour Party Conference was always going to be a historic occasion. The party had waited 19 long years since last having the opportunity to greet its leader as prime minister. As Ken Livingstone, former leader of the Greater London Council and prominent left-winger, had put it, this was going to be "a coronation".

But it wasn't just the fact of a Labour government; it was also the scale of the landslide on 1 May and the spectacular performance of the government during its five months in office. The delegates could be forgiven for being in a state of shock. Even Tony Blair, in his speech to conference, admitted that he was taken aback by the "energy and excitement that went beyond anything that I imagined would happen" in his car journey through London on the day after the election.

This was no ordinary election victory. It was certainly unlike any previous Labour victory since 1945. With an enfeebled Conservative opposition, the political landscape is entirely unfamiliar. Britain has entered pastures new. The government, even now, remains very much an unknown quantity. The mood of the conference somehow reflected all this. The enthusiasm and elation were tangible, but at the same time the atmosphere was also strangely restrained, as if the delegates could not quite believe what had happened and were equally unsure about what might happen next.

Towering above everything – party and nation alike – is the figure of Tony Blair. He was introduced to the conference by Robin Cook, the foreign secretary, as the most popular prime minister this century: a private poll had given him an approval rating of over 90 per cent. New Labour was Blair's creation. It was he whom the people voted for in such numbers on 1 May. It is he who enjoys an extraordinary empathy with the British people which was on such eloquent display when he anticipated the mood of a nation in his remarks about Diana on the morning of her death. Tony Blair dominates New Labour in the manner that Margaret Thatcher presided over the Tory Party for well over a decade.

Inevitably, then, the conference must be judged first and foremost in terms of his speech. Blair is a fascinating figure, a genuinely new phenomenon who must be evaluated in his own terms rather than by resorting to comparison with other political leaders. He remains something of an enigma, even though he appears to be rather straightforward.

He is already a rather different figure from the one that fought the campaign. Then he presented himself as the embodiment of middle England – cautious, moderate, reassuring. Apart from the revolution he had wrought in his party, there was not a hint of radicalism. And yet just before the election he promised that he would, indeed, be a radical leader.

In his conference speech he unveiled the full scale of his ambition

So it appears. Blair, like Princess Diana, seems to be in the process of re-inventing himself. It started from the moment of his election victory. The government mesmerised the country by announcing a series of radical reforms, from an independent Bank of England to Scottish and Welsh devolution.

It was only in his conference speech on 30 September, though, that Blair unveiled the full scale of the ambition that now informs his aspirations and actions as prime minister. "To be nothing less than the model 21st-century nation, a beacon to the world ... We can never be the biggest. We may never again be the mightiest. But we can be the best." And later: "One of the great, radical, reforming governments of our history".

He also made clear his desire to reshape the political map. He clearly has every intention of turning his already close relationship with the Liberal Democrats into something more enduring. Rarely has a prime minister declared such lofty ambitions over the course of the lifetime of a parliament, let alone in his first speech to party conference. Tony Blair is a restless and hugely ambitious political leader. He intends to drive his government in the manner of a Margaret Thatcher rather than a Harold Wilson. But Blair's concept of how change can be achieved is different from Thatcher's. Her style was one of blood and thunder, the iron maiden who was never afraid to name her enemies and take them on. Blair's approach is consensual.

In his speech he argued that change is not something that has to be imposed or forced but is lodged in the British gene. "The British don't fear change," he declared. "We are one of the great innovative peoples ... Change is in the blood and bones of the British – we are by nature and tradition innovators, adventurers, pioneers." The real modernisers, he suggested, are "the British people".

It is a beguiling and powerful argument: that the people en masse are on the side of modernisation. Nor is it hopelessly far-fetched. Two decades of modernisation together with a palpable feeling of well-being and self-confidence could conceivably combine to produce change by consensus rather than conflict. Another novel characteristic of the Blair phenomenon was also much in evidence during the course of his speech. His rhetoric is unerringly inclusive, he appeals to the good in everyone. He talks of the "soul", "liberation", "compassion", "duty", "hope". His language has far more in common with the Christian than the socialist tradition.

Indeed, one of the starkest contrasts of the conference was the difference in the language used by Blair and his long-time collaborator and soul-mate, Gordon Brown, the chancellor of the exchequer. Brown's speech on 29 September was littered with strident rhetoric against privilege and for redistribution. He attacked private education, the fact that 50 per cent of Oxbridge's intake came from the private sector, supported "re-nationalising the National Health Service", and talked of "socialist values". His speech, far from being a stranger to the Labour tradition, lay at its very heart. In contrast, Blair's language and style is largely unfamiliar to that tradition.

Blair made clear that the welfare state is an area where he wants to see radical

continued on page16

King Tony: the conference (above left) seemed unable to believe what had happened on 1 May. In the summer, Blair met French premier Lionel Jospin (above); now Blair talks of Britain being a 'beacon to the world'

WHAT THE PAPERS SAID

Libération

'AFTER five months of a seemingly endless honeymoon with his voters, Tony Blair did not choose the easy option for his first speech as prime minister to party activists in Brighton. He did not hide the fact that the reforms he intends will be as difficult as they are necessary.

As much a preacher as a politician, the prime minister has made himself into the apostle of the "giving" age, the prophet of hard-edged compassion. Blair picked up on classic lines of the Kennedys, and declared that a decent society was not based on rights but on duties.

The heart of his reform project, which is supposed to make the United Kingdom into a "beacon" for the world, is education. He repeated his commitment to increase finance for the struggling health service, but on the condition that those who use it and those who work in it accept sacrifices and a curb on pay rises.

There are no taboos for Blair: he wants an end to the dependency culture engendered by welfare payments; the single mother should go out and get a job rather than sit waiting for a cheque from the state.

The society Blair wants to build is a society of communities, imbued with the broad attributes of American sociology and Christian socialism. For Blair the state is a referee rather than an endless source of financial grants. But Blair's resolutely modern vision of government is not necessarily shared by his party as the prime minister saw on Monday when the activists elected Ken Livingstone, a herald of the old left, to the national executive instead of his faithful lieutenant, Peter Mandelson.

Blair recalled his commitment to Europe, while failing to give a commitment to the euro. He said a hard choice had to be made, but he did not say what it would be.'

Rheinische Post

'TONY BLAIR has publicly declared his intention to modernise the kingdom from its very roots. His government's ambition is to make Britain the top nation of the 21st century, a model for those other states that are up to carrying out similar change.

Blair's phraseology has a ring to it: his country will not be the greatest and mightiest but the land of the best. The young leader has an impressive balance sheet: regional parliaments for Scotland and Wales will be established for the first time in centuries, the Bank of England has been granted greater autonomy, the European Social Chapter has been signed, and there is hope that the Blair government may yet knock sense into the blockheads in Belfast.

The majority of the British still follow him unquestioningly. But that did not prevent Blair from prophesying hard times ahead; above all in social policy, his government has hard decisions to take. Like other European states, Britain can no longer afford extravagant social services. Blair's concern, however, is not so much with cutting or abolishing welfare subsidies but with redistributing the cash on hand to the benefit of the poor, unemployed and young people with little or no education. Taxation, education and the health service are to be reformed; but the dependency culture is to be discouraged: Blair's reform programme envisages a slimmer state.

The prime minister had a sharp message too for the trades unions: in the modernised Britain there is no room any more for radical action. In the transformation of the welfare state, the name of the game is partnership.

He has boldness, bravery and imagination. As for the Conservative opposition, there is scarcely a trace to be found. The Tories have abandoned the field.'

swissair world's most refreshing airline.

NEWS

continued from page 15

reform. Apart from "modernisation", which is the dominant mantra of New Labour in the way that the market was for Thatcherism, the other recurring theme of Blair's speech was the need for "hard choices".

The conference provided the best opportunity to see just what kind of creature the Labour Party now is. The old conflicts have given way to a more consensual air. The unions are less visible. The rhetoric is no longer dominated by the old high-flown phrases: pragmatism and common sense are the new values. The fringe – the meetings which take place outside the conference – are far fewer in number. Once there were hundreds of Labour pressure groups and now there are few. The changes that were agreed to the structure of policy-making and the future role of conference will hasten that process. This was the last of the old-style, firework-display jamborees.

But it would be wrong to ignore the elements of continuity. In many ways they were more striking than the changes. This conference showed that the Labour Party is still very much alive. It is easy to believe, given all the hype around New Labour, that everything is new and that none of the old remains. It is simply not the case. The delegates did not look so different from those that attended five years ago, a bit more diverse for sure, but "New Labour yuppies in sharp suits" were a sparse breed. Gordon Brown's speech was a reminder that the party still has a heart and that it lies somewhere near where it used to be. This is a party that comes from the left and whose left-wing traditions have not suddenly melted into thin air.

The most conclusive proof that New Labour is still Labour came with the defeat, in the election for the national executive committee, of Peter Mandelson, Blair's trusted lieutenant and arch-moderniser, by Ken Livingstone, left-wing firebrand. Its symbolism could hardly have been greater nor the result more perverse: "the coronation" of Blair proved the occasion for the defeat of, after Blair, the best-known representative of New Labour by one of the stalwart leaders of the left. Of course, in practice it meant very little. Mandelson will remain a key figure and the political balance on the national executive remains unaffected. But it was a powerful reminder that behind all the spin-doctoring, the party, while new, also remains what it was.

None of this particularly matters for now. But when the going gets harder for Blair, as it surely will, the party cannot be taken for granted. Even now, at the coronation, it has a will and mind of its own. It is still a hybrid of the past and the present, of old and new Labour. It has the capacity to bite back. Mandelson's defeat was the gentlest of warnings. It will not be the last. And its meaning will not have escaped Tony Blair's attention.

MONETARY UNION

Euro's gravitational pull may prove too strong

WITH senior Labour figures orchestrating market expectations of an early UK entry into a single currency, sterling is increasingly looking like becoming sucked into the euro's gravitational pull.

An open posture still suits Labour leader Tony Blair in terms of public opinion, but in the five months since the general election much of the stridency has gone from the debate about the fate of the British currency.

At the Labour Party conference in Brighton this week, the prime minister's tone was more positive over EMU, even if he reaffirmed that no decision had been taken and that British national interest alone would sway him.

But spurred on by rapturous market reaction to speculation that Britain will enter early, the creeping process that has made monetary union look inevitable elsewhere in Europe may have begun to grip Britain. A crafty government leak to the *Financial Times* proved what it was presumably meant to prove: that the markets would react positively to news that Britain had come off the fence.

After the report on 26 September, London's financial market posted the biggest one-day rally ever in British stock, sending bond prices soaring and easing the overvaluation of the pound.

What's clear is that the markets now expect that Britain will eventually join the euro currencies, if not at the outset on 1 January 1999, then a year or two later. Since the mere expectation of country's participation drives down long-term interests rates towards those in Germany, the expectation of membership has its own rewards.

This is already the case in Spain and Italy. Britain's ability to stand off from this would carry a cost. Should it unsettle the market with firm talking down of the euro, the government would force up its own debt repayments.

What the moneymen call a convergence play – the gamble that interest rates on peripheral currency such as the pound will become near identical to those on the deutschmark – thus becomes a self-fulfilling prophecy. This would be offset by other pressing considerations including keeping a grip on monetary policy. But still politicians ignore the markets at their peril.

Blair will nevertheless seek to prevent his political options being closed off by economic forces. His instincts are cautious. Though an ardent European, he is no great lover of the hastily-conceived Maastricht blueprint for monetary union. Within his own cabinet there are strong differences.

Even so, Blair knows that Britain's chances of remaining out of the euro's orbit are slender to nil should the new currency succeed. During the six-month British presidency of the EU from 1 January, Blair will chair the crucial meeting to decide which countries may join EMU. To prove his Euro-credentials, he may have no choice but sing the praises of the euro so unloved by Britons.

VICTOR SMART

COMMISSION ■ European Union proposals to solve unemployment rooted in the past

Brussels jobs plan is riding for a fall

VICTOR SMART

NEXT month's European Union heads of state and government summit on jobs is intended as a sop to Europe's 18 million unemployed. In truth, it will be a betrayal.

The portentous preparatory document released by the Commission this week, *An Employment Agenda for the Year 2000*, is a rehash of stale corporatist ideas laced with occasional cynical nods towards an entrepreneurial culture. It can have but one purpose: to serve as an alibi for inaction on supply-side reforms while a forlorn last effort is made to resuscitate the moribund European social model.

FSP

Action on jobs: Bavarian workers in search of a shorter working week (left) and Hamburg harbour staff (right) make their point

Back in June France insisted on the staging of the Luxembourg summit as a face-saving gesture when the new socialist premier Lionel Jospin buckled to German demands that monetary union should place sound money (and hair-shirt economics) above jobs as a priority. Baulking at real labour market flexibility in his own country and pursuing a hare-brained scheme for a 35-hour week instead, Jospin knows that even the latest economic upturn will not enable him to keep his fanciful campaign promises on employment.

Jockeying for position ahead of the high-profile summit has now become intense, with the Commission vying with the Luxembourg presidency of the EU to take the lead. But since both are equally clueless about true job creation, the lavish two-day event at the Kirchberg centre in Luxembourg City on 20-21 November may do no more than stoke up public disenchantment.

Social affairs commissioner Padraig Flynn made his pitch this week in Brussels by insisting that fixed targets for job creation should be set to persuade people that Europe was serious about tackling unemployment. He said: "Member states must in the medium term commit themselves to ambitious employment targets and policies, while seizing the opportunities afforded by growth and macro-economic stability."

The combined efforts of the national governments, with EU support "where appropriate", could conjure 12 million jobs into existence during the next five years, reducing the unemployment rate from ten per cent to seven per cent, the commissioner claimed. Such a prescriptive approach is certain to run into flak from the more sensible states such as Britain and Germany. And it is doubtful whether the public will be any more impressed with the remainder of Flynn's initiative.

Europe's failure on jobs, crucial to the growth of Euro-scepticism on the continent, goes back to the beginning of the decade. Ever since the Edinburgh meeting in 1992, Europe's leaders have used summits to wring their hands over the plight of the unemployed.

Last June in Amsterdam, at the request of the EU-loathing Swedes, they went further and agreed an employment chapter committing national governments to monitor each others' job creation measures. Steadily rising unemployment statistics, not least in the German powerhouse economy, are eloquent testimony to the failure of these EU initiatives.

It is no surprise, then, that the Commission's latest plans are entirely predictable. There is the customary emphasis on reskilling. The *Employment Agenda for the Year 2000* urges that every unemployed adult on the dole is offered a new start – in the form of a job, training, retraining, or work practise – before going 12 months without earning. Youngsters would be given a fresh start within six months. Brussels did roll back on a half-baked proposal to reduce by half the gap in unemployment rates between women and men within five years.

Not to be outdone, the Luxembourg prime minister, Jean-Claude Juncker, self-appointed saviour of the European social model, has been beavering away separately. Some years ago Juncker persuaded workers at the Luxembourg plant of Goodyear, the US-based tyre maker, to work on Sundays rather than see investment diverted to low-cost Turkey. But that bold intervention was not typical of a Christian Democrat politician who has a stubbornly collectivist mindset, and fiercely opposes loosening up job markets.

After launching an outspoken attack on Britain's market-oriented Labour prime minister, Tony Blair, last summer, Juncker has declared that the forthcoming meeting in the Grand Duchy would not be a "deregulation" summit. "Europe has not lost its ability to compete, and the European social model, although in need of reform, is not under threat," he said recently. In true corporatist style, he suggested a new round of regular meetings between the "social partners" – the unions and bosses – and the EU troika, the past, present, and future presidents of the European Council.

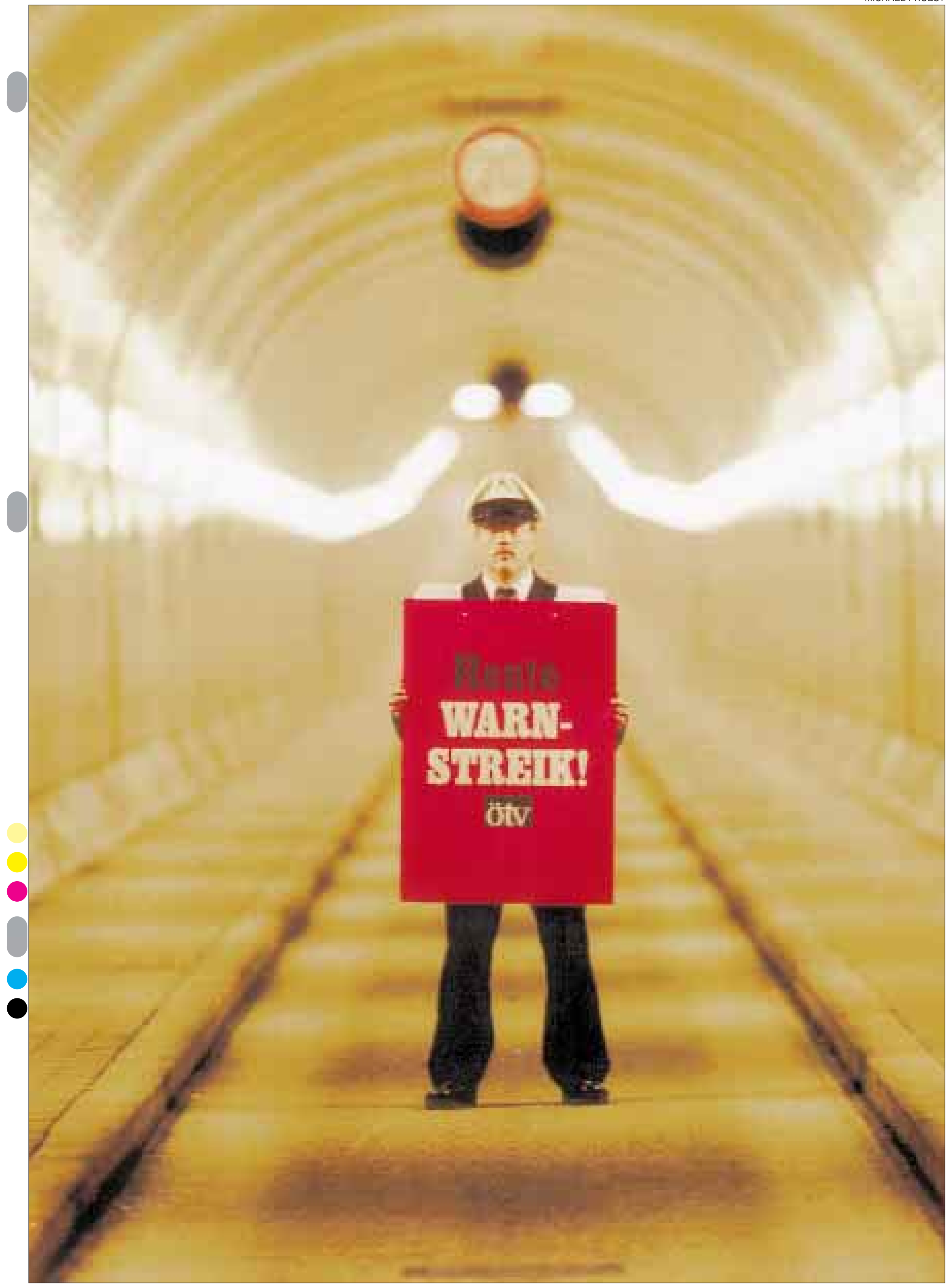
Worse, his pronouncements on restructuring major industries reek of central planning. Speaking on the controversial closure of Renault's Vilvoorde car plant last summer, Juncker told the EU to restructure its car industries in the same dirigiste way as, in a different era, the European Coal and Steel Community Treaty restructured them. Even senior Brussels officials recoiled in horror.

Juncker has turned to several gurus to help his job creation plans. These uninspiring luminaries include former Commission president Jacques Delors, whose own White Paper on jobs failed to stem the rise in EU unemployment, and Robert Reich, the quirky United States labour secretary fired by Bill Clinton during his first term at the White House.

But the premier's fundamental error is to believe that the big states such as France and Germany, staggering under record postwar unemployment, can learn lessons from ultra-corporatist Luxembourg. Certainly, the Grand Duchy is prosperous with an enviably low rate of joblessness (3.7 per cent). But with a population measured in hundreds of thousands and an economy underpinned by the banking sector, the EU's smallest state is relatively immune to the global forces which buffet its neighbours.

The Luxembourg summit will again enlist the help of the European Investment Bank (EIB), the EU's well-capitalised banking institution, to pump-prime the real job creators, the private sector. Both the Commission and EU presidency want to extend the EIB's scope so that it can inject more capital into small and medium-sized enterprises.They also urge the creation by the year 2000 of a pan-European secondary capital market like America's Nasdaq. Worthwhile ideas, certainly, but an admission by Flynn and Juncker that the real hope for the unemployed lies in businesses that grow, not in their own self-regarding words.

MICHAEL PROBST



TRADE ■ French oil giant Total is unlikely to face sanctions after sealing a $2bn contract

Iran gas deal leaves US totally outmanoeuvred

LOUISE BRANSON

IT WAS plotted like a military campaign and has left Washington outmanoeuvred and reduced to bluster. French energy giant Total, with the full backing of Paris and Brussels, fired its salvo on what could have been just another sleepy Sunday and announced a $2 billion natural gas contract with Iran.

In three days, the worst of the battle seemed over. Europe had successfully challenged the overreaching 1996 United States law sponsored by New York's pro-Israeli Senator Alfonse D'Amato, which seeks to impose globally a unilateral US ban on investment in Iran and Libya.

The chairman of Total, Thierry Desmarest, appears to have taken every precaution to reduce the company's vulnerability to retaliatory action. A week before the deal, Total sold its largest American unit, Total Petrol North America, to Ultramar Diamond Shamrock Corp. It chose its partners for the deal, Russia's Gazprom and Petronas of Malaysia, with an eye to both the practical and the political. Malaysia is an established Total partner. Russia would be vulnerable if the US sought to strike back under the legislation; but does Washington also want to pick a fight with Moscow?

Most importantly, Total liaised closely with the French government, which still owns a small part of the company – once wholly owned by the state. French Prime Minister Lionel Jospin made his support clear. "Nobody accepts that the United States can pass a law on a global scale," he declared in a demonstration of Gallic defiance. Brussels also gave its backing: Sir Leon Brittan, Europe's trade commissioner, urged America to "reflect long and hard" before imposing sanctions on Total.

D'Amato immediately called for implementation of the act's sanctions, which include withholding export-import bank assistance (Total receives none) and blocking the sanctioned company from exporting to the US (Total's exposure in America is also low).

But the act's sanctions, which cover any company investing more than $40 million, can in any case be waived by Secretary of State Madeleine Albright. By 30 September, her spokesman Jamie Rubin was already shuffling towards that ground, saying that the way the US interprets the law will depend on what European governments are willing to do to put pressure on Iran to desist from terrorism. Washington claims to have new evidence that Tehran is trying to build nuclear weapons. The Americans dismiss France's confidence in more moderate Iranian president Mohamed Khatami.

Jospin has, somewhat disingenuously, declared the deal purely a matter for Total, a private company. But he could not resist adding that "personally, I rejoice in it". Indeed, rejoicing is what much of the rest of the European Union appears to be doing, too. Member countries plan to discuss the issue next week in Luxembourg. Many have chafed for some time at what they regard as America's dictatorial tendencies in the post-Cold War world.

Brussels has already signalled that it will be challenging such extra-territorial US legislation through the World Trade Organisation. It ruthlessly pursued this route with the similarly unilateral Helms-Burton Act which seeks to impose sanctions on foreign companies trading with Cuba.

The WTO case on Helms-Burton was suspended in April and is now under the consideration of a "group of experts": in other words, conveniently stalled to avoid an embarrassing climbdown by the Clinton administration in the face of strong European and Canadian pressure.

Another fudge over Total looks imminent: "There will probably be an uproar in Congress , but Clinton will probably not want to risk sensitive relations with Europe on this," said Georgetown University's Robert Lieber.

ITALY ■ Berlusconi waits in the wings as government partners battle it out

Budget sword hangs over coalition

CONTRASTO

No cuts please: Rifondazione leader Bertinotti holds Prodi's fate in his hands

CHRIS ENDEAN

COULD THE paper tiger of Italian politics finally be about to show its claws? For 17 months Rifondazione Communista, the hard-left ally of Romano Prodi's Ulivo government, has issued threats, ultimatums and warnings as the centre-left alliance moved steadily rightwards. But nothing ever seems to happen.

Time and again, Prodi has proposed tough austerity budgets to bring Italy's vital statistics in line with requirements for European monetary union. Time and again the leader of Rifondazione, Fausto Bertinotti, on whose votes the Prodi coalition depends, has responded by threatening to reject the budget, only to relent on the grounds that it would bring down the country's first postwar left-wing government.

This week has been no different. Prodi announced a L25,000 billion ($14bn) autumn budget which included sizeable cuts in social spending, particularly pensions. This, he claimed, would allow Italy's deficit to be reduced to 2.8 per cent of GDP in 1998 – well below the 3.0 per cent set down in the Maastricht treaty.

Naturally Bertinotti said he would not vote for the cuts package. Yawning observers commented that his act of defiance was close enough to a planned demonstration against welfare cuts to gain him some kudos, but far enough away from a probable November vote to give him room for manoeuvre.

But this time there is reason to believe that the barely reformed communist is actually serious. On 1 October Rifondazione announced that a formal decision had been taken by the party's deputies not to vote through the budget. "The government can no longer rely on its majority" stated a released document.

Why should this time be different to all the others? "The reason Bertinotti really means it is because this clash is not about the 1998 budget. It goes beyond that," says Marco Contini, economics editor of the left-wing paper *Il Manifesto* and a close follower of Rifondazione.

The rhetoric would suggest otherwise. "We believe in a neo-Keynesian policy of economic development," says Sergio Bellucci, an aide to Bertinotti. "This government's economic strategy increasingly resembles the philosophy of Chancellor Helmut Kohl. Either there is a U-turn or we want no part of it."

But compared to what has gone before, this budget borders on the innocuous. Its scope is modest: L25,000bn pales in comparison with the L100,000bn package of taxes and cuts which Bertinotti approved last year. Cuts of L5,000bn in welfare spending are considerably less than the L9,000bn his party voted for last July as part of the government's three-year economic plan.

The true grievances, which may yet force a realignment of Italian politics, concern the single biggest party in the government coalition, the Partito Democratico della Sinistra (PDS), its leader Massimo D'Alema and his effort to isolate Rifondazione.

Ever since Bertinotti came close to bringing the government down last spring over foreign policy, when he vetoed the sending of Italian troops to Albania, the PDS has sought to isolate its troublesome ally.

In the ongoing constitutional reform committee, the PDS has favoured the kind of electoral reform which would relegate small parties such as Rifondazione to the political sidelines.

It has also allowed Prodi's government to negotiate with trade unions over cuts in pensions that Rifondazione has always opposed.

In addition, the PDS has backed the treasury's determination to open up Italy's telecommunications sector to foreign investors – beyond the pale for any self-respecting neo-communist. Counter-demands by Rifondazione for a reduced 35-hour working week have been ignored. Suddenly participation in Italy's first centre-left experiment doesn't seem such a great idea.

"They have tried to isolate us. It's time that the secretary of the PDS was taught a lesson. He's not the only left-wing leader in the country," said one high-ranking Rifondazione member.

By putting Bertinotti in his place D'Alema had hoped to settle a historical rivalry which dates back to the emergence of the PDS from the ashes of the old Communist Party.

Bertinotti was one of a group of orthodox leftists who refused to make the transition and set up Rifondazione instead. Co-existence has always been tortured, but now it risks becoming untenable as a result of D'Alema's underlying ambition to unite the Italian left, including the old socialists, into a single party which would be the Italian equivalent of the American Democrats. Satisfying that aim means taking on Bertinotti, whose fight over the budget is thus a battle for the very existence of his party. "He is determined to show that Rifondazione cannot be left on the sidelines." says Contini.

Political commentator Sergio Romano agrees that Rifondazione may be desperate enough to force a crisis. "It may be that Rifondazione has decided that it would quite like to leave Ulivo and become the only 'genuine' left-wing party," he said.

And if they want evidence of growing go-it-alone sentiments, Prodi and D'Alema could take a glance at a recent front-page of the party's official newspaper *Liberazione*, which spells out the consequences of a withdrawal of Rifondazione support.

The headline reads: "Are you ready, Ulivo?" It captions an enormous smiling image of the man who would benefit most from a government crisis – the leader of Forza Italia, Silvio Berlusconi.

GERMANY ■ Failed reform could be election winner

Kohl's tax card to trump SPD

TONY PATERSON

BY RIGHTS it should have spelled the imminent death of Chancellor Helmut Kohl's government: after spending more than a year trying to implement what it euphemistically called the "tax reform of the century", the Bonn coalition was forced to eat humble pie last week as it watched the project turn to dust.

It is now a certainty that the package of tax reforms that virtually every independent economic analyst agreed was essential to haul Germany out of its economic mess will not see the light of day until the next millennium. On 26 September the remnants of the government's ambitious Dm30 billion ($16.7bn) tax cut proposal were finally rejected by the opposition Social Democrat (SPD) majority in Germany's upper house of parliament, the Bundesrat.

Under normal circumstances, a democratic government would be expected to take responsibility for its own failure to live up to a major electoral commitment. But in the current highly charged atmosphere that presages the September 1998 election, Germany's politicians are not in the mood to pay even lip service to such a concept.

"It will not harm economic growth this year," declared Theo Waigel, the finance minister. "This is only a temporary setback," suggested Günter Rexrodt, the economics minister. Kohl was even less apologetic.

In a speech designed to set the agenda for his Christian Democratic Party's (CDU) election campaign, Kohl latched on to the issue of tax reform and urged the CDU rank-and-file to "go from door to door and village to village" and blame the opposition SPD for its collapse. In another tactical move the chancellor picked up on Germany's rising crime rate and declared it to be one of the "top one or two issues" concerning voters.

Reducing the CDU's election campaign to the lowest common denominators of tax reform and crime is bad news for the Social Democrats. After the SPD's failed attempt to gain credibility in last month's Hamburg election by depicting itself as a party of crime-busting red sheriffs, Kohl has put the war on crime firmly back on the conservative political agenda. At the same time he has managed to turn the SPD's constitutional right to block tax legislation in the Bundesrat to maximum advantage.

The strategy has other welcome side-effects. By fighting an election on issues close to home, Kohl is deliberately steering the electorate away from its potentially dangerous concern about the big issues such as the approach of the single European currency and the economy.

For the time being, the SPD appears incapable of mounting an effective counter-attack. Still without a clear electoral line and a candidate to run against Kohl, the party now runs the risk of appearing an obstacle in the way of German prosperity.

In the meantime the sole remaining element of the tax reform package – the government's apparent commitment to lower the unpopular solidarity tax from 7.5 to 5.5 per cent next year – will expose the fragile and fractious nature of Kohl's coalition at a time when he least needs it. The idea has been forced on Kohl's CDU and its Bavarian sister party in Bonn, the Christian Social Union (CSU), by the third member of the Bonn coalition the liberal Free Democrats, desperate to establish a tax-cutting profile.

At the same time the proposal is being met with opposition from CDU politicians in eastern Germany who view the impending tax cut as a threat to the region. This time the only politician laughing is SPD leader Oskar Lafontaine. "Nobody can blame the SPD for this one," he insisted.

AFP/EPA

Faces of grief: women in the Algiers suburb of Bentalha lament the slaughter of around 200 people in the worst atrocity of the five-year conflict

ALGERIA ■ Islamic fundamentalist truce call fails to end the massacres

Terror duel poses new threat to France

ROGER FALIGOT

IT IS a paradox that, in the vicious and tangled web that is Algeria's civil conflict, the most dangerous announcement of all is one calling a truce. In a fragmented, factionalised and violent arena, nothing is more likely to provoke a renewed outbreak of horrific massacres.

Thus the truce called last week by the armed wing of the main Islamist organisation, the Islamic Salvationist Army (AIS), simply spurred those factions intransigently opposed to any peaceful solution to new heights.

Both the military-dominated government and the Islamic extremists are deeply split, and spend as much time battling against each other as against their doctrinal opponents.

So once again France finds itself in the eye of the hurricane. The police have been reviving measures set up in 1995 during the worst outbreak of bombings in Paris and Lyon. Members of the Algerian security services have informed their French colleagues that they expect new attacks on French soil. Jean-Pierre Chevènement, the interior minister, warned both Prime Minister Lionel Jospin and President Jacques Chirac of the imminent threat.

That threat was emphatically underlined with a statement said to be from the Algerian Armed Islamic Group (GIA), the most extreme of the terror organisations, in which it hailed the most recent massacres near Algiers as "God's work" and rejected the AIS truce. It also vowed revenge against the French who, the GIA has always claimed, support the Algerian authorities.

Jospin, in a television interview on 29 September, implicitly acknowledged the danger, as well as breaking with his Gaullist predecessors' habitually cautious line on Algeria by criticising violence both by extremists and the government.

"In the case of Algeria, the great difficulty is that we don't have much idea what is really going on," Jospin said. "We are confronted with a fanatical and violent opposition fighting against a regime which, in one way, has recourse itself to violence and the power of the state, so we have to be careful."

There are at least two good reasons for the French authorities to be cautious. Specialists say any overt intervention could jeopardise the ceasefire being negotiated by the Algerian army and the Islamists from AIS and FIS by precipitating even more GIA massacres. Also, Algerian army leaders are still split over how to deal with the Islamists, some supporting negotiations and others maintaining that eradication by military might remains the only viable solution. Every time those two volatile ingredients meet, the analysis runs, you get bombs in the streets of Paris and a question mark over which of the two groups is really responsible.

The murderous conflict has been a fact of life in Algeria since the military coup early in 1992 which stopped the FIS coming to power in an election they seemed certain to win. The eventual election of retired general Liamine Zéroual as president and the assembly polls last year – from which Islamic parties were excluded – were both criticised as democratically flawed, and neither brought the prospect of permanent peace noticeably nearer. In those five years, thousands of people have been killed – perhaps as many as 100,000.

Recent massacres of civilians in Raiss, Beni Messouss and Bentalha, in the eastern and southern suburbs of Algiers, at last turned the conflict, however briefly, into an issue of international concern, both because of the number of victims – between 200 to 300 each time – and also because of the ferocity of the attacks. Whole families were wiped out, and women and children were clubbed or slashed to death.

The AIS truce call means less than it seems. The organisation may itself be unable to command the loyalty of all its component factions, and in any case is already co-operating with the regular army in operations against the rival GIA. However, the truce was seen as a virtual defeat for Zéroual. The president had been negotiating with jailed FIS leaders, and even freed the "historical leader" Abassi Madani to try to achieve such a breakthrough. But he discovered that Madani no longer had authority over the AIS, and the eventual ceasefire was the product of contacts between Zéroual's bitter rival Smain Lamari, deputy chief of the Algerian secret service, and the AIS leader Madani Merzag.

International intervention, at least in the short term, seems unlikely. In spite of strong statements from United Nations Secretary-General Kofi Annan and French Foreign Minister Hubert Védrine, in New York for a UN ministers meeting last week, both have since backed off.

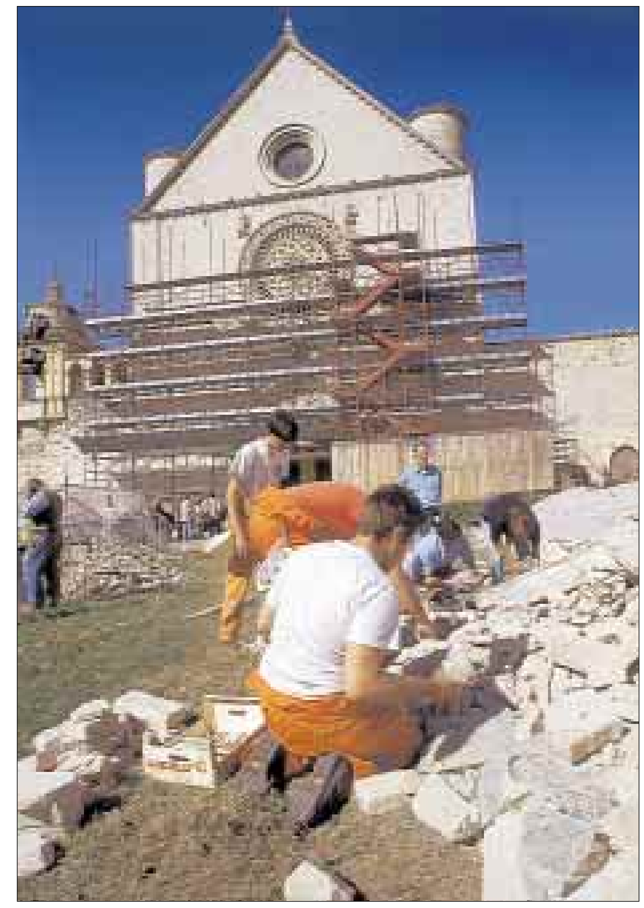
Védrine, 50, a career diplomat who spent 14 years at the Elysée as adviser to President François Mitterrand, has taken both Chirac and Jospin by surprise with his firm stances on the Middle East and Algeria, criticising both governments and Islamists. Now Jospin is beginning to adopt Védrine's line.

But the prime minister's main responsibility is at home. As he himself said in his television interview: "I have to think of the French people. We have already been attacked. It is my responsibility. We can express our solidarity by relaxing the visa policy for those in fear of their life. But the French people must also be kept safe."

NEWS

REX

ANTONELLO NUSCA



ASSISI ■ Earthquakes leave Italian art restorers with a monumental headache

The world's biggest jigsaw

MICHELE PUCCIONI AND JULIE READ

NOTHING, it seems, is sacred. Blue-and-yellow fragments of Giovanni Cimabue's fresco *The Four Evangelists*, which had adorned the Abbey of Saint Francis of Assisi for nearly 700 years, are being sold on the black market for a cool $300. Armed guards are now protecting the ruins of what once was among the world's most beautiful houses of prayer. It offered no sanctuary for the unique collection of 14th-century Italian artworks against the earthquakes which struck last week, killing 11 people and leaving thousands homeless. Whether some of the finest works will ever be worth savouring again is an open question.

The 13th-century abbey stands in the Umbrian countryside "injured but alive, a curable patient", according to Antonio Paolucci, a former minister for cultural heritage who has been appointed by the Italian government to supervise the restoration. The art world gave a collective sigh of relief when they heard that Giotto's 28 celebrated wall frescoes of the *Life of St Francis* were damaged but intact.

But the damage to Italy's artistic heritage is incalculable. Piecing together the 60 square metres of the *San Girolamo* fresco, presumed to be the work of Giotto, and Cimabue's *The Four Evangelists*, which now lie in smithereens under a tarpaulin inside the abbey, has provided Italy's internationally renowned restoration experts with their biggest challenge since the Second World War.

But even before the dust has settled, art historians are divided over whether the art can ever be fully restored and on the best methods of renovation. According to Paolucci: "While the work on the church will be finished by the millennium, the restoration will undoubtedly take many years. We don't know how much we can restore, but one thing is certain: they will never be the same again."

The high-tech restoration work will be a world apart from that performed by Leonetto Tintori, who spent the best part of his life restoring frescoes such as those by unknown artists in Camposanto chapel in Pisa and Fillipino Lippi's tabernacle in Prato, all bombed during the war.

Tintori, 89, revolutionised the principles of restoration, making respect for the original work of the artist the primary aim. If the arm of a figure had faded away, Tintori, unlike his predecessors, saw no reason to paint it back in himself. He also transformed restoration from an artisan craft to a science, relying on physics and chemistry to reproduce the precise colours and capture the original medieval image. But he has never been part of the technological revolution which has made restoration a 21st-century science.

Tintori believes, however, that the fundamental part of any restoration, the painstaking collection of the pieces and their accurate categorisation, has been ignored in Assisi. His understanding of what has happened to the fragments leaves little room for optimism.

"For bombed frescoes, the conditions of the debris can vary a lot, and unfortunately those in Assisi are similar to those that I found in Camposanto chapel after the war – the worst," he said. "The restorers should know exactly where every fragment was found and what was close to it.

"But in Assisi the volunteers have swept the pieces up with a large broom, just as they did in Pisa, where I was able to save only those parts of frescoes that had not collapsed. What they have done in Assisi is a real disgrace. The result would have been completely different had they picked up the pieces by hand, as they should have done."

Tintori's fears are echoed by Dr Eva Borsook, an art historian from the Harvard centre for restoration studies in Florence, who said that she was horrified when she saw the volunteers on television sweeping up the pieces. She said: "It only occured to me later that they had to do it like that because they were in a hurry and frightened that more of the roof would collapse. But it is going to make the job far more complicated."

Guido Botticelli, one of Italy's most famous restorers, who has also worked on 12th- and 13th-century bomb-damaged frescoes, believes that however enormous the task, restoration is nonetheless possible. "The problem is that the frescoes fell from the ceilings, and therefore the fragmentation is much greater than if for example they had fallen from the walls," he said. "At best, the pieces are just a few centimetres large with jagged edges. But with the help of computer programs which process data on the layers of colours taken from infra-red and ultra-violet rays, I believe each fragment can be placed." Botticelli believes that the best method is to enlarge a photograph of the fresco to actual size, and with the aid of a computer match every fragment to the picture. "But," he conceded, "it will take years, a huge amount of patience and skill on the part of the restorers, and we have no idea what the finished result will look like."

The Italian authorities have vowed that no expense will be spared to fund the restoration of the national treasures. Some L800bn ($4.6m) has already been pledged to the earthquake area.

Commentator and author Enzo Siciliano said: "The Assisi basilica has been the subject of infinite restoration in recent years and the splendour of the frescoes meant something to everyone. It was one of the few places in the world where it was possible to feel the magic of poetic grace and imagination."

Silence hangs over the abbey now as the town prepares for the celebrations to mark St Francis's Day this weekend. A solemn Mass will be held and government representatives will honour Italy's patron saint.

But the old maestro Tintori, who founded his own school specifically to teach fresco painting, is worried. Despite failing health, he is determined to publish an essay from his sick bed on the collection of artistic debris, which he hopes will avoid future irreparable mistakes. He still grieves over the boxes of unsalvageable remains of the Camposanto frescoes now lying neglected in the Restoration Institute in Rome. "I hope and pray this is not to be Cimabue's fate," he said.

Safe: the 13th-century fresco attributed to Giotto depicting St Francis and St Claire (above) survived the devastation at the Abbey of St Francis of Assisi (top left). But volunteers beginning to sift through the wreckage face a huge task to restore the basilica and other priceless artworks (top right)

'Sweeping up the pieces with a broom was a disgrace. They should have been picked up by hand'

SPAIN ■ Show trial or showdown? A controversial court case prompts a worldwide propaganda blitz

Aznar takes on ETA in Madrid's video wars

Hell's fury: the government footage paints a vivid picture of ETA brutality

GILES TREMLETT

THE scene is Dantesque. A half-naked corpse lies in the middle of a street, blood seeping from fresh wounds. Other bodies lie in the background amid the smoking wreckage of a car bomb. Two men hold their hands to their heads and wander haphazardly through the carnage. This is not Algiers but Madrid.

The picture is from a video released by the Spanish government, designed to depict the brutality of the campaign of violence by armed Basque separatist group ETA, which has claimed 750 lives in the past 29 years. Conservative Prime Minister José María Aznar wants the video broadcast across the globe and has paid for hundreds of copies to be distributed to television stations and opinion formers in major capitals.

Aznar's government has chosen this moment to launch the propaganda strike against the terrorist group because of a case pending before Madrid's supreme court. In the dock are leaders from ETA's political ally, the legal Herri Batasuna party, charged with collaborating with an armed group. Each of the 22 members of the party's collegiate leadership face up to eight years in prison. Their crime is to have included excerpts of an interview with masked members of the terrorist group in their promotional video for the 1996 general election.

Democratically elected politicians, including several regional deputies and former national deputy Jon Idigoras, are among those contemplating the possibility of several years in a prison cell. The sight of such men in the dock is bound to stir controversy, and Madrid fears some may perceive the accused as political martyrs, comparing them with, for example, Kurdish deputies on trial in Turkey. The video is the government's way of highlighting the issues it claims are at stake.

Herri Batasuna has launched its own public relations blitz, sending faxes to foreign correspondents in Madrid and publicising an international petition of support signed by Sinn Fein's Gerry Adams and, to Aznar's dismay, by the president of Argentina's Mothers of the Plaza de Mayo organisation.

Herri Batasuna, which has two deputies in the national parliament, is seeking to argue that the courts are about to stage a travesty of justice akin to a neo-Stalinist show trial. The government, it claims, just wants to gag the voice of separatism. "This is a political trial, in which political criteria are more important than the law," claims one accused, Karmelo Landa.

A former European parliamentary deputy now banned from the parliament's buildings, Landa claims the masked terrorists who appeared in the video were simply making a peace offer. Herri Batasuna felt the offer should receive wide publicity. Some local peace activists agreed. "The video did not include any threat, it did not show weapons and did not request any action to favour ETA. Neither did it make any reference to its armed activity," Landa adds.

The political links between Herri Batasuna and ETA are clear. The party refuses to criticise ETA's killings. Party leaders who diverge from this line are rapidly shunted aside. But Herri Batasuna leaders are careful, even obsessive, about publicly distancing themselves from the gunmen's activities. They may defend the same ideals, they say, but the two organisations do not overlap. At the trial they will claim that the ETA interview was never asked for, it simply came through the post on a videotape.

Aznar's Popular Party, however, claims that the court case – initiated before Aznar came to power – will finally nail the lie that Herri Batasuna and ETA are unconnected. "It shows Herri Batasuna that it cannot get away with attempts to promote ETA," said Carlos Iturgaiz, leader of the Popular Party in the northern Basque Country.

The trial opens formally on 6 October as parliament prepares to pass laws designed to crack down on ETA supporters. The legislation is a response to public outrage over ETA's July kidnap and killing of a young Popular Party town councillor, Miguel Angel Blanco.

But cracks are already appearing in the all-party anti-Herri Batasuna front. "The trial forces the concept of collaboration beyond its natural limits," said Joseba Egibar, spokesman for the moderate Basque Nationalist Party. "This fulfils Herri Batasuna's wish to be victimised," said Javier Madrazo, the United Left's Basque leader.

Aznar's government has conducted a vigorous anti-terrorist campaign. On 30 September Julen Aginako, a former leader of Herri Batasuna, was arrested in the province of Vizcayat. He is one of 14 people held after a Bilbao raid the previous week in which security forces killed two suspected ETA commandos.

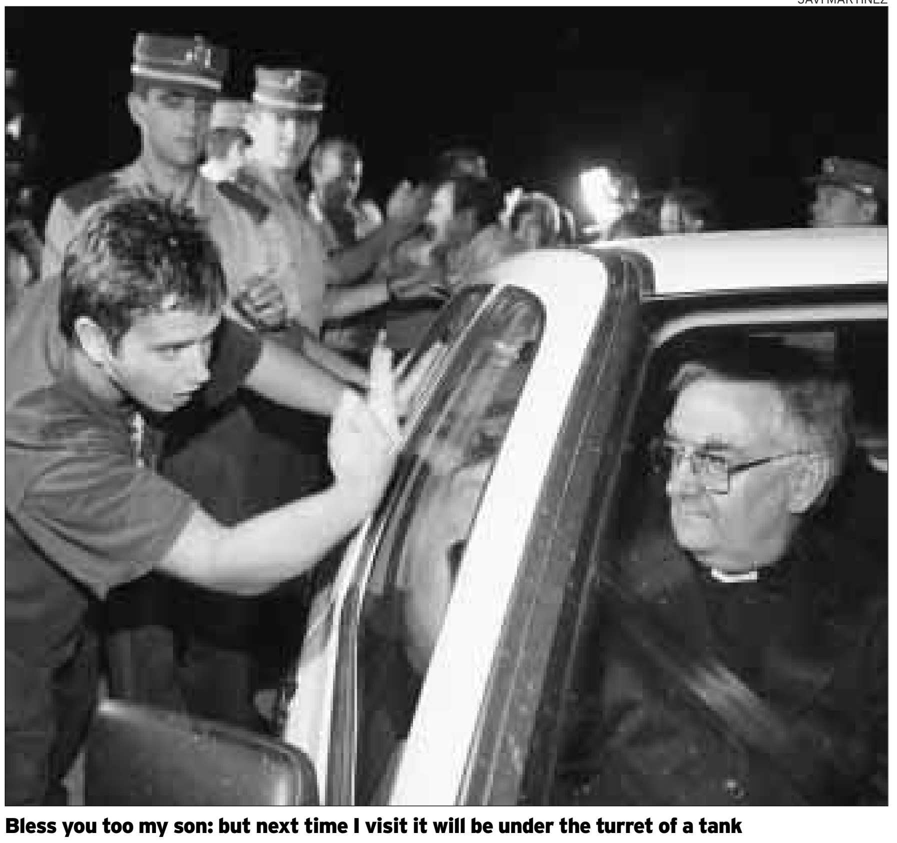
Such arrests have capitalised on the public mood. Millions of Spaniards who took to the streets after Blanco's murder believed Herri Batasuna had blood on its hands.

But if the party leaders are jailed, moderates worry its 180,000 voters will view the verdict as proof of a conspiracy against them, and fear it could drive Herri Batasuna supporters toward more extreme action.

RELIGION ■ 'Duplicitous' bishop and frail sisters battle in the courts for a convent and its vegetable patch

Rebel Spanish nuns resist holy eviction orders

JAVI MARTINEZ



Bless you too my son: but next time I visit it will be under the turret of a tank

NUNS are meant to obey, not rebel. But five elderly sisters at Spain's Convent of the Assumption in Espinosa de Henares are in revolt. Ignoring an eviction order from the Vatican, they have become the world's first cloistered squatters. The nuns, from the Poor Clares order, have dug in behind the whitewashed walls of the convent and are refusing to leave what has been their home for up to 50 years.

Despite their tranquil image, holy sisters have not always been sedate. A convent in Poitiers witnessed a rebellion in the sixth century when 40 nuns moved in with a group of "murderers, burglars and adulterers" nearby. When the bishops came to restore order, the nuns simply beat up their brothers in God.

Monseñor José Sanchez, the Spanish bishop who wants the nuns out of Espinosa de Henares, almost got attacked himself when he went to the convent and ordered them to leave. Angry townsfolk were waiting for him, spitting and hurling abuse. They ambushed his car. "Should I have come in a tank," he asked.

The bishop says the nuns – average age 67 – are too old to maintain their rambling, 19th-century convent. But age has not withered the will of temporary abbess Sister Teresa, whose nuns retort that they are fulfilling their workload of prayer and scripture-reading as well as cultivating a large vegetable garden. "We want to remain here until Mother's death surprises us," they wrote in a plea to Pope John Paul II.

Monseñor Sanchez will have none of it. He has frozen their bank account, containing the savings of five generations of nuns, and forbidden the celebration of Mass at the convent. Worse is to come: if the sisters aren't out in a month, they will be excommunicated.

The nuns' supporters claim the bishop is acting illegally and duplicitously. They suspect that the Vatican order shown to the nuns is false. "This property belongs to the nuns, not to their order," says the sister's attorney, Gonzalo Ibanez, who was due to meet senior officials of the Franciscan order at the Vatican on 29 September.

"The bishop is acting like a despot," he said, stressing that the nuns will battle in the courts to keep the convent, its six hectares of land, and the $600,000 bank deposit.

Townsfolk suspect the Church of a worldly agenda: ousting the nuns from their home to free the land for development. Monseñor Sanchez says he will be back in Espinosa de Henares on 22 October with the bailiffs but has not said whether that means the frail nuns will be forced out of the building.

If it does, he can expect an angry reception. The people of Espinosa have never actually set eyes on their cloistered nuns. But they are proud of how, during the Spanish Civil War, the sisters stopped anarchists burning the convent down. "We're not going to let them go now," said one.

GILES TREMLETT

BUSINESS

The Greeks have announced a massive privatisation campaign. Are they serious this time? Page 25

MANAGEMENT ■ Graduates are ‘brilliant, charming, incapable of actually doing anything’

Insead: is its MBA really any good?

PAULA HAWKINS AND CHARLES PIGGOTT

DECOUX / KATZ

THE senior French official snorted with derision when asked if she was a graduate of ENA, the elite Ecole Nationale d'Administration, the top finishing school for senior members of the Parisian establishment. “No,” she said. “Much better: I was at Insead.”

This week, more than 450 students are supposedly slaving away at Insead's campus near Fontainebleau, the picturesque French town just south of Paris, on a gruelling ten-month business management course, reputed to be one of the toughest in the world.

The students are already graduates of some of Europe's most prestigious universities but they are now after one of the most glamorous diplomas on offer in Europe: the Insead MBA. To earn it, they pay $26,000 in tuition fees alone, and an additional $16,000 for luxury accommodation.

Insead, the European Institute of Business Administration, claims to be the best business school in Europe. Although its reputation is not on a par with American premier league schools such as Harvard and Wharton, the school has created an enviable reputation for itself in European terms. Its graduates find jobs at Europe's top firms and can expect starting salaries averaging $80,000. Its alumni include the chief executives of L'Oréal, the Economist Group, Ford France and Cartier, as well as William Hague, the leader of the Conservative Party in Britain.

But very quietly, in many of the companies and organisations where Insead graduates cluster, sceptical employers are asking themselves whether Insead's graduates are all they are cracked up to be. A recruitment head of a European bank with global ambitions admits: “Not all MBAs are created equal. If I could have just one MBA, it would be a US graduate, not one from Insead.”

A further challenge to the Insead myth comes in a glossy magazine article this month which portrays the institution rather differently from Insead's own prospectus. *Harpers and Queen*, the British society magazine, says that in fact, Insead is the raucous party school of Europe.

“Insead is the most high-powered finishing school in the world,” claims the author, herself a graduate of the business school. “Most MBAs find the time to ride in the forest of Fontainebleau, perfect their skiing and negotiate their way around a wine list.” Not exactly essential skills for the next generation of European managers.

“How hard you work depends very much why you went there,” admits Jimmy Millard, who graduated from Insead four years ago and now runs a start-up interactive media company. “Some people do come purely for a year out and to get some letters after their name, but that's the exception, not the rule.” But even Millard questions Insead's proud boast that its students work for 16 hours a day.

“A typical day involved three sessions, each of one and a half hours, either in the morning or in the afternoon. So you usually had half the day free,” he says. Given that the Insead course is just ten months long, with a six-week summer break for the January intake, it is not as intensive as the advertising boasts and students might expect.

“I left with a feeling of frustration, because I didn't have time to do all the courses I wanted to. The programme is too short, effectively eight months when you take into account that the last two months are spent almost exclusively job-hunting,” Millard says. American schools, whose MBA programmes tend to run to two years, are resisting the pressure to shorten their courses, saying that ten months simply isn't enough.

“To cover the ground in just one year is not appropriate – it would be a travesty to our students,” says Awi Federgrun, the senior vice-dean of New York's Columbia Business School. “This is especially true in an increasingly complex international business environment.”

If that's true, then those rushing to employ Insead graduates ought not to be surprised when they discover the variable quality of the school's graduates. Said the chief executive of one European telecoms company, in an observation that is unlikely to find its way into Insead's own publicity: “They are all graduated like identical bunny rabbits. They are very charming, very personable, very intelligent and incapable of actually doing anything. Insead graduates are like robots. Their brains seem to be disconnected from their bodies.”

Another critic, a senior figure at a London investment bank, is yet more scathing. “They are totally obsessed by process. We try not to hire them but they infiltrate the place as consultants.”

Insead's management argue that there is a demand for short courses, and that their more generalist approach has proved successful. “We cover all the main principles, but we tend to teach in a more general way,” says Mary Boss, director of the career management service at Insead. “People don't have to specialise. If graduates want to go to a commercial company and become marketing director, they would be advised to go somewhere else. Insead appeals to people who already have a lot of management experience and want to round out their skills.”

Perhaps, but Insead students say most of their colleagues seem to be wet behind the ears graduates of liberal arts university programmes that have left them well-read in the classics, but without any discernible practical skills. Most of them are from a wealthy background. The hungry entrepreneurial type is conspicuously absent. Instead, Insead appears to attract many who would otherwise go straight into the civil service or law.

Some investment bankers argue that Insead is typical of European business schools that fail to fire their students with a hunger for success. Schools such as Insead are strong in softer skills such as marketing. “Hard-edged business skills are coming from the United States,” says one Insead cynic at Deutsche Morgan Grenfell (DMG).

Not all employers dismiss Europe's business graduates. One US investment bank, Merrill Lynch, takes Insead graduates seriously enough to pay the school for a first sight of the CVs of its graduates.

According to one Insead insider: “There is a very cosy relationship, some say unholy alliance, between consultants and investment banks and the business schools.”

It is a startling fact that after graduating, and typically with not a day's real-world business experience in their entire lives, more than ten per cent of Insead graduates become consultants. Top Insead MBA employers in 1995 were McKinsey & Co, the Boston Consulting Group, Bain & Co and Booz Allen & Hamilton.

“The fact that McKinsey comes over here and recruits such a large percentage of our students is a sign that we're top quality,” says Boss. Others would say it suggests quite the opposite.

“To see the Insead graduates at work is eye-opening,” says one executive at a major global media company, recalling a McKinsey team, two of them Insead graduates, on an assignment to review the company's Internet strategy.

“Their ignorance, and arrogance was incredible. They spent their time talking to our own people, who were essentially forced to educate the consultants. Two months later we got a report and a bill for $1m, not including expenses. They seem never to travel anywhere except by Concorde.”

For all of Insead's assiduous self-promotion, MBAs are still an American export industry. “Americans invented the MBA,” says William Laidlaw, executive vice-president of the American Association of Collegiate Schools of Business which is responsible for accrediting the 680 American business schools. “American MBAs have harder-nosed business and finance skills than European business graduates,” says one banker.

Meanwhile, the most ambitious and best-qualified European business students are choosing to avoid Insead. Nearly a third of Columbia University's students come from abroad, and half of them are Europeans. According to Dan O'Connell, head of global recruitment at SBC Warburg, senior executives “focus on US programmes. America may not be the only place they look for recruits, but it is certainly the first”.

So why do European schools lag behind their US counterparts? US schools are now at the heart of one of the most competitive business sectors in America, with hot professors poached much the same way that banks steal top traders from one another.

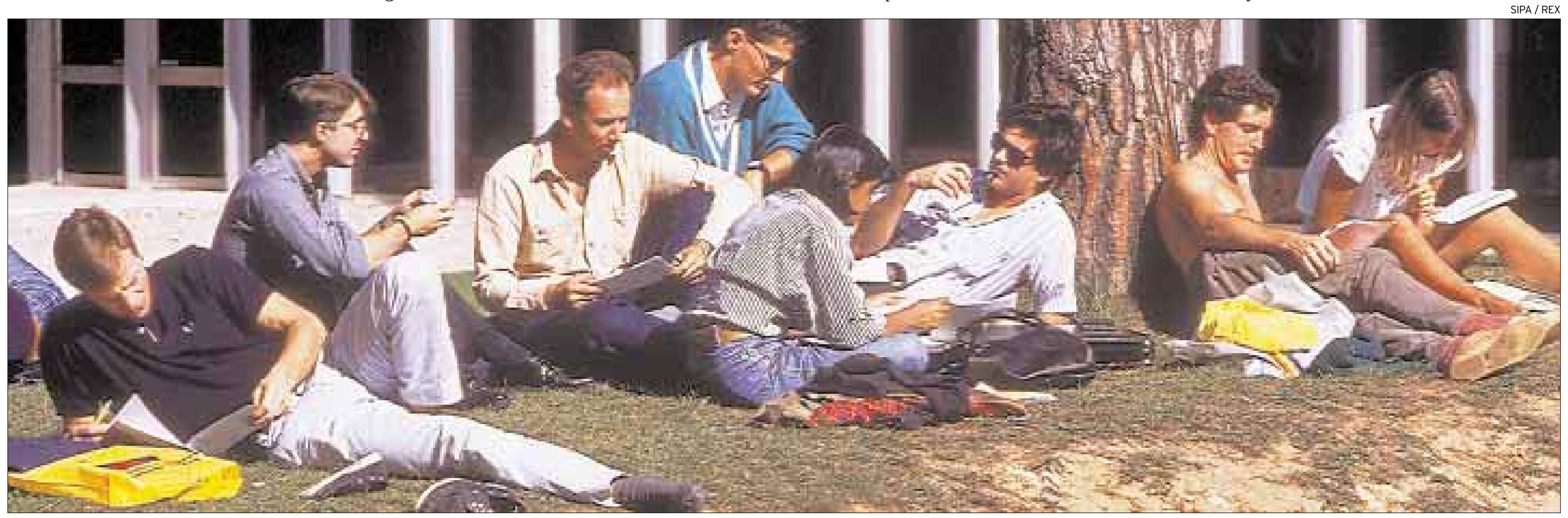
“MBAs are still an American thing,” says the director of a London-based recruitment firm. “A lot of companies would just as soon see graduates getting an engineering or a maths degree, or a professional qualification.”

Perhaps the key test for Insead will be the performance of its most famous graduate, William Hague: within a few months he has transformed a defeated Conservative Party into an organisation that looks as though it will never hold power again. He will need to re-read his textbooks. If Hague can fix the wreck of the modern British Conservative party, it will prove a powerful endorsement of the management skills he learned while at Fontainebleau.

‘Insead graduates are personable robots,’ says one employer. ‘Their brains seem disconnected from their bodies’

Better than working: Insead claims its students toil 16 hours daily in quest of their prized MBA degrees (above), but former students say it also has a reputation as one of Europe's great party schools (below) and the work is hardly that taxing

SIPA / REX



TOP EUROPEAN BUSINESS SCHOOLS

	Fees	Student intake	Length of course	Admission requirements	Strengths
INSEAD	Ffr155,000 ($26,000)	460	10 months	University degree or professional qualification, two years' work experience, GMAT, references	Internationalism
City University Business School, London (part of City University)	£10,250 ($16,500) for EU citizens, £11,000 all others	175	One year	Good university degree or professional qualification, three years' work experience. GMAT minimum 550	Finance, strategy and international business, information technology and new technologies
International Graduate School of Management (IESE), Barcelona (part of University of Navarra)	Pts22m ($14,775)	204	21 months	University degree, GMAT, references	Ethics and moral considerations in business
International Institute for Management Development (IMD), Lausanne	Sfr33,000 ($22,700)	83	11 months	University degree, three years' work experience, GMAT, outstanding references	Excellent links with industry, size allows for greater flexibility
ISA at HEC School of Management, Jouy-en-Josas (publicly funded by Paris Chamber of Commerce)	Ffr125,000 ($21,100)	140	16 months	University degree, work experience recommended, GMAT, references	Strategy, entrepreneurship, finance and marketing
Katholieke Universiteit Leuven, Leuven (government-subsidised university)	Bfr18,000 ($495)	120	10 months	Good university degree, two years' work experience, GMAT 550, references	European economics and international strategy
London Business School, (graduate school of the University of London)	£11,025 ($17,000)	230	21 months	Good university degree, three years' work experience, GMAT, references	High achievers can follow the Sloan Masters Programme, which is available only at LBS and US's MIT and Stamford
Manchester Business School, (part of the University of Manchester)	£8,000 ($12,800)	110	18 months	Good university degree, work experience, GMAT	General management, entrepreneurship, international business and innovation
NIMBAS Graduate School of Management, Utrecht	Nfl 34,750 tuition (17,500), Nfl 2,500 enrolment	50	One year	University degree, three years' work experience, GMAT minimum 550 or NIMBAS entrance test, references	Environmental management, international marketing management, financial management
School of Management Studies, Oxford (part of University of Oxford)	£15,000 ($24,000)	70	One year	2:1 in first degree, two to four years' work experience, GMAT minimum 620, references	Prestigious brand name, excellent back-up facilities, particularly libraries, provided by the University of Oxford
Rotterdam School of Management, Rotterdam	Nfl 42,500 ($21,400)	120	18 months	University degree, work experience, GMAT, references	Information technology, finance and marketing, international business

swissair world's most refreshing airline.

BUSINESS

PRIVATISATION ■ The poor quality of much of the state-owned companies will reduce the likely harvest from the big Greek sell-off

Greece for sale: this time they mean it

DOUG CAMERON

YANNOS Papantoniou may be a consummate salesman but even the best may struggle with damaged goods. The Greek national economy minister chose last week's IMF meeting in Hong Kong to announce the revival of the country's stalled privatisation programme. Papantoniou told bankers up to 15 companies will be privatised. Easier said than done.

While overseas bankers take the latest pledge more seriously than previous promises, the success of the programme is challenged by the poor quality of most of the assets and, ironically, Athens' success in securing the 2004 Olympics.

Local financiers are also cautious about the government's chances of success. "These statements were designed to play to a specific audience at the IMF meeting," says Petros Doukas, a former Citibank executive who chairs Capital Partners, an Athens-based investment consultant. "Privatisation in Greece has been very timid."

The failure to modernise companies prior to sale has cut the country's proceeds of half-hearted privatisations over the past ten years by both conservative and socialist administrations. Just $1 billion was raised from the sale of 120 companies, mainly small concerns, with half of the total coming from the AGET cement business. But the success of last year's $1.8bn sale of a 20 per cent stake in OTE, the national telecoms company, has revived interest in the sale of the main public monopolies.

The key utilities such as power are attractive to overseas investors but not, say some bankers, as promising as Olympics-related franchises. The Greek government plans to set up a private company to operate and finance the Games, shifting the estimated $3bn cost from the public sector as the government seeks to meet the budget criteria for European monetary union. The drain of overseas funding to the Olympics will impact the potential of privatisation sales.

The plan to structure sales through domestic stock exchange listings contrasts with the historical pattern. Just three state-owned companies have taken the listings route. Most were effectively liquidated and snapped up as distressed sales by investors.

However, even if the commitment is genuine the main barrier to success remains the companies themselves.

■ Utilities: these are probably the most valuable assets but in common with most nationalised industries are stuffed with patronage employees and grossly overmanned. Public Power Corporation is by far the most attractive asset and Papantoniou says ten per cent has been earmarked for sale. The Natural Gas Corporation has a fast-growing domestic franchise and is seeking to develop a regional distribution centre for Bulgarian gas. The national water company is also earmarked for sale.

■ Airlines: Olympic Airways, the national carrier founded by Aristotle Onassis and nationalised in 1974, flirted with bankruptcy and was kept afloat with $1.2 bn in state aid following the appointment of a UK-based academic, Professor Rigas Doganis, as chief executive in 1995. Doganis returned the airline to profit but was fired after a year as unions stubbornly defended attempts to cut overstaffing. The current chief executive, Jordan Karatzas, is a former consultant at McKinsey & Co but still has to struggle with political and union interference and an ageing fleet. The European Commission's approval of the state aid stipulated privatisation by 1999 but the carrier has so far attracted no interest amid the frenzied consolidation and alliance building of the European airline sector.

■ The National Lottery and football pools. The two franchises are very profitable and the combination have attracted keen interest from overseas bankers.

■ Petroleum: the Public Petroleum Corporation has a joint venture to exploit limited oil reserves in the Aegean.

■ Banking: the government has identified its majority stakes in five banks, including the Bank of Crete and the Bank of Central Greece. But both have small asset bases and murky loan portfolios need to be cleaned up ahead of any sale.

■ Railways: the country's rugged geography has hampered the development of Greek Railways, which lags behind most west European counterparts. The principal asset is the high-speed Athens-Salonika line being developed with loans from the European Union.

The lure of Olympic franchises threatens to dilute proceeds of utility sales

■ Retail: the chain of duty free shops at Greek airports is valued at $400m but the high turnover from the tourist trade is diluted by gross overstaffing and inefficiency and the planned ending of European duty free sales in 1999.

■ Shipbuilding: the loss-making Avlis shipyard is owned by the Industrial Development Bank of Greece but its core container business suffers from the glut of production capacity in Europe coupled to inefficiency and overstaffing.

■ Tourism: the National Tourism Organisation includes a portfolio of land, hotels and marinas and is likely to be split up. There are rich pickings here.

■ Mining: Hellenic Salt Mines has a domestic salt monopoly. When sold, it will lose its monopoly. Value unclear.

Recognition of the business potential of the eastern Mediterranean will see Greece face competition for international investors from neighbouring Turkey.

The new Turkish government has pledged to relaunch the country's stalled privatisation programme which raised $3.4bn over the last ten years but just $292m in 1996. "This time they are much more determined to press on," says the director of one local broker. "They will proceed much faster this time, and they need to meet their budget targets." The government aims to raise $4bn in privatisation revenues from three sales before the end of the year and up to $12.5bn in 1998 from the sale of strategic stakes in telecoms, petrochemicals and utility concerns. The Turktell and Telsim GSM licences are expected to yield $1bn, while a 100 per cent stake in the country's hydroelectric network has a price tag of $2.5bn. The final sale scheduled for this year is the treasury's 70 per cent stake in Isbank for $500m.

The 1998 schedule in the privatisation grand bazaar is dominated by the expected sale of 49 per cent of Turk Telecom for $2bn-2.5bn. Goldman Sachs has been appointed to oversee the sale of 34 per cent through a strategic sale, a move opposed by company management, and an international offering, with a further ten per cent for the Turkish postal administration and five per cent for employees.

Other identified targets include minority stakes in Poas, the profitable petroleum distribution company, the oil refiner Tupras, petrochemicals group Petkim and the steelmaker Endemir.

PRISMA

Taking a gamble: investors can play to win by buying the national lottery (and the football pools, too)

PETROLEUM

Shell swaps managers for pump workers

ROYAL DUTCH/SHELL has announced the reorganisation of its European business, which could cost up to 3,000 management jobs over the next two years but bring back the petrol pump attendant. Most of the cuts will be concentrated among middle and senior management, with up to seven management layers axed in some markets.

The Anglo-Dutch oil company said it regretted the job losses, but had to improve profitability and become more customer-friendly. The reorganisation is scheduled to start next year and is an attempt by Shell, the world's largest publicly traded oil firm, to increase its retail market share and improve returns in its refining business. Competition is intense and margins narrow in the European refinery sector. But the management of Shell in particular has good reason to be edgy. "They are terrified of the co-operation agreement between BP and Mobil," says one London-based analyst. "BP and Mobil are aiming to cut costs by at least $500m." Analysts predict a flurry of similar alliance deals to follow BP and Mobil's lead.

Although Shell's restructuring programme does not tackle one of the key problems facing the company – refining overcapacity – analysts say it is a step in the right direction. "The programme fits in well with the kind of overall restructuring going on in Europe at the moment," says Quirijn Mulder, oil analyst at ING Bank in Amsterdam. "Oil companies are beginning to tackle the issues of overheads and marketing, not just closing refineries."

However, market insiders are sceptical about the claim of Shell's European director, Phil Turberville, that it is unlikely to settle for less than a fifth of key European markets. Mulder says: "Shell does very well in the Netherlands, where it has a 40 per cent share, and in Britain, but markets like Germany are a different story. The climate can be very adverse for foreign oil companies."

DEFENCE ■ Fly-by-wire troubles could cost fighter plane manufacturers an extra $500m as German opposition threatens to ground project

Eurofighter loses balance ahead of German vote

Red alert: this paper's cover story revealed the folly behind the plane

DOUG CAMERON

THE British Royal Air Force Rowing Club may come to regret the decision to call its new boat *Eurofighter*. Although there are no reported problems with the boat, there are lingering doubts about the airworthiness of the aircraft.

This week, fresh allegations surfaced about serious problems with the Eurofighter's troubled fly-by-wire flight control system. In July, when *The European* raised questions about this system, Eurofighter officials angrily denied them. The fresh claim is that fixing the Eurofighter's computers will add another $500m to a bill already far above initial estimates. It is no coincidence the claims have been made as opponents of the project were staging a final effort to shoot down the Eurofighter in the German Bundestag.

Ironically, reports of serious handling problems were disclosed in a British defence ministry newsletter, whose contents were subsequently picked up by salesmen for the rival MiG-29. Because the aircraft is inherently unstable, it is entirely dependent on the flight control system to stay in the air. A poor performance by a Eurofighter at the Paris air show was symptomatic of an undependable flight control system, observers noted at the time.

Eurofighter's manufacturers admit some software must be rewritten but disputes the cost estimate. Eurofighter says testing has progressed well with the flight of prototype aircraft logging almost 400 hours. RAF sources indicate, however, that the software problems are more serious than admitted. First deliveries remain scheduled for 2001 with entry into service with the RAF, the launch customer, due the following year, according to British officials.

Eurofighter insists the aircraft has excellent export prospects. But so far no air force has ordered it, other than those of the consortium nations building the plane. British Aerospace, the prime Eurofighter contractor, is so keen to sell the plane to Saudi Arabia that last week it offered to pay blood money to save two British nurses facing execution and flogging for an alleged murder of an Australian colleague in a Saudi Arabian hospital. The companies hope to defuse a damaging row that might cause the Saudis to buy American jets instead.

Britain, Italy and Spain are all firmly committed to Eurofighter, but Germany is ambivalent. Defence Minister Volker Rühe has already cut the German order to 180 from 250 but opposition Social Democrats say the plane is obsolete before it even enter service, having been designed to fight to Warsaw Pact on the eastern front. They are continuing to campaign against the project ahead ahead of next month's regional elections.

Russian aerospace contractors are pressing the Lüftwaffe to consider an upgraded version of the MiG-29 fighter. Mikhail Voldenberg, former chief designer of the MiG-29M, met Lüftwaffe chiefs at the Moscow air show in August. Voldenberg now heads VPK Mapo, a consortium of aerospace firms (including Mikoyan Design Bureau, makers of the MiG-29M) targeting the export market. The older MiG-29 remains popular with the Lüftwaffe, which inherited the aircraft from the East German air force. The M version, which includes an upgraded weapons system, will be ready for delivery in 1999.

A German change of heart could still kill off the Eurofighter programme. Britain, now the largest partner in the project, has already agreed £9.3bn for its share of production. German opposition to the project has been fiercer though its production share has fallen to around Dm2.82bn ($1.61bn) over the next four years from a total German share of Dm29bn.Changes in the workshare arrangement which underpins the project have raised Britain's share of the production budget to 38 per cent, with Germany's likely to be about 30 per cent. The project was launched as a fixed price contract but the total cost has soared from £25bn to more than £40bn at 1995 prices. Contractors claim this reflects accounting and specification changes rather than problems with the design. This is the second setback for the aircraft's software. A malfunction two years ago resulted in the system being redesigned. Eurofighter has 629 orders from the partner countries – Britain (232), Germany (180), Italy (130) and Spain (87). The company claims it has been shortlisted by the Norwegian air force and has sales prospects in the UAE, Australia and southeast Asia.

Design fault: Eurofighter looks invincible but critics say it has software troubles

FINANCE

Would you pay $22.5m for this man?
Now Atletico Madrid needs to go public
page 30

BULCAO / GAMMA

TELECOMS ■ The Italian Treasury has infuriated major companies by trying to please the politicians

Hung up on stable investors

RUTH SULLIVAN

THE Italian Treasury is conducting the privatisation of Telecom Italia in an outdated style. Faced with selling 45 per cent of Telecom Italia, the world's fifth biggest telecoms company, it has insisted on strategic investors, who have to pay a premium for the privilege.

Europe's top companies responded by giving the deal the thumbs-down. French conglomerate Bouygues, Spanish utilities company Endesa and Italian tyre and cable company Pirelli, all rejected the terms. The treasury was forced to delay the announcement of the shareholders by a week, while frantic deals were cut.

With the exception of America's AT&T, the investors who have been persuaded to pay up are Italian financial institutions, including Comit, Credito Italiano, IMI and Assicurazioni Generali. Many of them have difficulty in running their own businesses well, let alone breaking into a sector where they are totally inexperienced. Underweight in equities, Italian banks are looking to diversify from bonds and real estate.

The sale of the treasury's stake in the telecoms group is expected to raise about L28,000 billion ($16bn), giving the company a market capitalisation of around L72,000bn after privatisation.

Keen to clean up the old style of management of state-owned companies where top jobs and board seats have long been handed out as political favours, Italy's 18 month-old centre-left coalition, headed by Romano Prodi, reckoned that using the hardcore shareholding method will ensure that investors get a seat on the board and have some say in the running of the company.

The treasury is also using the technique as a sop to the hard line left-wing party, the Rifondazione Communista. Opposed to state sell-offs, they have been slightly appeased by the hardcore approach which ensures that strategic investors cannot sell out in the first three years.

Too bad the government has hit on an outdated technique to bring about its management reforms in industry and that shareholders are now beginning to place more importance on accessible investment rather than board seats and power play.

The treasury is gearing itself up to selling off the remains of its telecoms stake to institutional and retail investors on the open market.

In an attempt to win retail investors, it will give a discount to small shareholders, which analysts expect to be between two and four per cent of the offer, while there will be bonus shares available.

MARKET MAKERS ■ America's Nasdaq becomes a global exchange as Easdaq fails to take off

Europe's bourse that flopped

NICHOLAS MOSS

THE ambitious dream of a European stock exchange to rival America's powerful Nasdaq is looking forlorn. As it prepares to celebrate its first birthday this autumn, Easdaq, the Brussels-based exchange, has listed just 16 companies, and only eight of them exclusively. Meanwhile, Nasdaq, the startlingly successful American electronic exchange for technology stocks, has been running television commercials in Europe starring Bill Gates.

While Nasdaq has grown to rival the New York Stock Exchange, with 5,506 companies worth $1,842 billion, Easdaq's total market capitalisation is a scant $3.6bn. This is less than a tenth of the Microsoft chairman's personal fortune. Easdaq's finest catch so far is Dr Solomon's, a company few outside the software business will have heard of. Dr Solomon's is based in Aylesbury, England, and specialises in anti-virus protection software for personal computers. It has an annual turnover of $37million.

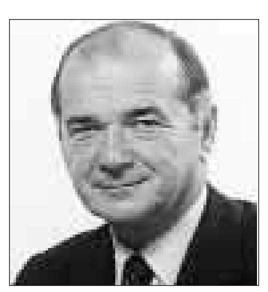
Despite its comparatively small size, not even Dr Solomon's has completely entrusted its future to Easdaq: it has a listing on Nasdaq, too. That is because only $3m shares change hands a day on average on Easdaq compared with Nasdaq's nearly $17bn.

Even Geoff Leary, chief executive of Dr Solomon's, is dismissive of the nascent pan-European stock exchange which features his company heavily in its own publicity. "If there had been any more problems before Easdaq got off the ground, we would not have bothered with the listing," says Leary. "Nasdaq is the market we're interested in."

The latest Easdaq company is Epis, a French manufacturer of construction materials, which joined in September with a flotation that raised Ffr70m ($11.6m). Even by start-up standards, Epis is a minnow.

"Easdaq is not performing," said one trader who didn't want to be named. "It's early days yet but in terms of liquidity and the number of investors, things need to be a lot better."

Easdaq's founders insist it is too soon to write them off. Stanislas Yassukovich, the exchange's chief executive, argues, reasonably enough, that the growth of Europe's economies is dependent not on the continent's blue-chip companies but on the creation of a thriving entrepreneurial company sector. These were the companies that brought America out of its economic doldrums in the 1970s and have been the driving force behind today's "Goldilocks economy". But do they need Easdaq, when Nasdaq beckons? Yassukovich, a former chairman of Merrill Lynch in Europe, says that given time to establish itself, Easdaq can play a similar role to Nasdaq.



'Easdaq can help transform Europe's economy' says Yassukovich

Jacques Putzeys, Easdaq's chairman, says that somewhere in Europe, perhaps in a Thuringian basement, a garret in Ghent or an attic in Florence there is an entrepreneur beavering away on a project, which may one day have as profound an impact on the world economy as Bill Gates's Microsoft. Putzeys says Easdaq was designed with such entrepreneurs in mind.

But so far, most of them, if they have decided to come to market, have found a listing elsewhere. Select Software is one of 22 European companies that went to Nasdaq between November, when Easdaq began trading, and the end of August. The English firm, based in Gloucestershire, which specialises in developing software applications, matches Putzeys' criteria, but Easdaq didn't measure up to the needs of Select Software.

Other European companies listed on Nasdaq include Edap TMS, the French medical instruments and supply company; Digitale Telecabel, the German telecoms firm; and Freepages, the British telephone directories group.

Melexis, a Belgian semi-conductor manufacturer, is expected to list within weeks, and two more firms which Easdaq will not name are expected to make their debuts soon after. But the exchange will still be a long way from its original target. At one point Chris Pickles, former director of the European Association of Securities Dealers, the founding body and membership organisation for Easdaq, said he expected ten to 15 companies to be quoted by the end of the year. He was referring to 1996.

Nearly 12 months on, Yassukovich and his colleagues have stopped giving projections about the number of companies it will have listed. Instead they repeat the Easdaq mantra of "quality not quantity". However, it is thought Easdaq's shareholders will need to see 200 firms quoted before they get a return on their investments.

Easdaq says direct comparisons with Nasdaq are unfair. Nasdaq originated from a less-regulated over-the-counter market trading in nearly 3,000 firms and was able to recruit a further 450 in its first year of trading.

Still, by Easdaq's own criteria, it is a flop. Easdaq said it expected 50 companies to have listed within its first year. That was a conservative estimate of the number of firms it would be able to lure from the several thousand companies sitting in the portfolios of venture capitalists across Europe.

So why shouldn't Easdaq just pack up its bags and concede defeat? Yassukovich says the trans-Atlantic time difference helps. He says investors are not prepared to spend unsociable hours trading their stocks. But his argument sounds flimsy in an era of increasing globalisation and cheap international calls. Technology and the falling price of information means many investors already buy and sell equities through intermediaries on remote exchanges. More significantly, Internet share trading, already growing fast in America, is gaining popularity among some investors in Europe.

Nasdaq's commercials, featuring Andy Grove and Bill Gates, the founders of Intel and Microsoft, two of the country's technological powerhouses, are being used to promote Nasdaq's world wide web site on the Internet.

The location offers the share prices of its constituent companies free of charge, displaying fluctuations in quotes within seconds of price movements and making it very easy for investors to track the performance of their portfolios. Easdaq's situation has been further clouded by the flurry of rival national smaller markets. True, there is a growing pool of money sloshing around Europe as investors switch from bonds to equities and begin to focus on providing for their own pensions. But in the two years of stalled preparations before Easdaq became technically operational - and even then it was another two months before initial quotations began – Europe's national bourses had their own plans for wooing Europe's entrepreneurs and nascent private investment community.

High tech: Nasdaq's New York headquarters is the source of growth for the country's entrepreneurs. Easdaq is a pale imitation

As well as London's Alternative Investment Market, Europe spawned seven exchanges aimed at smaller companies, including France's Nouveau Marché, Germany's Neuer Markt and Dublin's Developing Companies Market.

Within four months of its launch Easdaq then saw a rival for its title of pan-European exchange when Frankfurt, Brussels, Amsterdam and Paris united to form Euro.NM.

Yassukovich says Euro.NM and the other small markets cannot compete with its advantages of a single dealing platform, a single set of rules for listing and contract settlement. But one French firm which wanted to come to market was so annoyed by the wrangling between Easdaq and its national smaller market that it joined the flight of European companies to Nasdaq. Many banks and brokerage houses, especially in Germany, have also been keener to support their national efforts over Easdaq.

Support from some of the bigger American houses has also been lacking, although Credit Suisse First Boston helped swell the ranks of Easdaq member institutions to more than 50. As for the companies with dual listing on Nasdaq and Easdaq, it is in America that the greater proportion of share trading takes place. Europe's equity culture is changing but it seems that Easdaq is unlikely to fill the gap.

SHARE SURGE ■ Lisbon's heady stock market is set for a further fillip from Morgan Stanley

Portugal booms with the in crowd

MELANIE BIEN

LIKE the trams that race up and down Lisbon's hills, Portugal's stock market has given its investors an exciting ride. But the market is set for stability – and rising prices – now that the country is about to be promoted to membership in the ranks of developed economies.

From the end of this year, the Portuguese stock market will be included for the first time in Morgan Stanley Capital International's developed market index, underlining a transition from a near Third-World economy to candidate for inclusion in the first wave of European monetary union.

That ought to bounce Portugal's six biggest listed companies, because they will now be available for inclusion in index-tracking funds from which they have previously been excluded. These are, in order of market capitalisation, Portugal Telecom, Banco Comercial Portugues and Banco Espirito Santo, construction company Cimpor-Cimentos de Portugal, and retailers Jerónimo Martins and Modelo Continente.

Betrand Boulle, general manager at Fincor, an independent Lisbon stockbrokerage, says these large capitalised stocks are good for investors. "The market has had a very good year so far and there is possibly a further ten per cent gain left until the end of the year."

The stock market has risen by nearly 60 per cent this year

The American investment bank promoted Portugal in "recognition of its overall economic development, its macro-economic and financial policies, as well as its equity market characteristics".

The evidence to support this is clear – Portugal boasts strong economic fundamentals, particularly its economic progress and the growing size of the local equity market, which is helping boost its expected participation in the first wave of European monetary union. And it will now be able to build on its successes. The MSCI rating is widely followed by big international fund managers when making their investment decisions.

MSCI is including Portugal in all of its leading indices – MSCI EAFE, which covers markets outside North America, MSCI World, and MSCI Europe from the end of the year. The importance of upgrading is evident in the response of Lisbon's main indices and blue chip stocks to the news, which has been favourable, with both responding fast to establish new peaks on record volumes.

"The Morgan Stanley Index upgrading has an important psychological effect and means international fund managers will now automatically include a portion of Lisbon's blue chips in their global portfolios," says Boulle. "Small though these holdings may be, their impact is significant on a market of this size."

Portugal's economic fundamentals played a crucial part in persuading the index makers to promote it. Unemployment is low at 6.4 per cent and Portugal's gross domestic product (GDP) is expected to grow at a rate of above 3.2 per cent this year, and 3.5 per cent in 1998.

Average inflation is expected to be kept under control at 2.5 per cent, after reaching 1.7 per cent in July – suggesting further monetary stimulus is unnecessary. Interest rates are steady, with the key injection rate at 5.5 per cent. Limited movement is expected in the coming months, while core countries such as France and Germany are expected to push up interest rates.

"What concerns Portugal's politicians is the need to be in EMU [economic and monetary union] at the first stage," says Jaime Vásquez, Portuguese strategist at Salomon Brothers. "The very orthodox economic policy the government has been following is done in order to guarantee Portugal's membership, which is more deserved than Spain or Italy because its achievements relating to the Maastricht criteria are much more solid."

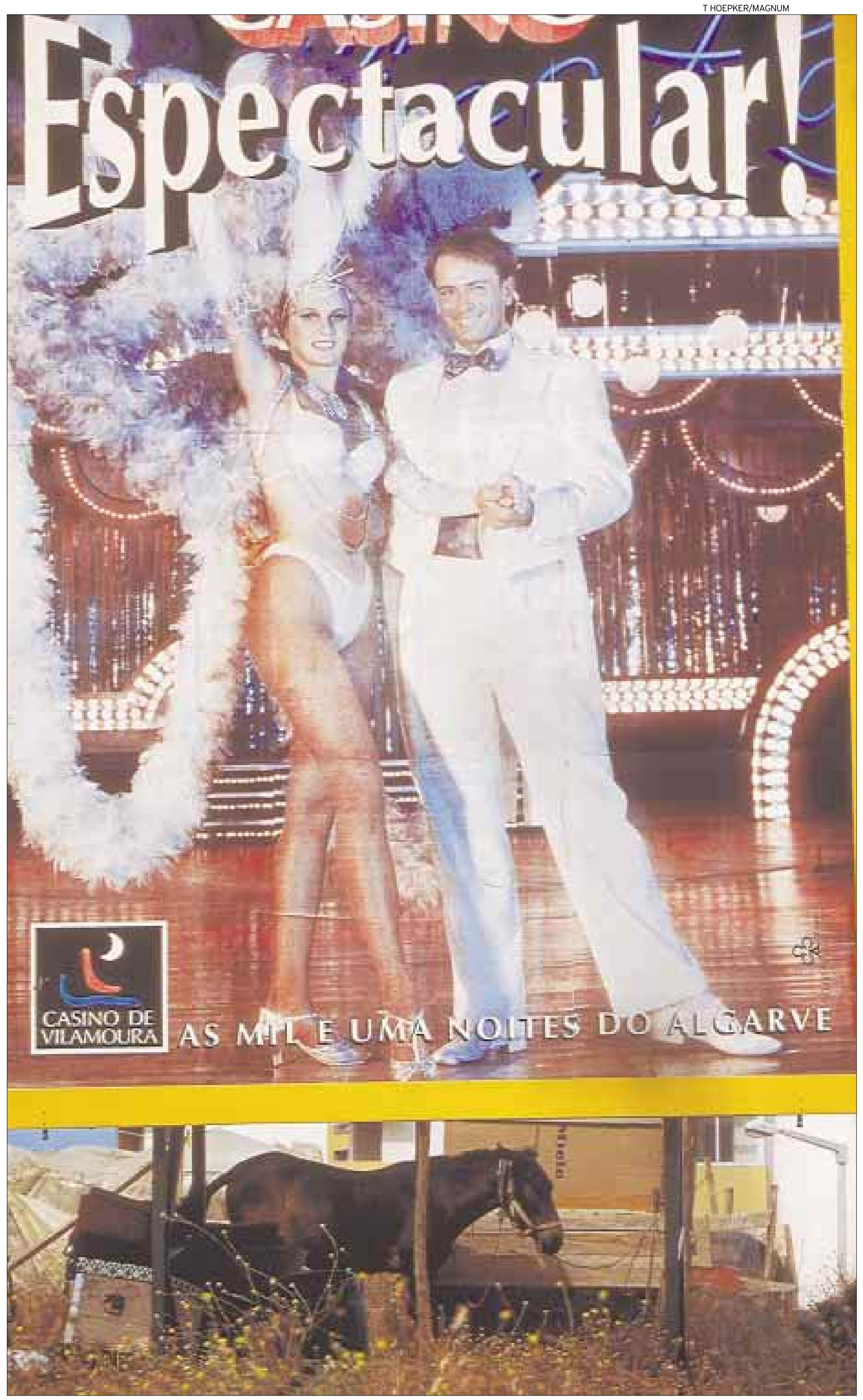
The Portuguese stock market is booming, with the bull run pushing Portugal's equity markets to historic highs. So far this year it has gained 59 per cent, outperforming the FTA Europe ex-UK Index by 17 per cent, with stock prices driven up by the steady inflow of domestic funds. Lisbon's boom counts among the best equity market performances in the world this year. Share prices in 55 local companies have hit all-time highs and more records are expected to be broken.

"Looking at economic fundamentals, the Portuguese market is not overvalued relative to Spain or other European markets," says one analyst. He noted the main factor in the bull run was falling domestic interest rates. This has led to a shift of money from bonds and bank deposits into shares, mostly through domestic investment funds almost all run by Portugal's big banks.

Portugal's savers are also getting used to becoming equity holders, as shown by the 20 per cent over-subscription to electricity utility EDP's (Electricidade de Portugal) share offering back in June. This one privatisation alone pushed liquidity to record levels, with daily turnover in June more than double the May level.

These privatisations are serving to educate the locals in the risks and opportunities of share ownership. The added attraction is the fiscal treatment of capital gains which are free of tax. It is also helpful for promoting share ownership.

T HOEPKER/MAGNUM



Place your bets: Portugal has never had it so good

MARKET WEIGHT INDEX

Name	Weight, %
USA	47.3
Japan	15.7
United Kingdom	9.9
Germany	4.5
France	3.4
Portugal	0.2

Source: Morgan Stanley Capital International

"EDP's privatisation was the catalyst for the promotion of Portugal to the status of a developed economy," says Vásquez. Boulle agrees. "Privatisations have driven the market this year," he says. "Major issues like EDP have increased market capitalisation, liquidity and diversity to levels never seen before."

What is even more encouraging for the economy is that there are many more privatisations on the way, to broaden domestic capital markets further, a programme launched in April 1989. Since then, the state has sold off more than 120 public sector companies.

In March this year, the finance ministry announced that the government plans to raise Esc800 billion ($4bn) over the next two years by privatising 17 companies, including TAP – Air Portugal, the national airline. ANA – Aeroportos e Navegação Aérea, the state airport authority – is also to be privatised next year.

This would bring the total estimated privatisation revenue by the end of the decade to more than Esc1,700bn.

But the first share issue on the agenda is from telecommunications operator Portugal Telecom, which will announce its third offering in early October, when 49 million shares are floated, or 26 per cent of the company. With Portugal Telecom shares enjoying a 63 per cent rise so far this year, it looks like investment interest will be strong.

Brisa-Autoestradas de Portugal, the high-tech motorway concession operator, is expected to come to the stock market early next year, with a 30 per cent partial sell-off, and demand for both sets of shares is expected to be heavy.

Boulle believes the bull run could be sustained by these forthcoming privatisations, with some analysts arguing that the Brisa issue is likely to be rated almost as solidly as a government bond. Boulle believes Brisa has plenty of room for tighter management which in turn should significantly improve its earnings, as long as this is implemented.

The Portuguese government is, unsurprisingly, upbeat and optimistic. It expects its revenue from this year's privatisations to reach Esc730bn – which is Esc220bn more than originally forecast – and it could well go even higher. Finance Minister Fernando Teixeira dos Santos announced last week that funds raised by the combination of the EDP sale and Quigigal, a chemicals conglomerate, raised Esc399bn.

The Portugal Telecom offer is expected to bring a further Esc360bn to the coffers and the Brisa IPO about Esc60bn. This revenue is earmarked to cut the country's budget deficit, enabling it to meet the Maastricht convergence criteria and secure EMU membership in the first wave.

Market watchers believe even more international investors will be attracted to Portugal if they expect the government to reach its convergence targets, serving to fuel the current run on Portuguese shares.

The banking sector is the strongest and a good bet for investors looking for wide exposure to the Portuguese market, as cost control and further staff restructuring boost profits. "Banks are the largest market sector so far," says Vásquez. "If you want to be in the Portuguese market, you can have a very good exposure by investing in banks. There has been big restructuring since they privatised five years ago."

Banking shares offer the best way forward for gains

As banking shares have lagged behind the rest of the market over the past four years, they are increasingly attractive for their growth prospects now, as well as being likely to benefit from lower interest rates.

Other industries and sectors which Salomon Brothers recommend are the retail sector, pulp producer Portucel, and any large cap stocks, which generally tend to be good quality. Construction companies are also enjoying a boom from the buildings being constructed in preparation for next year's World Exhibition, which will be held in Lisbon.

But of course investors should still beware of the downside of any investments, particularly in a market which may be more prone to volatility than the long-developed markets of western Europe, and investors should not get carried away.

Betrand Boulle warns: "The main risks would come from any German short-term interest rate hike or sharp dip on the New York stock exchange and this could trigger large corrections in Lisbon."

Additional reporting by Ken Pottinger in Lisbon

ECONOMICS ■ Europe will not join the Anglo Saxon boom unless it allows its workers freedom

Paradigm regained

BRIAN READING

LAST week this column discussed the new paradigm – a term used to describe the American economy's ability to grow faster with lower unemployment without inflation accelerating. Britain's economic performance has also improved. But what of continental Europe? It seems mired in an old paradigm, but only partly so. It is lagging behind the Anglo-Saxons but could catch up.

America's improved performance is explained by technology, globalisation and deregulation. Technology has made capital cheaper and more productive. Increased investment has displaced unskilled workers from manufacturing industry, who have been forced into lower-paid service jobs. Surplus unskilled workers have kept service-sector wage inflation at bay. Globalisation has increased competition from low-paid developing countries, undermining manufacturers' ability to pass on higher costs in higher prices.

Foreign direct investment also offers the opportunity to increase capacity abroad when shortages of skilled workers make this difficult and expensive at home. Deregulation intensifies competition, further undermining manufacturers' ability to set prices and opening the way for new jobs to be created in the service sector. German and French economic performance during the past five years has certainly been inferior to American and British.

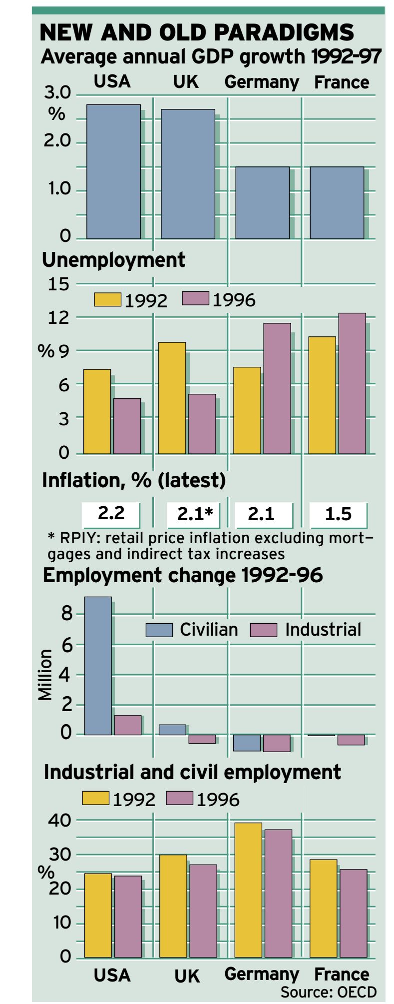
Average growth has been little more than half as fast. Unemployment has risen, whereas in the United States and Britain it has fallen. German and French unemployment is now more than double British and American.

Moreover the latest inflation rates in continental Europe are not much lower than in the US or in Britain (if the retail price index excluding indirect taxes and mortgage interest is used for the comparison). These are not simply cyclical differences.

The Organisation for Economic Co-operation and Development estimates that German and French inflation will accelerate again when unemployment in either country falls below ten per cent. Even when the existing slack in these economies is taken up, growth will remain weaker.

New jobs have been created in Britain and the US, jobs have been lost in Germany and France. In the US, employment in industry has also increased, but not at as fast as overall employment. In Britain, together with Germany and France, industry has shed labour.

But everywhere the share of employment in industry has fallen. It is evident that technology and globalisation, two parts of the new paradigm, have affected Germany and France as well as Britain and America. German and French industry has also been forced to restructure. The fall in industrial employment in both countries attests to the fact. This is particularly evident in France, where the fall in the share of industrial employment has equalled Britain's. In France there has also been a discernible shift towards concern for profits and share-holder value.



But much of the restructuring has been achieved by global diversification. German net direct foreign investment in 1996 was $31bn, three times that from Britain. Tougher redundancy rules have not prevented a shake-out of labour on the mainland. The failure of the new paradigm to cross the Channel must be blamed on the failure to create new service sector jobs. There, the third ingredient, deregulation, has clearly been lacking.

In Germany and France the social market still rules. The new paradigm results in a marked increase income differentials between skilled and unskilled workers. This has been particularly evident in America where real earnings of unskilled workers have fallen in absolute terms since the early 1970s.

In Britain the differential between skilled and unskilled earnings has widened significantly. Germans and French prefer no pay to low pay – higher unemployment to greater income inequality. While taxpayers are willing to foot the dole bill, that is their privilege. Politicians and voters alike regard the structural reforms which made British and American markets more open, flexible and competitive as socially unacceptable.

But this could change. So far industrial job losses in developed countries can be blamed far more on technology than on globalisation. Technical change causes across-the-board unskilled industrial job losses. The distribution of output between different industrial sectors is unaffected. Global competition from emerging low-cost producers cuts prices and profits in unskilled-labour-intensive industries in developed countries. They contract while skilled-labour -intensive industries expand.

But according to the International Monetary Fund, neither the size or growth in trade with developing economies can explain the extent of industrial job losses in America and Europe. Nor is there any evidence of a fall in relative prices of the products of unskilled-labour-intensive industries.

In fact the relative prices of skilled-labour-intensive products have fallen. The IMF concludes that the globalisation effect on employment has been of no great significance.

It soon could be. The preponderance of capital goods production in the recent world upswing suggests growth has been fed by over-investment. This is clearly the case in southeast Asia and China, where capital spending has been greater in absolute terms than in America. Moreover modern technology has made capital equipment much cheaper and much more productive, which leads to more capacity per dollar of investment.

Japan's exports to Asia now exceed its exports to the US and European Union combined. Between 1990 and 1996 the growth in Japan's exports to Asia accounted for 70 per cent of its total export growth. Its recovery prospects, poor at best, have been dented by the rise in the yen against Asian trading partners' currencies. Japan will join the Asian round of involuntary but competitive exchange rate depreciation.

America and Europe look set to face a sharp escalation in competition from cheap imports. A second wave of industrial job losses is likely as unskilled-labour-intensive industries feel the brunt of globalisation. Will the Germans and French tolerate the resultant further increase in unemployment?

With luck they will finally accept the need for deregulation and structural reform. Sadly, they may instead opt for trade protection and the creation of a fortress Europe. The social market has no place in the new paradigm.

FINANCE

IN BRIEF

ANZ Emerging Markets Fund Management has launched a local currency debt fund for eastern Europe. The open-ended fund, East European Local Currency Debt Portfolio, begins trading on 15 October. It will give investors exposure to some of eastern Europe's riskiest markets, including Serbia, Ukraine, Russia, Moldova and Romania.

"We can invest farther afield, in Albania, Bosnia, Bulgaria and central Asia, among others," says Toby Webb, marketing manager at ANZ. "But we are not revealing which markets we are bullish on just yet, although we're following inflation and interest rate trends closely."

The fund will focus on short-term sovereign debt, although it will also buy corporate and bank debt where available, and where institutions are affiliated with governments. The diversification and short duration of the instruments has generated significant investor interest, according to sources at ANZ.

Another attraction is the fact that EEL is one of the first funds to offer investors exposure to high-yielding debt instruments in the region. "There aren't many ways to get exposure to this area," says Webb. "A couple of funds have been launched, but they aren't of any serious size." Minimum investment in the fund is $25,000.

Doughty Hanson, the London-based fund manager which targets privately-held companies, raised a record $2.5 billion for investment in unquoted European firms. German, Dutch and Swiss investors, creeping back into the market after disappointing returns during the mid-1980s, were big contributors during the five-month fundraising exercise. About half the money came from North America. The fund, which is more than double the size of any other, will be invested in German-speaking countries, Britain, where Doughty Hanson concentrates on technology businesses, and Scandinavia.

Germany's Bundesbank, the central bank which prices its independence fiercely, says that it is prepared to co-operate with European banks from May 1998. According to Otmar Issing, the Bundesbank's economist, the bank will be prepared to forfeit its independence in return for currency union.

The Spanish privatisation fiesta is set to continue with the sale of up to 35 per cent of Endesa. The government is hoping to raise between $5.5bn and $7.5bn. Roadshows will tour Europe to drum up investor interest. Endesa will not only offer an attractive entry into a Spanish electric utility, but provide accessibility to the Latin American market, via Endesa's investment in the region.

Also scheduled for sale in Spain is Iberia, the airline. Iberia received $585m in state aid last year, and the treasury is keen to get rid of it.

FOOTBALL ■ Merrill Lynch is advising Marbella's colourful mayor on the sale of his club

Atletico seeks net returns

ALLSPORT

Juninho: never mind the score, what's the share price?

MELANIE BIEN

ATLETICO Madrid, buoyed by winning the Spanish Primera División for the first time in 19 years in 1995-1996, and securing the Liga title, plans to be the first Spanish team to list on the Madrid stock exchange. It aims to come to the market before the start of next season. The club is having discussions with Merrill Lynch on the feasibility of a market listing.

Atletico, one of the top five Spanish clubs, is 95 per cent owned by the colourful chairman Jesús Gil y Gil. Gil is renowned as soccer's toughest football boss, who hires and fires managers and players at will. He is the mayor of Marbella. To help celebrate the title win Gil travelled with the city's mounted police force to Madrid to pick up the cup.

The success of shares in top British club Manchester United, which went public in June 1991, and which has a market capitalisation of £435 million ($696m), is proving irresistible to continental European clubs. Shares in the club have rocketed from 385p when they first floated, to 671p, including a four-for-one split. It is setting-up a television channel, showing six hours of daily prime-time programming.

As Italian clubs look to the London stock exchange and the possibility of a listing, with Bologna planning to list early next year, the time when the first Spanish club joins the share bandwagon looks inevitable. "The club is very much in the early stages of a listing," says Cecilio Alonso, press spokesman for Atletico. "The idea is to get access to cash in order to modernise the club. We are not doing it because it is fashionable or to be the first club in Spain. This is not the important thing."

With the signings of Brazilian international Juninho from English club Middlesbrough, and Vieri from Juventus, Atletico is looking ahead to an exciting season, on the field and on the stock market. But the challenge is considerable. Football club listing might not be seen as unusual in Britain, where investors can now buy shares in 20 listed clubs, but in Spain there is no established equity culture in football shares.

David Brooks, sports analyst at Nomura, says: "The advantage of listing in London for continental European teams is that there is a number of clubs on the market and there is a sophisticated notion of how it is done. Atletico won't find this in Spain."

But Atletico insists on looking only at a listing on the local Madrid stock exchange, unlike its Italian rivals, who are forced to look at London because of the rules of the Milan stock exchange which prohibit the listing of any company which doesn't have three years of positive results. Real Madrid and Barcelona are undecided whether they will join Atletico in the rush to list. Only once Atletico actually lists will the feasibility of a football listing in Spain become apparent.

Investors undecided about investing in football can satisfy themselves with a few fundamentals. "I think of the Spanish clubs, Barcelona would be the closest to Manchester United," says Brooks. "But when assessing any club, including Atletico, the important factor is the TV rights, where the real revenue comes from."

There is the potential for money to be made in Spanish football in this respect, with Telefónica launching a $410million buyout of Antena 3 television and its digital soccer rights.

Success in European competitions will help to boost the sales of shares, and earnings. However, demand for the shares is hard to gauge, given that this will be the first club to go public in Spain, the size of the Madrid stock exchange, and the lack of domestic investors.

PRIVATISATION ■ German retail investors braced for final tranche of national airline

Lufthansa needs to sell its shares at home

GERMANY's second biggest stock offering took off this week as the government began promoting the sale of its remaining 37.5 per cent stake in Lufthansa, the national airline.

The flotation should be popular with a German public awakening to the joys of share ownership after the success of the initial public offering in Deutsche Telekom, the national telecoms operator, in November.

It certainly needs to be well subscribed by German nationals. Lufthansa has to keep the majority of its share capital in German hands to maintain its "national carrier" status which guarantees its access to many lucrative international flight routes. That goes some way to explaining the bullish remarks of the airline's chief executive, Jürgen Weber, on the opening day of the roadshow on 29 September.

Weber told his audience in Frankfurt that Dm50 ($28) was a "good" price goal for Lufthansa shares. This week the stock was trading at about Dm35, undervaluing the airline, by about 40 per cent.

Whether the market will agree with his outlook is another matter. Andrew Light, aviation analyst at Salomon Brothers in London, said Lufthansa shares might climb to a maximum Dm43 within a year.

"Retail investors should enjoy a good upside but not necessarily as high as Weber predicts," he says.

Another analyst in London, who did not want to be named, was less positive. He said he did not think Lufthansa shares were a "buy".

"We normally look for companies in a stage of transition from weakness to strength. Lufthansa is a very well-run airline – one of the strongest in Europe. But it has already achieved much of what it might do and Dm35 looks to be fair value."

The price of Lufthansa shares has already soared. In March it was trading at Dm20 but has been propelled to upwards by three factors. Its cargo business has greatly improved, passenger traffic has shot up, rising even higher in August, and its joint efforts with airlines such as Varig in Brazil, Thai in the Far East and United in America in the Star Alliance has brought rewards. Still, its co-operative efforts may land further cost savings. Klaus Schlede, Lufthansa's chief financial officer, has forecast record profits of about $1bn for 1997. Weber says shareholders can expect a higher dividend if earnings improve.

German retail investors will have a Dm1 discount on the offer which will be allocated and priced on the weekend of 12 October. Joint lead manager Dresdner Bank predicts 60 per cent of the shares will be sold in Germany, and that the shares will appreciate.

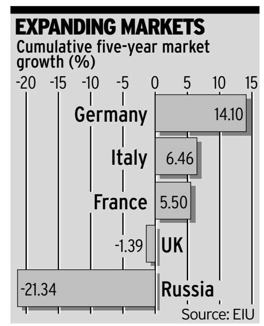
NICHOLAS MOSS

German equities lead European gains but China stars

SHARE ownership is not for the faint-hearted, as the fluctuations regularly seen across the world's bourses proves. Research on stock market performance from the Economic Intelligence Unit shows some surprising developments over the past five years.

Europe's share of the world market has suffered since 1990, as the markets in eastern Europe have contracted. The Russian market particularly let down the European side, contracting by 21.3 per cent over the five years, despite its reputation as the biggest emerging market in eastern Europe. But it still remains a dominant force in Europe, with a share of just over four per cent of the world market – almost as high as Germany.

Western Europe fared little better than the east, with sluggish economic activity. Germany led the field, up 14 per cent over five years. Italy, in second place, showed much lower growth – at six per cent – but that is necessary for a government which is trying to raise the cash needed to trim budget deficits and enable Italy to enter European monetary union in the first wave.



The French stock market closely followed Italy, with 5.5 per cent growth, due to rising levels of private consumption compared with other world markets. But Britain's growth declined, although less than Russia – down more than one per cent. It also lost market intensity, which is a measure of how much a country's wealth and consumption per person varies from the world average. Any loss in intensity suggests future growth might be constricted.

North America boasts the largest market in the world. But its five-year cumulative growth rate of 6.7 per cent lags behind Asia's 25 per cent growth. China is the star performer here – up by more than 37 per cent.

MELANIE BIEN

Economic indicators

FRENCH unemployment rose by 19,600 in August as a fragile economic recovery failed to absorb all the workers entering the labour force, heightening tensions before a jobs summit on 10 October where employers and unions will meet to discuss job creation and cutting the working week to 35 hours from 39.

Portuguese annual producer price inflation accelerated to 1.3 per cent in July, more than twice the rate in June, as prices rose 0.5 per cent in the month. The increase was driven by a 0.6 per cent month-on-month increase in manufacturing prices. Electricity and other types of energy saw prices unchanged, while prices for mining and other primary industries rose 0.1 per cent.

FINLAND's economy rose 7.8 per cent in July from a year earlier and 0.8 per cent from June. Inflation has not really threatened the Finnish economy as the high level of unemployment restrains consumption. In August, unemployment fell to 12.4 per cent, from 12.7 per cent in July and 15.9 per cent in August 1996.

SWISS consumer prices slowed in September to the lowest level in 33 months, indicating interest rates won't rise as the economy emerges from a six-year slump.

INTEREST AND MONEY MARKET RATES

COUNTRY	OFFICIAL INTEREST RATES				MONEY MARKET RATES						
					3 months			Benchmark bond			
	Rate	Previous rate	Date of change	Name	This week	Week ago	Year ago	This week	Week ago	Year ago	Name
Austria	2.50	3.00	18.4.96	Discount	3.50	3.50	3.34	5.56	5.57	6.11	Oest Bund
Belgium	3.00	3.20	23.8.96	Central	3.70	3.56	3.02	5.61	5.64	6.21	OLO
Denmark	3.50	3.70	29.8.96	Repo	3.69	3.65	3.78	6.03	6.10	6.94	DGB
Finland	3.25	3.00	15.09.97	Tender	3.44	3.20	3.20	5.70	5.77	6.64	FGB
France	3.10	3.15	30.01.97	Intervention	3.41	3.61	3.54	5.44	5.43	6.06	OAT
Germany	4.50	5.00	18.4.96	Lombard	3.31	3.30	3.11	5.53	5.53	6.05	Bund
Germany	3.00	3.30	22.8.96	Repo	n/a	n/a	n/a	n/a	n/a	n/a	
Germany	2.50	3.00	18.4.96	Discount	n/a	n/a	n/a	n/a	n/a	n/a	
Greece	14.50	15.50	13.5.97	Discount	n/a	n/a	n/a	n/a	n/a	n/a	
Ireland	6.75	6.25	02.05.97	Short Term	6.19	6.06	5.72	5.90	5.98	6.88	Gilt
Italy	6.25	6.75	27.06.97	Discount	6.37	6.53	8.00	6.13	6.24	8.54	BTP
Luxembourg	3.00	3.20	23.8.96	effective rate*	3.70	3.56	3.02	5.61	5.64	6.21	related to OLO
Netherlands	3.00	2.90	10.07.97	Special Adv.	3.42	3.42	2.84	5.49	5.50	5.92	DSL
Norway	5.50	5.25	16.7.97	Overnight	3.83	3.89	5.07	5.80	5.83	6.83	NGB
Portugal	5.20	5.40	18.8.97	Discount	5.21	5.35	7.09	5.96	6.01	7.82	OT
Spain	5.25	5.50	16.5.97	Repo	5.13	5.17	6.93	5.89	5.98	7.92	Bono
Sweden	4.10	4.35	17.12.96	Repo	4.46	4.50	4.82	6.12	6.33	7.38	SGB
Switzerland	1.00	1.50	27.9.96	Discount	1.38	1.44	1.44	3.53	3.49	4.03	Swap rate
UK	7.00	6.75	7.8.97	Base	7.22	7.19	5.88	6.41	6.67	7.67	Gilt
US	5.00	5.25	31.1.96	Discount	5.65	5.66	5.50	6.07	6.08	6.67	Treasury
US	5.50	5.25	25.3.97	Fed Funds	n/a	n/a	n/a	n/a	n/a	n/a	
Japan	0.50	1.00	9.7.95	Discount	0.59	0.60	0.56	1.96	2.01	2.90	JGB
Canada	3.25	3.35	18.8.97	Call Loan	3.66	3.63	3.97	5.70	5.78	7.13	CGB

** Tied to Belgian Franc* — *SOURCE: Standard & Poor's MMS*

EUROPEAN CROSS RATES

30 SEPTEMBER 1997	Aust Sch	Belg Fr	Dan Kr	Ger Dm	Neth Fl	Fin Markka	Fr Fr	Grec Drach	IR Punt	Ital Lira*	Nor Kr	Port Esc	Spain Pts	Swe Kr	Swi Fr	UK £	US $	Jpn Yen	Can $	Eur Ecu
Austria Schilling	–	0.341	1.848	7.038	6.248	2.353	2.095	0.045	18.16	7.194	1.752	0.069	0.083	1.636	8.545	20.10	12.44	0.103	9.009	13.79
Belgium Franc	2.933	–	5.419	20.64	18.33	6.901	6.145	0.131	53.27	21.10	5.138	0.203	0.244	4.799	25.06	58.95	36.49	0.301	26.423	40.45
Denmark Krone	0.541	0.185	–	3.809	3.382	1.273	1.134	0.024	9.829	3.894	0.948	0.037	0.045	0.886	4.625	10.879	6.733	0.056	4.876	7.464
Germany Deutschmark	0.142	0.048	0.263	–	0.888	0.334	0.298	0.006	2.580	1.022	0.249	0.010	0.012	0.232	1.214	2.856	1.768	0.015	1.280	1.960
Netherlands Guilder	0.160	0.055	0.296	1.126	–	0.377	0.335	0.007	2.907	1.151	0.280	0.011	0.013	0.262	1.368	3.217	1.991	0.016	1.442	2.207
Finland Markka	0.425	0.145	0.785	2.992	2.656	–	0.891	0.019	7.719	3.058	0.744	0.029	0.035	0.695	3.632	8.543	5.288	0.044	3.829	5.862
France Franc	0.477	0.163	0.882	3.359	2.982	1.123	–	0.021	8.668	3.434	0.836	0.033	0.040	0.781	4.079	9.593	5.938	0.049	4.300	6.583
Greece Drachma	22.44	7.651	41.46	157.9	140.2	52.80	47.02	–	407.5	161.4	39.31	1.551	1.870	36.72	191.8	451.0	279.2	2.304	202.15	309.5
Ireland Punt	0.055	0.019	0.102	0.388	0.344	0.130	0.115	0.002	–	0.396	0.096	0.004	0.005	0.090	0.471	1.107	0.685	0.006	0.496	0.759
Italy Lira*	139.0	47.39	256.8	978.3	868.5	327.0	291.2	6.194	2524	–	243.5	9.604	11.58	227.4	1188	2794	1729	14.27	1252.2	1917
Norway Krone	0.571	0.195	1.055	4.018	3.567	1.343	1.196	0.025	10.37	4.107	–	0.039	0.048	0.934	4.878	11.48	7.103	0.059	5.143	7.874
Portugal Escudo	14.47	4.934	26.74	101.86	90.43	34.05	30.32	0.645	262.8	104.12	25.35	–	1.206	23.68	123.7	290.9	180.1	1.486	130.37	199.6
Spain Peseta	12.00	4.092	22.17	84.47	74.99	28.24	25.14	0.535	218.0	86.34	21.02	0.829	–	19.64	102.55	241.2	149.3	1.232	108.11	165.5
Sweden Krona	0.611	0.208	1.129	4.302	3.819	1.438	1.281	0.027	11.10	4.397	1.071	0.042	0.051	–	5.223	12.28	7.604	0.063	5.506	8.429
Switzerland Franc	0.117	0.040	0.216	0.824	0.731	0.275	0.245	0.005	2.125	0.842	0.205	0.008	0.010	0.191	–	2.352	1.456	0.012	1.054	1.614
UK Pound	0.050	0.017	0.092	0.350	0.311	0.117	0.104	0.002	0.904	0.358	0.087	0.003	0.004	0.081	0.425	–	0.619	0.005	0.448	0.686
US Dollar	0.080	0.027	0.149	0.566	0.502	0.189	0.168	0.004	1.460	0.578	0.141	0.006	0.007	0.132	0.687	1.616	–	0.008	0.724	1.109
Japan Yen	9.741	3.321	18.00	68.56	60.87	22.92	20.41	0.434	176.9	70.08	17.06	0.673	0.812	15.94	83.24	195.8	121.2	–	87.756	134.3
Canada Dollar	0.111	0.038	0.205	0.781	0.694	0.261	0.233	0.005	2.016	0.799	0.194	0.008	0.009	0.182	0.949	2.231	1.381	0.011	–	1.53
Europe Ecu	0.073	0.025	0.134	0.510	0.453	0.171	0.152	0.003	1.317	0.522	0.127	0.005	0.006	0.119	0.620	1.457	0.902	0.007	0.653	–

** Italian lira rates in the vertical column have been multiplied by 1,000 for clarity. Divide by 1,000 for actual figures.* — *SOURCE: BZW*

ECONOMIC DATA

COUNTRY	INDUSTRIAL OUTPUT*			INFLATION†				UNEMPLOYMENT††			
	Latest quarter	Previous quarter	Year ago	Latest month		Month ago	Year ago	Latest month		Month ago	Year ago
Austria	0.3[1]	1.4	1.0	Aug	1.2	1.0	n/a	Aug	4.5	4.5	4.1
Belgium	1.7[4]	1.9	0.7	Sep	1.6	1.9	2.0	Aug	14.1	13.7	14.5
Denmark	3.7[5]	2.4	2.3	Aug	2.5	2.3	2.4	Jul	8.1	8.1	9.1
Finland	6.2	3.4	1.6	Aug	1.6	1.2	0.4	Aug	12.4	12.7	15.9
France	2.2	1.1	−0.4	Aug	1.5	1.0	1.6	Aug	12.5	12.5	12.6
Germany	2.9	1.4	1.1	Aug	2.1	1.9	1.4	Aug	11.9	11.5	10.2
Greece	2.0[3]	n/a	1.4	Aug	5.6	5.4	8.0	Jul	7.0	6.9	6.5
Ireland	7.8[2]	n/a	10.1	Aug	1.0	1.6	n/a	Apr	10.9	11.1	11.9
Italy	1.9[5]	−0.4	0.7	Aug	1.5	1.6	3.4		11.7	12.2[4]	11.7
Luxembourg	5.5[2]	3.8[3]	12.4	Jun	1.1	1.1	1.3	Apr	3.7	3.7	3.2
Netherlands	2.1[5]	3.0	1.8	Aug	2.6	2.4	1.9	Aug	5.7	5.7	6.6
Norway	4.6	1.0	1.6	Aug	2.3	2.2	1.3	Sep	3.0	3.5	3.9
Portugal	3.0[4]	2.3	2.0	Aug	1.9	1.7	3.6		6.7	6.5[5]	7.1
Spain	3.1[5]	2.9	1.9	Aug	1.8	1.6	3.7	Aug	12.4	12.5	13.5
Sweden	2.3[5]	1.8	1.4	Aug	1.5	1.0	0.3	Aug	8.5	9.1	9.0
Switzerland	0.2	−1.0	−0.5	Sep	0.4	0.5	0.6	Aug	5.0	5.1	4.5
UK	3.5	3.4	1.8	Jun	2.9	2.6	2.1	Aug	5.3	5.5	7.5
US	3.3	4.9	6.0	Aug	2.2	2.2	2.9	Aug	4.9	4.8	5.2
Japan	0.1	2.3	3.0	Aug	2.1	1.9	2.0	Jul	3.4	3.5	3.4
Canada	3.9	3.3	1.4	Aug	1.8	1.8	1.4	Aug	9.0	9.0	9.5

**Gross domestic product year on year. † Annual per cent. †† Per cent of workforce. q2 97 except where stated. 1 = q4 95. 2 = year 96. 3 = year 95. 4 = q4 96. 5 = q1 97.* — *SOURCE: Standard & Poor's MMS*

EAST EUROPEAN DATA

COUNTRY	INDUSTRIAL OUTPUT*				INFLATION†				UNEMPLOYMENT††			
	Latest month		Month ago	Year ago	Latest month		Month ago	Year ago	Latest month		Month ago	Year ago
Bulgaria	Nov	−5.0	−5.0	2.8	Jun	−0.8	5.7	484.2	May	14.8	15.3	10.4
Croatia	Jun	8.4	5.2	−0.7	Jun	0.2	0.4	3.4	Apr	23.1	23.2	21.0
Czech Rep	May	−1.0	6.3	4.3	Jun	1.2	0.1	6.8	May	4.0	3.8	2.8
Estonia	Apr	20.3	10.3	n/a	Jun	1.9	2.0	10.8	Apr	4.5	4.5	4.7
Hungary	May	1.7	11.4	−3.1	Jun	1.7	1.3	18.7	Jun	10.3	10.6	10.6
Latvia	Apr	9.5	1.1	9.2	Apr	0.7	0.4	8.8	Apr	7.6	7.5	7.1
Lithuania	Apr	7.6	−10.1	−1.4	Apr	0.3	0.1	7.3	Apr	5.9	6.2	8.0
Poland	Jun	19.9	6.6	2.4	Jun	1.5	0.6	15.3	Jun	11.6	11.7	14.3
Romania	May	−10.0	−4.0	10.7	Jun	2.3	4.3	176.0	May	6.8	7.0	7.7
Slovakia	May	0.6	9.0	−0.3	Jun	0.3	0.1	6.2	May	12.3	13.0	11.9
Slovenia	Apr	4.3	−1.3	11.5	Jun	0.4	1.3	8.8	Mar	14.4	14.0	14.4
Russia	May	0.2	0.6	−5.7	Jun	1.1	0.9	14.5	Apr	9.6	9.6	8.9
Ukraine	Jan	−8.2	−5.3	n/a	Apr	0.8	0.1	17.7	Mar	2.1	2.0	0.9

**Change over same month of previous year in per cent. † Month-to-month change in per cent. †† Rate in per cent. SOURCE: PlanEcon*

EAST EUROPEAN CURRENCIES

COUNTRY	US$	DM	UK£	Ffr	Ecu
Albania Lek	145.50	82.01	232.03	24.41	160.67
Belarus Rouble	36810.00	20748.55	58700.91	6177.75	40647.44
Bulgaria Lev	1765.50	995.15	2815.44	296.30	1949.55
Croatia Kuna	6.26	3.53	9.98	1.05	6.91
Czech Rep Koruna	33.43	18.84	53.30	5.61	36.91
Estonia Kroon	14.19	8.00	22.63	2.38	15.67
Hungary Forint	194.70	109.74	310.48	32.68	214.99
Latvia Lat	0.58	0.33	0.93	0.10	0.64
Lithuania Litas	4.00	2.26	6.38	0.67	4.42
Macedonia Denar	54.83	30.91	87.44	9.20	60.55
Moldova Leu	4.58	2.58	7.30	0.77	5.05
Poland Zloty	3.44	1.94	5.49	0.58	3.80
Russia Rouble	5851.00	3298.01	9330.59	981.96	6460.97
Romania Leu	7515.00	4235.95	11984.17	1261.23	8298.44
Slovakia Koruna	34.17	19.26	54.49	5.74	37.73
Slovenia Tolar	166.96	94.11	266.26	28.02	184.37
Ukraine Hryvna	1.87	1.05	2.98	0.31	2.06
Yugoslavia New Dinar	4.85	2.73	7.73	0.81	5.36

SOURCE: BZW

MARKETS EUROPEAN 500

Early EMU boosts London share prices

A MORE favourable view towards early entry to European Monetary Union from the British government boosted the FTSE 100 index by a record 160.8 points, or 3.2 per cent, on 26 September. The reports led to a weakening of the pound, which fell four pfennigs against the deutschmark. Subsequent denials about a policy change did little to fuel sterling's recovery.

Germany shares firmed following Wall Street's early gains and in reaction to news that the Bundesbank would not change the repo rate. However, the collapse of talks on German tax reform will weigh heavily on Frankfurt's DAX.

Milan's positive trend continues as companies reported better than expected results. Some of the most interesting ones are yet to come, including Parmalat and Ina, the financial company, both of which have been acquisitive this year.

In Paris, French shares gained at the beginning of the week, making up some of last week's losses prompted by disappointing company results. The most surprising gains were made by oil company Total, which rose 0.7 per cent despite the diplomatic fallout over its oil deal with Iran.

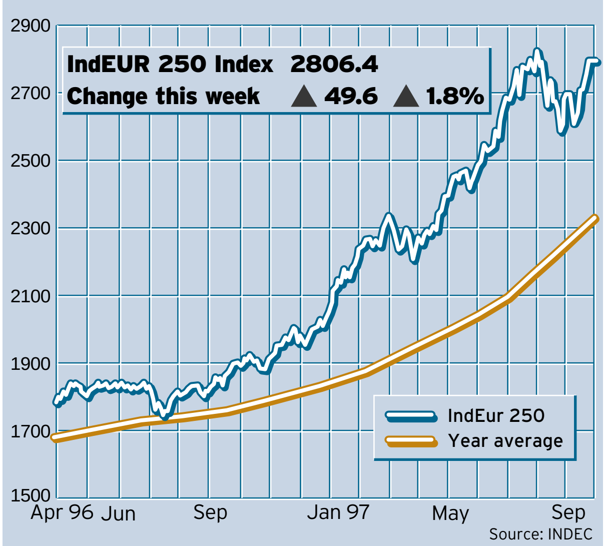
All European markets are likely to feel the effects of Wall Street's latest fluctuation, a 34.4 point slide to 7,957.1 points on 30 September. This was a direct result of continuing uncertainty over American interest rates.

PAULA HAWKINS

SECTOR INDICES

Sector	Index	% change Week ago	% change Year ago	12 month High	12 month Low
Banks	616.2	4.9	73.2	2616.2	1439.9
Chemicals	2700.8	1.3	28.0	2915.0	2098.1
Drinks & Tobacco	3271.9	−0.8	24.2	3584.3	2571.8
Engineering	2591.3	1.6	58.6	2591.3	1430.5
Financial & Conglomerate	2296.1	0.7	36.4	2408.2	1489.1
Food	3836.5	0.5	39.4	4046.5	2672.1
Health & Pharmaceuticals	9152.1	−0.3	46.4	9623.1	5321.5
Insurance	1897.3	1.8	54.5	1930.9	1167.7
Leisure	1966.6	3.4	8.7	1968.6	1580.0
Media & Information	3483.8	−0.8	8.3	3700.7	2809.8
Metals	3271.7	−0.4	22.6	3518.6	2548.1
Motors	1548.4	3.2	58.1	1563.6	924.8
Oil	4356.0	1.6	60.5	4419.1	2714.5
Paper & Packaging	2072.6	4.6	37.5	2091.3	1362.5
Property & Construction	1329.8	0.2	32.1	1347.8	1006.7
Retail	3143.0	1.7	41.0	3257.9	2229.5
Transport	3772.3	6.6	68.6	3772.3	2237.6
Utilities & Telecoms	3327.3	1.1	51.2	3451.6	2195.3

INDEUR 250

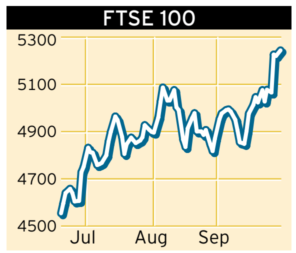


STOCK MARKETS

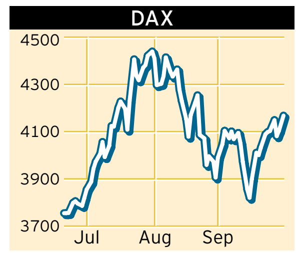
Market	Index	Latest	% change Week ago	% change Year ago	12 month High	12 month Low
Amsterdam	AEX	920.0	1.2	59.5	1010.9	576.9
Athens	General	1734.1	2.4	81.8	1754.7	878.0
Brussels	Bel-20	2417.4	0.5	36.5	2621.9	1765.1
Budapest	BTI	7692.9	0.0	115.4	8483.8	3490.4
Copenhagen	Stock Market	645.9	4.4	48.9	656.3	437.2
Dublin	Ireland SE	3807.22	1.1	43.4	3806.5	2619.2
Frankfurt	Dax	4167.9	1.7	57.2	4438.9	2655.7
Helsinki	Hex	3727.2	4.5	71.4	3727.2	2163.4
London	FTSE 100	5244.2	4.5	71.4	3727.2	2163.7
Madrid	Madrid SE	633.9	2.0	72.2	3727.2	2163.4
Milan	Mibtel	15902.0	0.8	56.3	16059.0	9588.0
Oslo	OBX	709.7	0.5	53.6	722.6	462.1
Paris	CAC-40	3008.3	0.4	41.1	3075.7	2123.2
Prague	Stock Market	535.9	0.2	−4.9	629	476.7
Stockholm	Affarsvariden	3238.9	0.8	54.9	3315.8	2108.3
Vienna	Credit Aktien	459.6	0.1	27.2	468.9	361.5
Warsaw	WIG-20	1733.2	−3.3	14.2	1894.9	1320.5
Zurich	SPI	3636.3	−0.5	51.9	3768.8	2391.3
New York	Dow Jones	7991.4	0.3	35.9	8259.3	5904.9
Tokyo	Nikkei	17887.7	−1.72	−17.02	21612.3	17303.6
Hong Kong	Hang Seng	15049.3	6.8	26.4	16673.3	11905.5
Pan-Europe	IndEUR Blue	3102.9	1.8	53.7	3197.1	2151.9
Pan-Europe	IndEUR 250	2806.4	1.8	49.2	2832.2	2004.4

Source: Datastream, Bloomberg, Indec

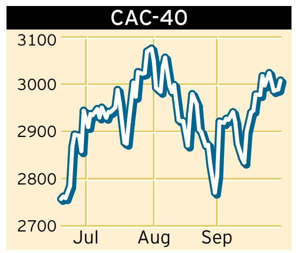
LONDON



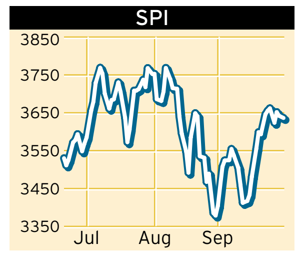
FRANKFURT



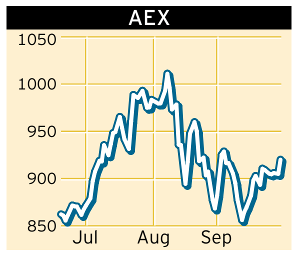
PARIS



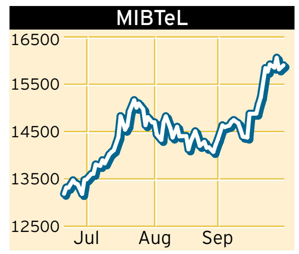
ZURICH



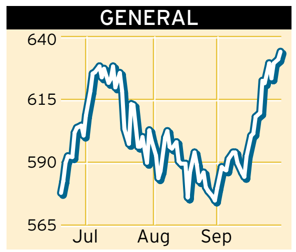
AMSTERDAM



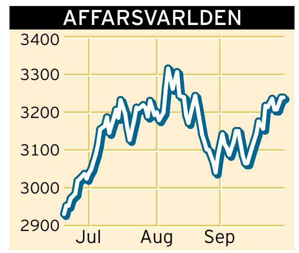
MILAN



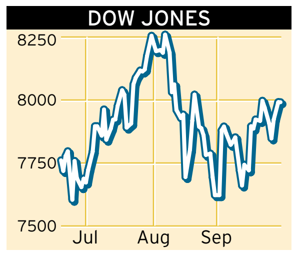
MADRID



STOCKHOLM



NEW YORK



TOKYO

Source: Bloomberg

Company results

AVIS Europe made a distinguished return to the London exchange with its first results since flotation earlier this year. The headline growth in interim profits of 33 per cent to £40.9 million ($25.4m) came on the back of a three per cent fall in sales, reflecting the strength of sterling and the company's expansion into French and German markets. Avis sought to reassure investors of the strength of its underlying trading performance by becoming the first company on the exchange to publish interim results in ecus, stripping out the currency effects.

REPORTED RESULTS FOR THE SEVEN DAYS ENDING 29 SEPTEMBER

Date	Company	Country	Sector	Period	Profits (m) Current	Profits (m) Previous
24 Sept	Barratt Development	UK	Construction	6 months	£ 70.1	51.9
24 Sept	Ini	Italy	Conglomerate	6 months	L 2,619	2,380
24 Sept	Pinault Printemps	France	Retail	6 months	Ffr 943	748
25 Sept	Avis Europe	UK	Car rental	6 months	£ 40.9	30.7
25 Sept	Lefarge	France	Construction	6 months	Ffr 775	545
25 Sept	Tractebel	Belgium	Engineering	6 months	Bfr11,820	10,790
25 Sept	Fiat	Italy	Motors	6 months	L 2.3tn	1.5tn
29 Sept	Close Brothers	UK	Banking	6 months	£ 55.4	45.0

THE EUROPEAN 500

The European 500 is a listing of Europe's top 500 companies measured by market capitalisation. Our main index, the IndEUR 250, is a pan-European benchmark index of 250 listed companies in the EU and Efta, weighted by gross domestic product and total market capitalisation of each country. Highlighted companies comprise the IndEUR Blue index of Europe's top 75 firms, measured by market capitalisation. IndEUR is based at 1,000 points on 1 January 1987. The yield figure for individual companies represents the latest total annual dividend as a percentage of the current share price. Sector yields represent the average yield of companies in the sector.

Banks ▲ 4.9% Yield 2.25%

Company	Country	Price	Change	%change	Yield
Abbey National	UK	£ 9.53	+0.72	+8.2%	3.46
ABN-Amro Holdings	Netherlands	Nfl 40.30	−0.50	−1.2%	2.81
Alliance & Leicester	UK	£ 6.92	+0.30	+4.4%	
Allied Irish Banks	Ireland	Ir£ 5.47	+0.32	+6.3%	
Alpha Credit Bank	Greece	Dr 20500	+600	+3.0%	3.64
Argentaria	Spain	Pts 8930	+490	+5.8%	3.95
Banca Commerciale Italiana	Italy	L 4960	−20	−0.4%	3.38
Banca di Roma	Italy	L 1780	+105	+6.3%	1.43
Bancaire (Cie)	France	Fr 756	+4	+0.5%	1.34
Banco Bilbao Vizcaya	Spain	Pts 4595	+195	+4.4%	1.78
Banco Central Hispano	Spain	Pts 6230	+80	+1.3%	1.78
Banco Com Portugues	Portugal	Esc 3800	+196	+5.4%	1.89
Banco de Santander	Spain	Pts 4890	+215	+4.6%	2.23
Banco Esprito Santo	Portugal	Esc 4995	+165	+3.4%	2.67
Banco Popular Espanol	Spain	Pts 9600	+0	+0.0%	2.85
Banco Port Atlantico	Portugal	Esc 2651	−69	−2.5%	4.22
Banesto	Spain	Pts 1520	−35	−2.3%	
Bank Austria	Austria	Sch 605	+6	+1.0%	1.99
Bankinter	Spain	Pts 8600	+350	+4.2%	2.47
Bank of Ireland	Ireland	Ir£ 7.72	+0.47	+6.5%	
Bank of Scotland	UK	£ 5.13	+0.52	+11.3%	1.94
Bankgesellschaft Berlin	Germany	Dm 45.25	+0.40	+0.9%	0.21
Barclays Bank	UK	£ 16.73	+1.51	+9.9%	2.37
Bayerische Hypobank	Germany	Dm 75.50	+2.30	+3.1%	0.19
Bayerische Veriensbank	Germany	Dm 102.80	+6.60	+6.9%	0.16
BBL	Belgium	Fr 9390	−110	−1.2%	2.02
BHF Bank	Germany	Dm 57.30	+4.50	+8.5%	0.26
BNP	France	Fr 298.90	+4.90	+1.7%	1.81
CCF	France	Fr 348	+21.70	+6.7%	1.70
Cetelem	France	Fr 676	+45	+7.1%	1.49
Christiania Bank	Norway	Kr 24.50	−0.60	−2.4%	6.30
CLF Dexia France	France	Fr 562	+22	+4.1%	2.80
Commerzbank	Germany	Dm 63.70	+0.40	+0.6%	0.21
Creditanstalt	Austria	Sch 648	+10	+1.6%	1.87
Credito Italiano	Italy	L 4670	+440	+10.4%	1.36
CS Holding	Switzerland	Fr 196.50	+1	+0.5%	2
Den Danske Bank	Denmark	Kr 733	+55	+8.1%	2.18
Den Norske Bank	Norway	Kr 29.70	−0.10	−0.3%	5.80
Deutsche Bank	Germany	Dm 124.40	+8.25	+7.1%	0.15
Deutsche Pfandbrief	Germany	Dm 106	−2	−1.9%	1.32
Dresdner Bank	Germany	Dm 81.20	−0.30	−0.4%	0.19
Generale Banque	Belgium	Fr 14800	+75	+0.5%	2.70
Halifax	UK	£ 7.28	+0.20	+2.9%	
HSBC	UK	£ 22	+2.59	+13.3%	2.36
IKB Industriebank	Germany	Dm 37.80	+0.90	+2.4%	0.34
IMI	Italy	L 30642	−1058	−3.3%	1.99
Kredietbank	Belgium	Fr 15025	+425	+2.9%	1.78
Lloyds Bank	UK	£ 8.34	+0.71	+9.3%	2.01
Mediobanca	Italy	L 13500	−490	−3.5%	1.49
Merck	Germany	Dm 67.50	−2.30	−3.3%	1.83
Merita	Finland	Mk 25.10	+2.40	+10.6%	0.80
National Westminster	UK	£ 9.32	+0.74	+8.6%	3.91
Paribas	France	Fr 440	+7.90	+1.8%	2.95
Royal Bank of Scotland	UK	£ 6.89	+0.51	+8.0%	3.31
San Paolo Torino	Italy	L 13680	+580	+4.4%	2.08
SBC	Switzerland	Fr 393	+4	+1.0%	3.59
Schroders	UK	£ 19.38	+1.28	+7.1%	1.29
S-E Banken	Sweden	Kr 92	+2	+2.2%	3.01
Societe Generale	France	Fr 859	+11	+1.3%	2.05
Sparbanken Sverige	Sweden	Kr 183	−2	−1.1%	3
Standard Chartered	UK	£ 8.49	−0.02	−0.2%	2.11
Suez (Cie de)	France	Fr 15.10	+0	+0.0%	8.15
Svenska Handelsbank	Sweden	Kr 263	+8	+3.1%	1.92
UBS	Switzerland	Fr 1699	+47	+2.8%	1.89
Unidanmark	Denmark	Kr 435	+20	+4.8%	2.29
Worms & CIE	France	Fr 426.50	+30.60	+7.7%	2.24

Chemicals ▲ 1.3% Yield 1.94%

Company	Country	Price	Change	%change	Yield
AGA A	Sweden	Kr 124.50	+3.50	+2.9%	2.21
Air Liquide	France	Fr 976	+41	+4.4%	1.48
Akzo	Netherlands	Nfl 340.10	+7.70	+2.3%	2.25
BASF	Germany	Dm 63.80	+0.60	+0.9%	0.27
Bayer	Germany	Dm 70.35	−0.65	−0.9%	0.25
BOC	UK	£ 11.07	−0.13	−1.2%	3.23
Clariant	Switzerland	Fr 1170	−19	−1.6%	0.86
Cookson Group	UK	£ 2.52	−0.01	−0.4%	4.29
Courtaulds	UK	£ 3.40	+0.06	+1.8%	1.62
Degussa	Germany	Dm 96.80	−0.50	−0.5%	0.13
DSM	Netherlands	Nfl 194.40	+4.90	+2.6%	4.81
Ems-Chemie	Switzerland	Fr 6925	+20	+0.3%	2.18
Gevaert Photo-Prod Cap	Belgium	Fr 2950	−130	−4.2%	1.86
Henkel	Germany	Dm 99.60	−5.60	−5.3%	1.32
Hoechst	Germany	Dm 78.40	+1.80	+2.3%	0.18
ICI	UK	£ 10.03	+0.21	+2.1%	4
Kemira	Finland	Mk 51.40	+0.90	+1.8%	3.11
Laporte	France	Fr 7.60	+0.30	+4.1%	4.01
Montedison	Italy	L 1260	−49	−3.7%	1.58
Rhone-Poulenc	France	Fr 236	−0.10	−0.0%	1.46
Schering	Germany	Dm 185.45	+2.45	+1.3%	0.11
Sidel	France	Fr 389	+7	+1.8%	1.17
SKW Trostberg	Germany	Dm 64.50	+0.90	+1.4%	1.73
Solvay	Belgium	Fr 2200	+30	+1.4%	2.54

Changes since last week. Prices as at market close on Tuesday 30 September 1997. IndEUR 500 Index and sector movements adjusted for currency fluctuations. Compiled by IndEUR Ltd, fax: +44 (0)171-228 7170. Also available in real-time on CNN International TEXT and on Reuters financial screens. Key in pages IPCD IPCE IPCF IPCG IPCH. For individual RICs consult Reuters

Drinks and Tobacco ▼ 0.8%
Yield 3.14%

Company	Country	Price	Change	%change	Yield
Allied Domecq	UK	£ 4.92	+0.19	+4.0%	6.09
Bass	UK	£ 8.37	−0.16	−1.9%	3.76
Carlsberg A	Denmark	Kr 368	−1	−0.3%	0.91
Grand Metropolitan	UK	£ 5.90	+0.02	+0.3%	3.39
Greenalls	UK	£ 3.78	−0.76	−16.7%	4.92
Guinness	UK	£ 5.82	+0.05	+0.8%	3.51
Heineken	Netherlands	Nfl 349.10	+1.50	+0.4%	1
Imperial Tobacco	UK	£ 3.73	+0.08	+2.1%	
LVMH Moet Hennessy	France	Fr 1261	−33	−2.6%	1.59
Pernod-Ricard	France	Fr 296	+4	+1.4%	2.88
Scottish & Newcastle	UK	£ 7.04	−0.25	−3.4%	3.79
Seita	France	Fr 185	+13.50	+7.9%	3.60
Tabacalera A	Spain	Pts 10470	+270	+2.6%	1.68
Whitbread A	UK	£ 8.05	+0.23	+2.9%	3.68

Engineering ▲ 1.6%
Yield 1.80%

Electrical and Electronic

Company	Country	Price	Change	%change	Yield
Acerinorox	Spain	Pts 28200	+700	+2.5%	1.44
ABB AB	Sweden	Kr 107.50	−3.50	−3.2%	1.62
ABB BBC	Switzerland	Fr 2142	−58	−2.6%	1.67
Asea Brown Boveri	Germany	Dm 620	+2	+0.3%	3.11
ASMC	Netherlands	Nfl 200.10	−10.60	−5.0%	
Atlas Copco	Sweden	Kr 258	+12	+4.9%	1.41
Barco	Belgium	Fr 7640	+350	+4.8%	0.62
BICC	UK	£ 1.67	+0.17	+11.3%	9.50
Cap Gemini Sogeti	France	Fr 385	−7.80	−2.0%	0.51
Dassault Systemes	France	Fr 380	−3	−0.8%	0.44
Electrocomponents	UK	£ 4.61	+0.04	+0.9%	2.10
Electrolux	Sweden	Kr 593	+26	+4.6%	2.17
Ericsson B	Sweden	Kr 364.50	+2	+0.6%	0.69
GEC	UK	£ 3.91	−0.01	−0.3%	4.27
Getronics	Netherlands	Nfl 62.30	+0.10	+0.2%	0.49
Incentive	Sweden	Kr 723	−2	−0.3%	1.36
Legrand	France	Fr 1246	+16	+1.3%	0.66
Nokia	Finland	Mk 495	+27	+5.8%	0.72
Oce-Van Der Grinten	Netherlands	Nfl 251.90	+0.90	+0.4%	1.21
Philips	Netherlands	Nfl 168.40	+10.90	+6.9%	1
Premier Farnell	UK	£ 5.31	+0.02	+0.4%	2.81
Sagem	France	Fr 2900	+61	+2.1%	0.90
Saipem	Italy	L 10400	+1140	+12.3%	1.38
SAP	Germany	Dm 454.50	+12.50	+2.8%	0.05
Schneider	France	Fr 374.50	+23.50	+6.7%	1.38
Sema	UK	£ 13	−0.20	−1.5%	0.58
SGL Carbon	Germany	Dm 259.50	+12	+4.8%	0.85
Siemens	Germany	Dm 119.35	−2.05	−1.7%	0.13
Technip	France	Fr 754	+29	+4.0%	1.45
Thomson-CSF	France	Fr 189.30	+15	+8.6%	1.45

General

Company	Country	Price	Change	%change	Yield
Alcatel Alsthom	France	Fr 789	+7	+0.9%	1.29
British Aerospace	UK	£ 16.63	+0.10	+0.6%	1.18
BTR	UK	£ 2.51	+0.12	+4.9%	4.60
Dassault Aviation	France	Fr 1375	+75	+5.8%	2.34
FKI	UK	£ 2.07	+0.05	+2.5%	3.11
Linde	Germany	Dm 1232	−4	−0.3%	1.43
Mannesmann	Germany	Dm 842	−30	−3.4%	1.07
Morgan Crucible	UK	£ 5.13	+0.11	+2.2%	3.56
Orkla	Norway	Kr 628	+42	+7.2%	1.17
Rolls Royce	UK	£ 2.56	+0.21	+8.9%	2.69
Sandvik	Sweden	Kr 2666	+26	+1.0%	1.13
SEB	France	Fr 260	+11.50	+4.6%	2.52
Siebe	UK	£ 883	+28	+3.3%	1.32
SMH	Switzerland	Fr 12.47	+0.89	+7.7%	0.50
Smiths Industries	UK	£ 200.25	−0.75	−0.4%	0.91
TI Group	UK	£ 9.13	+0.30	+3.4%	2.18
VA Technologie	Austria	Sch 6.67	+0.57	+9.3%	2.67
Williams Holdings	UK	£ 3.69	+0.06	+1.8%	5.08

Financial and Conglomerate ▲ 0.7%
Yield 2.97%

Company	Country	Price	Change	%change	Yield
3i Group	UK	£ 5.20	+0.08	+1.6%	2.21
Almanij	Belgium	Fr 1610	+45	+2.9%	1.43
AXA	France	Fr 398	−1	−0.3%	1.89
BAT	UK	£ 5.39	+0.16	+3.1%	2.84
BIC	France	Fr 439	−35.50	−7.5%	2.48
Caradon	UK	£ 1.91	+0	+0.0%	6.01
CGIP	France	Fr 1800	+50	+2.9%	2.26
Cimpor	Portugal	Esc 4864	+250	+5.4%	2.58
Coats Viyella	UK	£ 1.21	+0.01	+0.8%	5.40
Colruyt	Belgium	Fr 18600	+250	+1.4%	0.70
Eurafrance	France	Fr 2500	+16	+0.6%	3.04
Finaxa	France	Fr 338	−1	−0.3%	1.92
GBL	Belgium	Fr 5780	+110	+1.9%	2.63
Hanson	UK	£ 3.08	+0	+0.0%	8.38
Harrisons & Crossfield	UK	£ 1.24	+0.04	+3.3%	9.11
Inchcape	UK	£ 2.86	+0.10	+3.4%	2.72
ING	Netherlands	Nfl 91.40	−0.20	−0.2%	2.40
Investor A	Sweden	Kr 403	+0	+0.0%	2.48
Largardere Group	France	Fr 188.30	+7.40	+4.1%	1.99
Lonrho	UK	£ 1.16	+0.04	+4.0%	3.06
Mercury Asset Management	UK	£ 13.54	+0.98	+7.8%	4.26
Navigation Mixte	France	Fr 770	+0	+0.0%	5.20
Pargesa Holding	Switzerland	Fr 1900	+10	+0.5%	3.70
Provident Financial	UK	£ 6.77	+0.22	+3.4%	3.07
Rentokil	UK	£ 2.57	+0.02	+0.8%	1.22
Richemont	Switzerland	Fr 1895	−75	−3.8%	0.38
Tomkins	UK	£ 3.45	+0.17	+5.2%	1.10
Veba	Germany	Dm 103.25	+2.55	+2.5%	0.19
Viag	Germany	Dm 790.80	+29.30	+3.8%	1.54

Food ▲ 0.5%
Yield 3.29%

Company	Country	Price	Change	%change	Yield
Associated British Foods	UK	£ 5.43	−0.10	−1.7%	2.20
Bolswessanen	Netherlands	Nfl 34.90	−0.90	−2.5%	2.63
Booker	UK	£ 3.22	+0.17	+5.7%	9.23
Cadbury Schweppes	UK	£ 5.97	+0.34	+6.0%	3.66
CSM	Netherlands	Nfl 93.10	−0.40	−0.4%	1.83
Dalgety	UK	£ 2.56	−0.08	−3.0%	4.05
Danisco	Denmark	Kr 383	+20	+5.5%	1.34
Danone	France	Fr 935	+40	+4.5%	1.87
Eridania Beghin-Say	France	Fr 920	+18	+2.0%	3.75
Hillsdown Holdings	UK	£ 1.69	+0.10	+6.3%	7.42
Kerry Group	Ireland	Ir£ 7.50	+0.65	+9.5%	
Nestlé	Switzerland	Fr 2026	−15	−0.7%	1.48
Nestlé Deutschland	Germany	Dm 510	+2	+0.4%	2.16
Northern Foods	UK	£ 2.41	+0.11	+4.8%	4.82
Nutricia	Netherlands	Nfl 59.80	−0.40	−0.7%	1.17
Parmalat	Italy	L 2960	+90	+3.1%	0.51
Saint Louis	France	Fr 1300	+0	+0.0%	2.92
Sudzucker	Germany	Dm 858	+12	+1.4%	1.98
Tate & Lyle	UK	£ 4.38	+0.11	+2.5%	4.86
Unigate	UK	£ 5.66	+0.26	+4.8%	4.46
Unilever	UK	£ 18.13	+0.41	+2.3%	2.24
Unilever NV	Netherlands	Nfl 424.80	−2.20	−0.5%	1.66
United Biscuits	UK	£ 2.04	+0.05	+2.5%	6.14

Health and Pharmaceuticals ▼ 0.3%
Yield 1.09%

Company	Country	Price	Change	%change	Yield
Altana	Germany	Dm 130	−6.40	−4.7%	1.16
Ares-serono	Switzerland	Fr 2620	+230	+9.6%	0.20
Astra A	Sweden	Kr 140	+2	+1.4%	1.08
Beiersdorf	Germany	Dm 80.50	+2	+2.5%	0.06
British Biotech	UK	£ 1.60	−0.07	−4.2%	
Christian Dior	France	Fr 801	−24	−2.9%	1.86
Clarins	France	Fr 650	−19	−2.8%	1.11
Elf-Sanofi	France	Fr 551	−84	−13.2%	1.21
Essilor	France	Fr 1647	+60	+3.8%	0.88
Fresenius Midical Care	Germany	Dm 121.05	−8.15	−6.3%	
Gehe	Germany	Dm 95.40	−6.60	−6.5%	0.14
Glaxo Wellcome	UK	£ 13.95	+0.40	+3.0%	2.68
L'Oreal	France	Fr 2375	+13	+0.6%	0.60
Novartis	Switzerland	Fr 2240	−54	−2.4%	0.88
Novo Nordisk	Denmark	Kr 752	+67	+9.8%	0.51
Pharma Vision	Switzerland	Fr 900	−6	−0.7%	
Pharmacia	Sweden	Kr 275	−0.50	−0.2%	0.72
Reckitt & Colman	UK	£ 9.48	−0.21	−2.2%	1.10
Roche Holding	Switzerland	Fr 22260	−955	−4.1%	0.32
Schwarz Pharma	Germany	Dm 129.70	−3.80	−2.8%	1.14
Smith & Nephew	UK	£ 1.88	+0.03	+1.6%	3.96
Smithkline Beecham A	UK	£ 6.11	+0.53	+9.6%	0.83
Synthelabo	France	Fr 702	−13	−1.8%	0.75
UCB Cap	Belgium	Fr 130000	+5900	+4.8%	0.59
Zeneca	UK	£ 20.24	+0.56	+2.8%	2.17

Insurance ▲ 1.8%
Yield 1.87%

Company	Country	Price	Change	%change	Yield
Aegon	Netherlands	Nfl 159.40	+2.70	+1.7%	1.91
AGP	France	Fr 235	−10	−4.1%	2.09
Alleanza	Italy	L 16650	−290	−1.7%	0.90
Allianz	Germany	Dm 426.30	+5.30	+1.3%	0.04
Allianz Leben	Germany	Dm 1460	+10	+0.7%	0.86
Aachener Munchener Bet	Germany	Dm 1600	+27	+1.7%	0.99
Anglo-Elmr. Versich	Austria	Sch 22000	+0	+0.0%	0.68
Baloise Holding	Switzerland	Fr 2250	+161	+7.7%	1.13
Britannic Assurance	UK	£ 9.71	+0.45	+4.9%	3.64
CKAG Colonia Konzern	Germany	Dm 158	−3.50	−2.2%	1.09
Commercial Union	UK	£ 8.04	+0.42	+5.5%	4.63
Deutsche Lloyd Versich	Germany	Dm 4900	+0	+0.0%	0.68
EA-Generali	Austria	Sch 3372	+173	+5.4%	0.51
Fortis	Belgium	Fr 7300	+0	+0.0%	1.31
Fortis Amev	Netherlands	Nfl 83.10	+0.30	+0.4%	3.25
General Accident	UK	£ 10.87	+1.04	+10.6%	3.90
Generali	Italy	L 39000	−950	−2.4%	0.96
Guardian Royal Exchange	UK	£ 3.17	+0.27	+9.1%	3.96
INA	Italy	L 2755	−5	−0.2%	2.39
Legal & General	UK	£ 4.84	+0.29	+6.4%	2.89
Munchener Ruckvers	Germany	Dm 595	+15	+2.6%	0.24
Prudential	UK	£ 6.91	+0.65	+10.4%	3.12
RAS	Italy	L 15390	+65	+0.4%	2.20
Royal Sun Alliance Group	UK	£ 5.89	+0.50	+9.3%	4.01
Royale Belge	Belgium	Fr 9490	+300	+3.3%	2.82
Skandia	Denmark	Kr 299.36	−5.64	−1.8%	
Skandia Group	Sweden	Kr 339	+7	+2.1%	0.81
Sun Life and Provincial	UK	£ 4.08	+0.01	+0.4%	2.07
Swiss Re	Switzerland	Fr 2181	−14	−0.6%	1.38
UAP	France	Fr 159	+0	+0.0%	1.98
Uni Storebrand	Norway	Kr 51.50	+0	+0.0%	0.38
United Assurance GP	UK	£ 5.17	+0.33	+6.8%	4.44
Victoria Holdings	Germany	Dm 1610	+10	+0.6%	0.87
Winterthur	Switzerland	Fr 1421	+15	+1.1%	1.46
Wurtt AG Versich-Beteil	Germany	Dm 1670	+10	+0.6%	0.78
Zurich Insurance	Switzerland	Fr 633	+12	+1.9%	1.16

Leisure ▲ 3.4%
Yield 2.68%

Company	Country	Price	Change	%change	Yield
Accor	France	Fr 1096	+86	+8.5%	1.83
Adidas	Germany	Dm 229.90	−2.60	−1.1%	0.48
Airtours	UK	£ 10.51	−0.02	−0.2%	1.90
Compass Group	UK	£ 6.80	+0.33	+5.1%	1.60
EMI	UK	£ 6.10	+0.35	+6.1%	0.81
Granada	UK	£ 8.74	+0.26	+3.0%	1.83
Gucci Group	Netherlands	Nfl 92	−23.50	−20.3%	0.58
Ladbroke	UK	£ 2.74	+0.11	+4.2%	2.80
PolyGram	Netherlands	Nfl 115.30	+1.40	+1.2%	0.84
The Rank Group	UK	£ 3.64	+0.18	+5.3%	5.75
Thistle Hotels	UK	£ 1.41	+0.06	+4.8%	1.79
Thorn	UK	£ 1.42	+0.02	+1.4%	11.87

Media and Information ▼ 0.8%
Yield 2.28%

Company	Country	Price	Change	%change	Yield
Audiofina	Luxembourg	Fr 1450	+5	+0.3%	1.09
BSkyB	UK	£ 4.69	−0.12	−2.5%	1.62
Canal Plus	France	Fr 1054	−6	−0.6%	1.96
Carlton Communications	UK	£ 5.13	+0.14	+2.9%	2.74
Daily Mail	UK	£ 18.38	−0.02	−0.1%	1.33
De La Rue	UK	£ 4.05	+0.11	+2.8%	7.34
Elsevier	Netherlands	Nfl 28.90	−3.50	−10.8%	3
Emap	UK	£ 8.87	+0.34	+4.0%	1.84
Havas	France	Fr 402.70	−3.80	−0.9%	2.10
Pathe	France	Fr 1199	−6	−0.5%	0.85
Pearson	UK	£ 7.81	+0.12	+1.6%	2.85
Reed International	UK	£ 6.01	+0.20	+3.5%	3.35
Reuters	UK	£ 7.34	+0.48	+7.0%	2.02
Springer	Germany	Dm 1495	−40	−2.6%	1.34
TF-1	France	Fr 513	+12	+2.4%	3.22
United Newspapers	UK	£ 7.73	+0.16	+2.1%	3.80
VNU	Netherlands	Nfl 46.20	+2.40	+5.5%	1.24
Wolters Kluwer	Netherlands	Nfl 268.40	+24.30	+10.0%	0.95
WPP Group	UK	£ 2.79	−0.06	−2.2%	0.76

Metals ▼ 0.4%
Yield 2.08%

Company	Country	Price	Change	%change	Yield
Alusuisse Lonza	Switzerland	Fr 1397	+42	+3.1%	1.36
Avesta Sheffield	Sweden	Kr 72.50	−1	−1.4%	1.37
British Steel	UK	£ 1.77	−0.09	−4.8%	6.86
Cyprus Amax Minerals	Germany	Dm 42.50	+1.50	+3.7%	
Imetal	France	Fr 764	−104	−12.0%	2.11
Johnson Matthey	UK	£ 6.77	+0.31	+4.8%	0.87
Krupp	Germany	Dm 366.50	−8.50	−2.3%	1.39
Metallgesellschaft	Germany	Dm 39	+0.15	+0.4%	
Outukumpu	Finland	Mk 96.30	+1.30	+1.4%	1.04
Preussag	Germany	Dm 495	−13	−2.6%	2.45
RTZ	UK	£ 9.90	+0.08	+0.8%	1.02
Union Miniere	Belgium	Fr 412	+2.50	+0.6%	1.96
Thyssen	Germany	Dm 2985	−80	−2.6%	
Usinor	France	Fr 119.90	+6	+5.3%	2.50

Motors ▲ 3.2%
Yield 1.65%

Company	Country	Price	Change	%change	Yield
Autoliv	Sweden	Kr 322	−16	−4.7%	1
BBA Group	UK	£ 4.21	+0.02	+0.5%	2.07
BMW	Germany	Dm 1504.50	+114.50	+8.2%	1.02
Continental	Germany	Dm 45.47	−0.78	−1.7%	0.13
Daimler-Benz	Germany	Dm 145.80	+6.10	+4.4%	0.08
Fiat	Italy	L 6160	+0	+0.0%	1.61
Ford-Werke	Germany	Dm 850	+10	+1.2%	4.61
GKN	UK	£ 14.03	+0.84	+6.3%	2.30
Lucas Varity	UK	£ 2.42	+0.19	+8.5%	1.16
MAN	Germany	Dm 557.70	+0.70	+0.1%	2.15
Michelin B	France	Fr 337	+10.50	+3.2%	0.99
Peugeot	France	Fr 782	−15	−1.9%	0.39
Pirelli Spa	Italy	L 5060	−10	−0.2%	1.98
Renault	France	Fr 175.90	+0.40	+0.2%	1.99
Scania	Sweden	Kr 230	+1	+0.4%	2.37
Valeo	France	Fr 389.60	+22.10	+6.0%	3.05
Volkswagen	Germany	Dm 1227	+16	+1.3%	0.74
Volvo B	Sweden	Kr 217.50	+7.50	+3.6%	1.99

Oil ▲ 1.6%
Yield 2.08%

Company	Country	Price	Change	%change	Yield
British Petroleum	UK	£ 9.36	+0.40	+4.5%	2.55
Burmah Castrol	UK	£ 11.05	+0.51	+4.8%	2.55
Elf Aquitaine	France	Fr 792	−13	−1.6%	1.76
Enterprise Oil	UK	£ 6.75	+0.19	+2.9%	3.14
Lasmo	UK	£ 2.73	+0.06	+2.2%	0.44
Neste	Finland	Mk 143.80	+4.80	+3.5%	1.38
Norsk Hydro	Norway	Kr 423.50	+7.50	+1.8%	1.66
ÖMV	Austria	Sch 1855	+12	+0.7%	1.26
Petrofina	Belgium	Fr 14275	+100	+0.7%	2.11
Petroleos (Cia Esp)	Spain	Pts 4735	−25	−0.5%	2.48
Primagaz	France	Fr 490.90	+35.90	+7.9%	1.80
Repsol	Spain	Pts 6450	+60	+0.9%	2.81
Royal Dutch	Netherlands	Nfl 111.40	+2.90	+2.7%	2.60
RWE-DEA	Germany	Dm 428	+7	+1.7%	3.74
Saga Petroleum	Norway	Kr 150	+4	+2.7%	2.15
Shell Transp & Trading	UK	£ 4.54	+0.09	+2.0%	3.39
Total B	France	Fr 679	−20	−2.9%	1.56
Transocean Offshore	Norway	Kr 345	−345	+0.0%	0.11

Paper and Packaging ▲ 4.6%
Yield 3.31%

Company	Country	Price	Change	%change	Yield
Arjo Wiggins Appleton	UK	£ 2.05	+0.02	+1.0%	4.52
Assi Döman	Sweden	Kr 259	+9.50	+3.8%	2.04
Bunzl	UK	£ 2.63	+0.10	+4.0%	3.01
FPB Holding	Germany	Dm 310	+0	+0.0%	5.64
KNP BT	Netherlands	Nfl 54.30	+3.90	+7.7%	1.58
MoDo	Sweden	Kr 285	+7	+2.5%	3.16
Pechiney International	France	Fr 142.50	+1	+0.7%	1.80
Rexam	UK	£ 3.48	+0.16	+4.8%	5.11
SCA	Sweden	Kr 191.50	−3	−1.5%	2.71
Smith (David S)	UK	£ 2.35	−0.02	−0.7%	4.19
Smurfit (Jefferson)	Ireland	Ir£ 2.07	+0	+0.1%	
Stora A	Sweden	Kr 130	+1.50	+1.2%	2.90
UPM-Kymmene	Finland	Mk 147	+6.40	+4.6%	3.04

Property and Construction ▲ 0.2%
Yield 2.90%

Company	Country	Price	Change	%change	Yield
Blue Circle	UK	£ 4.02	+0.20	+5.2%	4.18
Bouygues	France	Fr 557	+20	+3.7%	3.08
BPB	UK	£ 3.46	+0.01	+0.3%	3.77
British Land	UK	£ 6.52	+0.34	+5.5%	1.75
Cimenteries CBR	Belgium	Fr 3190	+110	+3.6%	2.27
CRH	Ireland	Ir£ 6.99	+0.42	+6.4%	
Hammerson	UK	£ 4.73	+0.18	+4.1%	2.91
Heidelberg Zement	Germany	Dm 141	+0	+0.0%	0.11
Hochtief	Germany	Dm 80.70	−2.90	−3.5%	0.15
Holderbank	Switzerland	Fr 1380	+55	+4.2%	1.24
Lafarge Coppée	France	Fr 434.80	−11.30	−2.5%	2.29
Land Securities	UK	£ 9.81	+0.31	+3.3%	3.49
MEPC	UK	£ 5.23	+0.23	+4.6%	4.79
Pilkington	UK	£ 1.57	+0.02	+1.1%	4.06
Poliet	France	Fr 495	+2.50	+0.5%	2.01
Randstad Holdings	Netherlands	Nfl 81.80	−0.70	−0.8%	0.93
Redland	UK	£ 2.82	+0.03	+1.1%	9.02
RMC Group	UK	£ 9.85	−0.14	−1.4%	3.40
Rodamco	Netherlands	Nfl 60.90	−0.60	−1.0%	4.76
Skanska	Sweden	Kr 330	+10.50	+3.3%	3.04
Slough Estates	UK	£ 3.36	+0.27	+8.7%	3.40
St Gobain	France	Fr 915	+1	+0.1%	1.87
Wienerberger Baustoff	Austria	Sch 2593	−17	−0.7%	1.63
Wolseley	UK	£ 5.15	+0.17	+3.4%	2.57

Retail ▲ 1.7%
Yield 2.09%

Company	Country	Price	Change	%change	Yield
Ahold	Netherlands	Nfl 53.80	−1.20	−2.2%	0.84
Argos	UK	£ 6.93	−0.01	−0.1%	2.89
Asda	UK	£ 1.58	−0.04	−2.2%	2.40
Benetton	Italy	L 28850	−400	−1.4%	1.74
Bon Marché	France	Fr 1332	+1	+0.1%	1.65
Boots	UK	£ 8.80	+0.41	+4.9%	2.93
Burton Group	UK	£ 1.34	+0.05	+4.3%	2.61
Capital Shopping	UK	£ 4.01	+0.10	+2.6%	2.59
Carrefour	France	Fr 3697	+82	+2.3%	0.72
Casino	France	Fr 361	+28.90	+8.7%	1.36
Castorama Dubois	France	Fr 638	+28	+4.6%	1.71
Comptoires Modernes	France	Fr 2798	+18	+0.6%	0.86
Continente	Spain	Pts 3230	+250	+8.4%	1.25
Delhaize	Belgium	Fr 1800	−20	−1.1%	1.50
Dixons	UK	£ 6.47	+0.34	+5.6%	2.06
Great Universal Stores	UK	£ 6.90	+0.21	+3.1%	3.25
Guilbert	France	Fr 820	+81	+11.0%	1.55
Hagemeyer	Netherlands	Nfl 101.50	−1.20	−1.2%	1.55
Hennes & Mauritz	Sweden	Kr 331.50	+11.50	+3.6%	0.67
Hermes International	France	Fr 470	−12	−2.5%	0.54
Karstadt	Germany	Dm 612	+29	+4.5%	1.65
Kingfisher	UK	£ 8.47	+0.56	+7.1%	2.81
Marks & Spencer	UK	£ 6.34	+0.34	+5.7%	2.62
Metro	Germany	Dm 81.20	+0.70	+0.9%	0.57
MFI	UK	£ 1.48	+0.10	+7.2%	4.03
Montaigne	France	Fr 2950	−144	−4.7%	0.18
Morrison Supermarkets	UK	£ 2.13	+0.16	+7.9%	1.01
Next	UK	£ 7.30	−0.24	−3.2%	2.55
Pinault Printemps	France	Fr 2783	+69	+2.5%	1.15
Promodes	France	Fr 2316	+54	+2.4%	0.60
Pryca	Spain	Pts 2790	+40	+1.5%	2.35
Safeway	UK	£ 4	+0.15	+4.0%	4.35
Sainsbury (J)	UK	£ 4.63	+0.07	+1.4%	3.35
Sears	UK	£ 0.59	+0.01	+2.6%	8.23
Smith (WH)	UK	£ 3.68	−0.06	−1.5%	5.36
Storehouse	UK	£ 2.53	+0.23	+10.0%	4.04
Tesco	UK	£ 4.70	+0.01	+0.1%	2.74
Vendex International	Netherlands	Nfl 118	+0.10	+0.1%	1.78
Vendome	UK	£ 4.50	−0.22	−4.7%	2.90

Services ▲11.94%
Yield 1.40%

Company	Country	Price	Change	%change	Yield
Baan	Netherlands	Nfl 143.50	+5.50	+4.0%	
Berendson (Sophus)	Denmark	Kr 1077.84	+7.84	+0.7%	0.51
Danka Business Systems	UK	£ 6.92	+0.15	+2.1%	0.49
Hays	UK	£ 7.04	+0.40	+6.0%	1.67
Mice Group	UK	£ 0.08	−0.01	−5.9%	2.27
Securicor	UK	£ 2.69	+0.05	+1.7%	0.72
Sodexho	France	Fr 2951	+150	+5.4%	0.92
Surveillance	Switzerland	Fr 2545	+15	+0.6%	2.63
Waste Management Intl	UK	£ 2.57	+0.02	+0.8%	

Transport ▲ 6.6%
Yield 2.42%

Company	Country	Price	Change	%change	Yield
Associated British Ports	UK	£ 2.89	+0.08	+2.7%	3.31
Autopistas Cesa	Spain	Pts 1995	−10	−0.5%	3.65
BAA	UK	£ 6.01	+0.45	+8.1%	2.66
British Airways	UK	£ 6.76	+0.24	+3.7%	2.72
d/s 1912 A	Denmark	Kr 338000	+56000	+19.9%	0.22
d/s Svendborg A	Denmark	Kr 480000	+60000	+14.3%	0.23
KLM	Netherlands	Nfl 69.50	−0.20	−0.3%	1.44
Lufthansa	Germany	Dm 34.80	+0	+0.0%	0.13
NFC	UK	£ 1.46	+0.07	+5.0%	6.02
P & O	UK	£ 6.61	−0.17	−2.5%	5.74
Railtrack	UK	£ 8.95	+0.31	+3.6%	3.10
Stagecoach Holdings	UK	£ 6.85	+0.18	+2.7%	1.65
Swissair	Switzerland	Fr 1945	+27	+1.4%	0.52

Utilities and Telecoms ▲ 1.1%
Yield 3.14%

Company	Country	Price	Change	%change	Yield
Aare Tessin	Switzerland	Fr 870	+29	+3.4%	2.09
Aguas de Barcelona	Spain	Pts 6100	+190	+3.2%	1.49
Anglian Water	UK	£ 8.22	+0.20	+2.5%	5.28
Badenwerk	Germany	Dm 550	−20	−3.5%	1.67
Berliner Kraft & Licht	Germany	Dm 39.90	+0.80	+2.0%	0.20
British Gas	UK	£ 2.68	+0.07	+2.7%	6.03
British Energy	UK	£ 2.09	+0	+0.0%	8.21
British Telecom	UK	£ 4.09	−0.04	−1.0%	6.01
Cable & Wireless	UK	£ 5.28	+0.06	+1.1%	2.64
Centrica	UK	£ 0.92	+0.02	+2.8%	
Deutsche Telekom	Germany	Dm 34.20	+0.85	+2.5%	1.78
Eaux (Cie Generale)	France	Fr 698	−2	−0.3%	1.71
Edison	Italy	L 9290	−145	−1.5%	2.15
Electrabel	Belgium	Fr 7640	−20	−0.3%	4.63
Electrafina	Belgium	Fr 3525	+95	+2.8%	3.01
Elektrowatt	Switzerland	Fr 535	+0	+0.0%	1.50
Endesa	Spain	Pts 3185	+95	+3.1%	2.19
Energy Group	UK	£ 6.51	+0.09	+1.4%	1.05
EVN	Austria	Sch 1521	+23.20	+1.5%	1.69
Fuerzas	Spain	Pts 1255	−30	−2.3%	4.42
Gas Natural	Spain	Pts 7860	+60	+0.8%	0.86
HEW	Germany	Dm 470	+10	+2.2%	2.13
Hyder	UK	£ 9.14	+0.39	+4.5%	6.01
Iberdrola	Spain	Pts 1835	+55	+3.1%	3.86
Isar Amperwerke	Germany	Dm 599	+24	+4.2%	1.67
Italgas	Italy	L 6095	+210	+3.6%	2.20
KPN	Netherlands	Nfl 78.20	+2.20	+2.9%	3.81
Lyonnais des Eaux	France	Fr 662	+5	+0.8%	1.83
National Grid	UK	£ 2.82	−0.04	−1.2%	4.96
National Power	UK	£ 5.68	+0.24	+4.4%	5.54
Orange	UK	£ 2.20	+0	+0.0%	
OTE-SA Telecom	Greece	Dr 6990	+250	+3.7%	2.58
Portugal Telecom	Portugal	Esc 7805	+535	+7.4%	1.77
Powerfin	Belgium	Fr 4935	+5	+0.1%	2.45
Powergen	UK	£ 7.64	−0.06	−0.8%	4.10
Rexel	France	Fr 1703	+85	+5.3%	1.16
RWE	Germany	Dm 85.55	+0.60	+0.7%	0.18
Scottish Hydro	UK	£ 4.72	+0.34	+7.8%	4.66
Scottish Power	UK	£ 4.79	+0.27	+6.0%	4.91
Severn Trent	UK	£ 9.19	+0.61	+7.1%	4.98
Sevillana de Elec	Spain	Pts 1415	+15	+1.1%	3.52
Southern Electric	UK	£ 4.70	+0.15	+3.3%	5.76
Sydcraft	Sweden	Kr 165	−5	−2.9%	2.42
Tele Danmark	Denmark	Kr 354	+5	+1.4%	4.87
Telecom Italia	Italy	L 11500	−250	−2.1%	1.12
Telecom It Mobile	Italy	L 6875	−50	−0.7%	0.72
Telefonica de Espana	Spain	Pts 4690	+110	+2.4%	1.91
Telewest Comms	UK	£ 0.83	+0.03	+3.8%	
Thames Water	UK	£ 8.78	+0.60	+7.3%	4.94
Thuega	Germany	Dm 470.10	−17.90	−3.7%	2.55
Tractebel	Belgium	Fr 14825	−25	−0.2%	2.59
Union Elec Fenosa	Spain	Pts 1295	+15	+1.2%	4.20
United Utilities	UK	£ 7.65	+0.51	+7.1%	6.09
VEW	Germany	Dm 580	+8	+1.4%	1.64
Vodafone	UK	£ 3.32	−0.03	−0.9%	1.83
Yorkshire Water	UK	£ 4.80	+0.21	+4.6%	4.79

BUSINESS DIRECTORY

BUSINESS FINANCE & INVESTMENTS

IQ International

IQ INTERNATIONAL DEVELOPMENT CORPORATION, LTD.

PROJECT DEVELOPMENT & FINANCE SERVICES
BUSINESS PLAN & FEASIBILITY STUDY DEVELOPMENT
PROJECT MANAGEMENT & COORDINATION
FINANCIAL PACKAGING & CREDIT FACILITIES
PRIVATE INVESTMENT

ALSO SEEKING
INTERNATIONAL REPRESENTATIVES
IN DEVELOPING NATIONS

TEL: 44-171-402-7659 FAX: 44-171-402-0332

Imperial Consolidated Securities S.A.

Introducing Our High-Yield Investment Facility

minimum entry $50,000 ● no maximum investment ● profits paid twice monthly ● capital secured by AA rated insurance policy ● immediate entry ● simple procedures ● commissions paid ● new introducers welcome

Telephone or fax for comprehensive details on this and all our other services

Tel: + 1 242 356 2011 Fax: + 1 242 323 3948

Imperial Consolidated Securities SA, Nassau, The Bahamas

Office Hours: Monday to Friday, 0900 - 1800 EST

IFEXCO

International Foreign Exchange Corporation S.A. IFEXCO's offer is to open accounts for private individuals, professional investors and corporations.
Margin 3-5% 24hour trading desk

SEE US ON BBC WORLD/PRIME TEXT PAGE 355 ON INTERNET: www.ifexco.ch

Call now for a free information package & our daily newsletter +41 22 849 7411

86 bis Route de Frontenex-1208 GENEVA-SWITZERLAND.
24hr +41 22 849 7440 - Fax +41 22 700 1913

GLOBAL PROJECT FUNDING

VENTURE CAPITAL – JOINT VENTURES – PROJECT FINANCING

ABS

INTERNATIONAL VENTURES

TEL: +44 113 2727 550
FAX: +44 113 2727 560

Fees are not requested prior to an offer of funding being made.

ANGLO AMERICAN GROUP •P.L.C•

- INTERNATIONAL PROJECT FINANCE
- COMMERCIAL FUNDING
- VENTURE CAPITAL

"dedicated to providing a first class service to its clients,associates and partners throughout the world."

In the world of International Business it is often difficult to determine the strengths and weaknesses of potential business partners. At Anglo American Group plc, one of Europe's leading independent financial organisations, we recognise that in the world of international Finance what you see isn't always what you get. We will provide you with access to:

- *ASSOCIATE OFFICES WORLD WIDE*
- *CONSIDERABLE TRACK RECORD WITH DEMONSTRABLE SUCCESSES*
- *FIRST CLASS HEAD OFFICE TEAM WITH CONSIDERABLE FINANCIAL SERVICES EXPERIENCE*

For unbiased and impartial advice on all aspects of capital raising telephone;

+44 1924 201365
OR FAX
+44 1924 201377

ANGLO AMERICAN HOUSE, 6-8 BOND TERRACE, WAKEFIELD WF1 2HW • UNITED KINGDOM

IMMEDIATE & UNLIMITED

Capital available for ALL viable commercial projects! Minimum U.S. $1 million - NO maximum.

Tel: 717-397-7777
Fax: 717-397-7490
(USA)

INTERNET
http://www. intbuscon.com

INTERNATIONAL TRADE FINANCING

Discounting and Financing of acceptable Bills of Exchange, Promissory Note, Letters of Credit.

GENERAL EXPORT & TRADING COMPANY

P.O. BOX 137 CHISLEHURST KENT BR7 5XB
TELEPHONE +44 (0)181 467 7282
TELEFAX +44(0)181 467 6744

FRAUD PROTECTION

Protect against the loss of advance/up front fees and fraudulent contracts in High Yield or Non-Conventional Investment Programmes.

Have you entered into an Investment that you are unsure of and need help, advice, tracking and retrieving of funds

If you are a client, intermediary or provider & have engaged or are about to engage contracts
ELIMINATE RISK TODAY

CALL CITY(U.K.) LTD.NOW
Phone +44 (0) 990 133512 Fax: +44 (0) 990 133561

TRADE FINANCE REQUIRED

Established Caribbean Trading Company seeks Trade Finance for Imports from Asia, North America and UK, up to $1M.
You pay suppliers, we repay over 120 days.

Serious Pricipals Only, fax details to:
Managing Director
Prime Trading Co. Ltd
Fax: 001 (868) 628-7631

BUSINESS FINANCE AVAILABLE for any viable projects worldwide. Fax brief Synopsis in English to Corporate Advances on +44-1273-621300

IBC'S OWNED BY A TRUST! What they will do for you! Fax: 00501 2 34306 http://www.offshorespecialists.com

PRIVATE FOUNDATIONS The ultimate tool offshore! Stern & Co, Fax 00507 223 3899, E-Mail: offshore@pty.com

---

BANKING SECRECY!!

Introductions to confidential Banking, in Andorra, Malta and other jurisdictions!!

Fax;+44(0)700 078 2132
Tel;+44(0)700 078 1332
Email;BBI01@AOL.COM

PROJECT FINANCE

Funds available Worldwide
Venture Capital
Business Finance
Broker Enquires Welcome

Ethic Investments Ltd
FAX +44 115 942 7846

L/C DISCOUNTING

ship/Aircraft finance.
You need it!!
We arrange it!!

Tel;+44(0)700 078 1332
Fax;+44(0)700 078 2132
E.mail;BBI01@AOL.COM

HANOVER INTERNATIONAL

Venture/Commercial
Funds Available, Joint Venture projects considered.

Phone +44 1222 397793
Fax +44 1222 221128

OFFSHORE COMPANIES FORMED WORLDWIDE

ALL INCLUSIVE FEES

FIDE ET FIDUCIA
LONDON

BVI	**£750**
GIBRALTAR	**£606**
ISLE OF MAN	**£875**

Includes Incorporation and management services

PERSONAL, EFFICIENT & PROFESSIONAL SERVICE OF TRUSTS, OFFSHORE BANKING, YACHT REGISTRATION & VAT PROVIDED BY IN HOUSE LAWYERS & ACCOUNTANTS

FIDUCIARY MANAGEMENT SERVICES LTD
13 WIMPOLE STREET, LONDON W1M 7AB
TEL: +44 (0)171 436 8100 FAX: +44 (0)171 436 8188

PLEASE SEND ME FURTHER DETAILS

NAME: ....

ADDRESS: ....

....

PHONE: ....FAX: ....

BUSINESS SERVICES

CLOSE, PERSONAL V.I.P PROTECTION

DO YOU CONSIDER YOURSELF TO BE IN AN INCREASINGLY UNCERTAIN ENVIRONMENT?

THERE IS AN EFFECTIVE MEANS OF PROTECTING YOUR PERSONAL WELL-BEING

FROM A CHAUFFEUR DRIVEN ESCORT TO A ROUND-THE-CLOCK EXECUTIVE SECURITY PROGRAMME

TELEPHONE IN COMPLETE CONFIDENCE
FOR DETAILS **MODSEC SPECIALISED SECURITY**
TEL: + 44 1303 255733 FAX: + 44 1303 255923

IRISH NON-RESIDENT COMPANIES: THE BEST TAX-FREE VEHICLE

Full management service Internet-managed bank accounts Credit Cards Lowest prices guaranteed!

Visit our page on the Internet: **http://www.guardtrust.com**
Tel USA (+1)-212-208.4541 UK: (+44)-171-691.7291
Fax: USA (+1)-212-208.4540 UK: (+44)-171-691.7290
E-mail: guardtrust@aol.com

OFFSHORE SERVICES

Corporations, trusts, banks, bank accounts, commodity trading, etc. Transcontinental Management Services Ltd. Paradise Island, Bahamas Box N-3615;
Phone(242)-363-3909
Fax(242)-363-3977

SWISS COMPANY offers:
incorporation & management of off-shore companies, letterbox & telephone answering services, Swiss bank accounts, etc.

Fax: +41 21 637 20 66, or write to Penta Trade & Services Sarl, PO Box, CH-1023 Crissier

BUSINESS SERVICES

DOMINICA
CITIZENSHIP & PASSPORT

Dominica a beautiful mountainous country in the East Caribbean offers citizenship and passport to qualifying applicants who make a significant contribution - from US$50,000.

Dominica is a politically stable English speaking Commonwealth member. Its passport allows visa free travel to approx. 80 countries.

For information or immediate service contact:

OFFSHORE DOMICILES LIMITED

Sovereign House, St. Johns, Isle of Man IM4 3AJ.
Tel: + 44 1624 801719 Fax: + 44 1624 801990
E-Mail: info@offdom.com http://www.offdom.com

For more information or to advertise in the classified pages, please contact us on Tel: +44 171 418 7878, Fax: +44 171 713 1835, E-mail: classified@the-european.com

COMMODITY DEALERS & STOCK FOR SALE

Trade Buyers/ Party Organisers

FANTASTIC DEALS

on NEW
Mail Order Clothing
NOT SECONDS - All Pre-Packed
You tell us what you want

Pack 1 £1000	Retail Clothes	only £200
Pack 2 £5000	Retail Clothes	only £900
Pack 3 £5000	Designer Clothes	only £1000
Pack 4 Retail	Clothes	only £1750
Pack 5 £200,000	Retail Clothes	only £32,000

All prices plus VAT - Larger packs available
Delivery available anywhere in the world
Your choice - you don't get any old rubbish
FOCALFLAIR LTD. T/A
MAIL ORDER CLEARANCE HOUSE
MAIN ROAD, STICKNEY,
BOSTON LINCS. PE22 8EE UK
Tel. 01205 480077 Fax. 01205 480099

ELECTRONIC PET GAMES Immediate Delivery. Telexport Trading Co. Tel: +44(0)1233-756564.Fax: +44(0)1233-756511

GENERIC CIGARETTES American blend tobacco, lowest prices, private labelling available. FAX USA: 1 (954) 474-3866

INSULIN (BP 88) lowest prices, volume purchases only. Telefax USA: +954-474-3866

POWDERED MILK: Full cream and skim. Low world prices, volume purchases only. Fax: USA + (954) 474-3866.

TOP BRAND CIGARETTES, whisky, gin etc. best prices. fax: +44 (0)1273 606924

USA COMPANY seeks to purchase rough diamonds, african origin, gems quality, large volume only. Fax USA: (954) 474 3866

WANTED ARMANI, Versace, CK, Helmut Lang and other designer labels; for further information please contact: + 44 (0)850 768 563 or e-mail 92023@dixonsctc.org.uk

BUSINESS OPPORTUNITIES

SECRETS REVEALED...

ANONYMOUS BANKING
- Where you can open up a bank account without having to show ID.
- How to transfer cash for free and without leaving a paper trail.
- The advantages of secured credit cards and how to obtain them.
- Dr W G Hill's own offshore company manual
- The secret art of ghosting.

SAVE OR ELIMINATE TAX
- Change your nationality and country of residence to suit your specific needs.
- Learn the best time to make the move.
- Alter your source of income and relocate your assets.
- Explore concessions given by certain high tax countries.

PT - 'PRIVACY TACTICS'
- Do you want to escape the control over your life and property now held by modern Big Brother Government?
- The PT theory requires no accounts, attorneys, offshore corporations, nor other complex arrangements.
- How to disappear from all computer and information banks.
- Where and where not to keep your money.
- Tax avoidance.
- Privacy - how to establish and maintain it both in your professional and private life.

A SECOND PASSPORT?
- Don't get caught in Big Brother's tax nets.
- A second passport could save your life.
- The truth behind passport deals.
- Over 70 countries explored in detail.
- Discover new business opportunities.
- Fax the world at next to no cost.

COMPUTER PRIVACY
- How to encrypt messages.
- Which keys are most effective for keeping information private.
- How to stay anonymous on the information network.
- The best ways to secure your passwords and phrases.

Other Products & Services...
- Anonymous bank accounts • Camouflage Passports
- Large selection of detailed Country Reports, including many undiscovered Tax and Business Havens.

For a FREE information pack contact: Scope International Ltd, Box No 6796
Forestside House, Rowlands Castle, Hants. PO9 6EE, England, UK
Tel: + 44 (0) 1705 631751 Fax: + 44 (0) 1705 631322

BUSINESS SERVICES

BARTEREX INTERNATIONAL LTD.

Established since 1979, we specialize in Corporate Barter and Countertrade. We also specialize in converting blocked and soft currencies for our clients. We barter Commercial Real Estate, Luxury Real Estate, Aircraft, Yachts, Precious Stones, Air Travel, Int'l Advertising, Hi-tech, Hardware & Software, and other Corp. Inventory world-wide.

Call/Fax: 212-986-6446
William Baker
Five Tudor City Place, Suite 1520
New York, NY 10017 USA

MADAGASCAR
PRODUCER SEEKS LABORATORIES INTERESTED BY NEW SOURCES OF PRODUCTION OF MEDICINAL PLANTS.
FAX FRANCE: 33(0)240 116 224

AUSTRALASIA

New Zealander having established and successfully run a UK business for a number of years has now sold and relocating to Sydney seeking new challenges. Any ideas?

Tel: +44-(0)1372-466482 Fax: +44-(0)1372-464934
Email: murray@murraym.demon.co.uk
Murray J Mcleod, 62 Lammas Lane
Esher, Surrey KT10 8PD United Kingdom

CUBAN AND OTHER CIGARS. Distributors. Wanted! E-MAIL: baltics@btl.net or FAX 00501 2 30948, Att.: Heiti

INTERNATIONAL TELEPHONE CHAT Lines make large amounts of cash. For FREE information on this very exciting business, call +44 (0)171 480 5516

START YOUR OWN IMPORT/EXPORT AGENCY
No capital or experience req. No risk. Work from home. Part/Full time. Advisory service incl. Established 1946. Clients in 120 countries.
Send for FREE Booklet NOW.
WADE WORLD TRADE
Dept 2C34 50 Burnhill Road
Beckenham, Kent, BR3 3LA
Tel: +44 (0) 181 650 0180 (24hrs)
Fax: +44 (0) 181 663 3212

AN INCREDIBLE INVENTION Proven to cut electricity costs by up to 40%. Manufacturer seeks UK and overseas distributors for this top quality high tech product with amazing customer demand.TEL: +44 (0) 1872 223000 (FAX: 264325) for info pack.

USA-N.Y./ Wall St OFFICE
$99.00 per month
- Mail Receiving & Forwarding
- Personalized Phone Services (answered in your/Co. Name)
- Patching-Connect you to caller
- When in NY rent office/conf. rm in beautiful corporate setting

Phone (212)943-1111
Fax (212)943-2300
E-Mail: sri@sri-ny.com

N.G. BANCORP HOLDING
MANAGING & CONSULTING

We provide private Professional - Privacy - Protection - Integrity - Expertise - Stability - Tax Exemption - Project and Credit Enhancement:
- Business plans & restructuring - project & programme Management - Venture Capital & Asset based financing - preparation of Leases & Mortgages. Immigrations matters - Licenses & Permits Bank account arrangements. Miscellaneous services with the flexibility to deal with specific requirements.

With a wide range of services complemented by a full panel of Multi-Lingual Consultants.
Full confidentiality assured. Brokers Welcome.
For further information and immediate service, please contact:
U.K. FAX (+44) 171 323 1187
U.S.A. OFFICE: FAX (+ 1) 702 329 0852
Internet:www.northernglobal.com
*Email: northngl@sierra.net

PASSPORTS
E.U. $15K & DIPLOMATIC
100% Legal & Secure
Escrow with Lawyer
www.2nd-passports.com
Tel. Int + 34-39042969
Fax: Int + 34-52883109

IRREVOCABLE BANK Confirmed Funds Available Through Account Holders at Major European & World Banks. Bank Guarantee Required as Security 212-588-0080 Fax 212-588-0011

AMBRANCH BUSINESS CENTER, USA mail, phone and customized office services.Agent for US food products. Fax USA+3039887145

GLOBAL FINANCING Project Funding / Accts Rec Financing / Public Shells / Stocks Loans / Comm'l Mortgages / Letters of Credit / Private Placement / Venture Capital. Brokers Welcome. 375 Park Avenue, New York, NY 10152 Refundable Retainer Sometimes Req'd. 212-588-0080 Fax 212 588 0011

MAIL & MESSAGE SERVICE ITER Tel 33.1.44.64.89.05 33 avenue Phillipe Auguste 75011 PARIS F33.1.43.71.93.60

BUSINESS TO BUSINESS

Is this the consequence of your current tax planning?

It is estimated that international trading, investment and consultancy firms ***unnecessarily pay millions*** of dollars each year in tax simply through a lack of adequate tax planning advice. If you or your firm wish to avoid becoming part of this statistic please complete the coupon below.

- International tax planning
- Family settlements & foundations
- Offshore companies & trusts
- Fiscal migration
- Bank introductions
- Intellectual property registration
- Yacht registration

THE SCF GROUP
International tax planning practitioners

Please forward me my complimentary 36 page brochure:
Name ....
Firm (if appropriate) ....
Address ....
Region .... Town ....
Postal Code .... Country ....
I am particularly interested in ....
EUR

Internet: www.scfgroup.com
e-mail: offshore@scfgroup.com

LONDON: 90 – 100 SYDNEY STREET, CHELSEA, LONDON SW3 6NJ ENGLAND
TEL: 00 44 171 352 2274
FAX: 00 44 171 873 9688

DUBLIN: 27-29 LOWER PEMBROKE STREET DUBLIN 2, THE REPUBLIC OF IRELAND
TEL: 00 353 1 662 1388
FAX: 00 353 1 662 1554

LONDON • DUBLIN • MONACO • NICOSIA • DELAWARE • MOSCOW

TELECOMMUNICATIONS

Save up to 80% on all International Calls

RATES TO THE US:

Germany	24¢
France	30¢
Italy	38¢
Spain	44¢
Belgium	30¢
Switzerland	29¢

Free: Remote Programmable Service
Speed Dialing / Personalized Voice Prompts
No Start-up Fees / Multi-Lingual Operators Available / Perfect for Home, Office, Hotel, Fax, or Cellular Phones

Call: **201.287.8400** or in the UK **44.171.360.5037**
Fax: **201.287.8451** or in the UK **44.171.360.5036**
e-mail: **european@newworldtele.com**
http://www.newworldtele.com

US MILITARY PERSONNEL:
5% Discount if you sign up within 30 days
Business to Business agents welcome 201-287-8400

NEWWORLD TELECOMMUNICATIONS
1402 TEANECK ROAD • SUITE 114 • TEANECK, NEW JERSEY • 07666 • USA

BUSINESSES FOR SALE

MODERN ROMANIAN PRINTING HOUSE
Potential for a home market of 23 Mil. people. Valuable site.
Tax Concession.
Foreign Investment Incentives.
Outright Sale.
Contact:
Fax 0040 1 210 3874

READERS' NOTICE
Readers are advised to seek appropriate professional advice before sending any money or entering into any commitments. *The European* cannot be held responsible for loss or damages incurred as a result of responding to advertisements.

BUSINESS DIRECTORY

BUSINESS TO BUSINESS

UK LIMITED COMPANIES

59.95
ALL INC.

Ready made & Own Name Formations

Certificate of Incorporation
6 Bound copies of Memorandum and Articles of Associations
Share Certificates
Pre-stamped stock transfer form
Combined Company Register
Certificate of non-trading
Minute of the first board meeting
Forms 88(2), 287, 288 and G225

Please call for our fantastic deals on offshore companies, bank accounts and many other company services.
Best value and quality service from the Professionals with over ten years experience

Visa/Mastercard/Switch Cards

Tel: +44 1582 459900 Fax: +44 1582 451177
ON LINE REGISTRARS LIMITED
Crystal House, New Bedford Road, Luton Beds. LU1 1HS

ONE STOP

Personal and professional service for all your U.S. business needs.

- Tax savings thru U.S. corporations or LLC's
- Full U.S. office services
- U.S. banking services
- Import, export & Investments
- U.S. immigration

Individual solutions to individual problems

GLOBAL
BUSINESS SOLUTIONS, INC.

Send for a Free information packet
7173 Construction Court
San Diego, CA 92121 USA
Phone: 619-578-7541
FAX: 619-578-0238
We work with business consultants

UNLOCK THE SECRETS

NW

OF OFFSHORE COMPANIES AND TAX FREE TRADING

WITH OUR HIGHLY ACCLAIMED FREE GUIDE

Our expert advice and step by step guide will help you to retain tax free profits in discrete tax havens

• Isle of Man • Bahamas • Liberia • Delaware • Channel Islands • British Virgin Islands • Ireland

NATIONWIDE COMPANY SERVICES LIMITED

SOMERSET HOUSE
TEMPLE STREET
BIRMINGHAM B2 5DN
TEL: +44 (0)121 643 9669
FAX: +44 (0)121 616 1346

SEE OUR OFFSHORE WEBSITE
www.Nation-Ltd.Co.UK.
e-mail: Sales@Nation-Ltd.Co.UK

TAX FREE IRISH OFFSHORE COMPANIES

- Increasingly used as low profile European tax avoidance vehicles.
- Ideal for trading consultancy or investment purposes.
- We offer full supporting services: accounting, admin., nominees, trustees.

OFFSHORE COMPANIES WORLDWIDE OFFSHORE TRUSTS

- We incorporate in ALL leading jurisdictions and offer trust facilities through government licensed trust corporations.

For immediate service or brochure contact:
Eilish Murphy, Director,
INTERNATIONAL COMPANY SERVICES (IRELAND) LTD
109 Lower Baggot Street, Dublin 2, Ireland.
Tel: +353 1 661 8490 Fax: +353 1 661 8493
E-Mail: irl@icsl.com http://www.ICSL.com

OFFSHORE

COMPANIES AND TRUSTS, UK LTD COMPANIES, BANK INTRODUCTIONS, INTERNET REGISTRATIONS, ACCOMMODATION ADDRESS, AND NOMINEE FACILITIES

St James's Management

88 KINGSWAY
LONDON WC2B 6AW
TEL +44 (0) 171 209 5100 (7 DAYS)
FAX +44 (0) 171 209 5102
Email offshore@stjman.demon.co.uk
Credit cards accepted

FUNDS AVAILABLE
BANCORPS - $2900
S.A.M. IMMIGRATION
BANK ACC - $350
(EU/US/SWISS), credit card, Tax Free, No references, Company + prime bank acc - $899
S&M INTERNATIONAL TRADE AND FINANCE LTD
CALL FROM A FAX USA +302 996 5825 ENTER PROGRAM 128

LEGAL SERVICES

USA IMMIGRATION LAWYER Greencards, work visas, etc. J.O'Shea +1 718 545 8092

OFFSHORE COMPANIES

By English Lawyers from £250
Tel: +44 (0)1398 331061
Fax: +44 (0)1398 331918

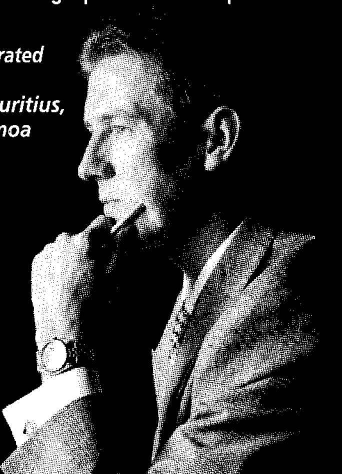
www.ocra.com

Certificate Number 91196
Isle of Man and London

No. 1 OFFSHORE COMPANY SPECIALISTS WORLD WIDE

THE WORLD'S LEADING OFFSHORE COMPANY AND TAX PLANNING SPECIALISTS

More and more businesses and high net worth individuals are using Offshore Corporations and Trusts for International Tax, Asset Protection and Estate Planning. Since 1975 Overseas Company Registration Agents worldwide team have specialised in providing confidential and cost effective company and trust formation in the world's major low tax areas. Clients are supported by a team of over 275 multi-disciplined staff including Lawyers, Qualified Accountants, Company Secretaries, Bankers and Trading Specialists who provide the following services:



- *A choice of over 750 ready-made companies incorporated in the Bahamas, BVI, Belize, Cayman, Delaware, Nevis, Panama, Isle of Man, Ireland, Liberia, Mauritius, Hong Kong, Seychelles, Turks, and Western Samoa*
- *Domiciliation and Registered Office Facilities*
- *Arrangements of Full Nominee Service*
- *Full Management and Administrative Services for International Trade and Investment*
- *Ship and Yacht Registration*
- *Accountancy and Audit Services*
- *Letter of Credit Services*
- *Value Added Tax Registration Services*
- *Bank Introductions*
- *Offshore Trusts and Licensed Trustee Services*
- *Banks and Insurance Companies available to qualified applicants*

ALL MAJOR CREDIT CARDS ACCEPTED

BAHAMAS	$500	ISLE OF MAN	£250
BELIZE	$500	JERSEY	£495
BV ISLANDS	$500	MADEIRA	$2250
CAYMAN	$1295	MAURITIUS	$500
DELAWARE LLC	$495	NEVIS	$575
GIBRALTAR	£250	PANAMA	$500
HONG KONG	$450	SEYCHELLES	$350
HUNGARY	$1995	TURKS/CAICOS	$700
IRELAND	£225	UK LTD	£95

ISLE OF MAN - HEAD OFFICE: COLIN FORSTER
OVERSEAS COMPANY REGISTRATION AGENTS LTD
PO BOX 54, RAMSEY, ISLE OF MAN, GREAT BRITAIN, IM99 4ED.
E-mail: european@ocra.com
For Immediate service and our 185 page colour brochure
TEL: +44 1624 815544 FAX: +44 1624 817082

LONDON - R E COOK,BSc (Hons) OR PETER SIDNEY
OVERSEAS COMPANY REGISTRATION AGENTS LTD, 72 NEW BOND ST. LONDON, W1Y 9DD
TEL: +44 (0171) 355 1096 FAX: +44 (0171) 495 3924

USE THE DEFINITIVE OFFSHORE COMPANIES INTERNET SITE

Offices also in:
AUSTRALIA SOUTH AFRICA
BAHAMAS CZECH REPUBLIC

LUXEMBOURG
EVELINE KARLS
OCRA (LUXEMBOURG) S.A.

LIECHTENSTEIN
BARBARA BAUM
OCRA EST
PO BOX 70, STAEDTLE 7, FL-9490 VADUZ, LIECHTENSTEIN
TEL: +41 75 236 1440 FAX: +41 75 232 6393

FINLAND
TILL SAHLGREN BSc (Econ)
OCRA (SCANDINAVIA) LTD
WORLD TRADE CENTRE, ALEKSANTERINKATU 17
FIN-00100 HELSINKI, FINLAND
TEL: +358 9 6969 2569 FAX: +358 9 6969 2565

SWEDEN
BJARNE BORG
OCRA SWEDEN
BOX 23008 UPPLANDSGATAN 83, S-10435, STOCKHOLM, SWEDEN
TEL: +46 8 334 720 FAX: +46 8 322 370

LITHUANIA
RAMIGIJUS KABECIUS BSc.(Econ)
OCRA LITHUANIA
LIAUKSMINO ST 8/2, 2nd FLOOR, 2600 VILNIUS, LITHUANIA
TEL: +370 2 623 081 FAX: +370 2 623 081
E-mail: ocra.lithuania@taide.lt

HUNGARY
LASZLO KISS, BSc. (Econ)
OCRA (EASTERN EUROPE) LTD
H-1143 BUDAPEST, ILKA STREET 61, HUNGARY
TEL: +36 1 351 9959 FAX: +36 1 351 9958

POLAND
KRZYSZTOF KUBALA, Attorney-at-Law
OCRA POLSKA
BAJONSKA 9, 03-963, WARSZAWA, POLAND
TEL: +48 22 6177173 FAX: +48 22 6160957

GREECE
DORA NAKOU, Attorney-at-Law
OCRA GREECE
2 PLOUTARCHOU STR, SOPHIAS AVENUE, ATHENS 11521, GREECE
TEL: +30 1 723 0766 FAX: +30 1 721 7376

CYPRUS
CHRISODOULOS VASSILIADES, Attorney-at-Law
OCRA CYPRUS
20 QUEEN FREDERICA STR, EL GRECO HOUSE, OFFICE 104, NICOSIA, CYPRUS
TEL: +357 2 473211 FAX: +357 2 463463

MADEIRA
DR DAVID FISKE DE GOUVEIA, BSc. MBA, MSI
MM CIA LDA
RUA DOS MURCAS NO. 68, 9000 FUNCHAL, MADEIRA, PORTUGAL
TEL: +351 91 200 1700 FAX: +351 91 227144

MAURITIUS
REZA JANGEERKHAN, LLB, MBA
OCRA MAURITIUS LTD
HAPPY WORLD HOUSE, SIR WILLIAM NEWTON STREET PORT LOUIS, MAURITIUS
TEL: +230 211 5100 FAX: +230 211 5400

SEYCHELLES
DEBRA AKATSA
IOCS LTD
303 AARTI CHAMBERS, MONT FLEURI, PO BOX 983, MAHE, SEYCHELLES
TEL: +248 225555 FAX: +248 225999

SINGAPORE
DIANA BEAN
OCRA (ASIA) PTE LTD
24 RAFFLES PLACE, 26-04 CLIFFORD CENTRE, SINGAPORE 048621
TEL: +65 5353382 FAX: +65 5353991

HONG KONG
RAYMOND CHOI, MLIA (DIP)
OCRA ASIA LTD
2402 BANK OF AMERICA TOWER, 12 HARCOURT RD, HONG KONG
TEL: +852 2522 0172 FAX: +852 2521 1190

P R CHINA
BART DEKKER, LLM
1905 SHANGHAI OVERSEAS CHINESE MANSION, 129 YAN AN ROAD WEST, SHANGHAI 200040, P R CHINA
TEL: +86 21 6248 4355 FAX: +86 21 6248 1421

USA WEST COAST
KEVIN MIRECKI, Attorney-at-Law
AICS LTD
3501 JAMBOREE ROAD, SUITE 2100, NEWPORT BEACH CA 92660, USA

NEXT WEEK - 9TH OCTOBER

The European will be publishing a Special Franchise Report to coincide with the International Franchise Exhibition, Valencia, Spain.

To reserve *your* space, call Ian MacPherson, Lynsey Dixon, Emma Coxon or Richard Verth on +44 (0) 171 418 7888 or Fax +44 (0) 171 713 1835.

APPOINTMENTS

csi Celebrates its 18th Anniversary

international speaker bureau

Expanding its coverage in Europe and the rest of the world

We wish to develop in depth coverage in:

- Western, Central and Eastern Europe
- Pacific Basin
- North & South America
- Africa

through association with suitable companies & individuals

It is a unique opportunity for outstanding communicators to expand or to enter the corporate conference and hospitality market.

If you are interested in:

- being the best
- promoting top achievers from the world of business, politics, academia and sport to corporate and associations' event planners
- running your own business with the support of a professional team who will manage your marketing, PR, IT, banking, accounts and contracts
- being free to utilise your time where it matters most - talking to your clients
- working in a structured manner with international personalities

Write to: The Managing Director
Celebrity Speakers International Ltd
Box 747, Slough SL1 7YS United Kingdom
E- mail-csi@speakers.co.uk see-www.speakers.co.uk

CORPORATE FINANCE HEALTHCARE

Excellent package · London

Our client, a London based securities house, now seeks an associate in Corporate Finance to work in the Healthcare team. You will be liaising with advisors and product specialists to utilise your knowledge of the sector; executing transactions, developing and analysing complex financial models, and maintaining client relationships.

Successful candidates will be able to demonstrate all of the following:

- a minimum of seven years' experience gained in a blue chip financial services organisation in North America and Europe
- in-depth knowledge of the European Healthcare sector, with a strong focus on large pharmaceutical companies
- financial modelling skills
- educated to degree level in a financial discipline
- proven marketing and relationship skills.

To apply, please send your CV, quoting ref: 1085, to: The Confidential Reply Handling Service, Associates in Advertising, 5 St John's Lane, London EC1M 4BH.

Applications will only be sent to this client, but please indicate any organisation to which your details should not be forwarded.

aia
HR MARKETING & COMMUNICATIONS

URGENTLY REQUIRED ASSISTANT MANAGER

£15K/year

To take charge of our customer service/automotive account operations at our East Midlands Airport branch office. Candidates with import/export experience to and from Far East are invited to send CV'S A.S.A.P. Fluency in spoken and written Japanese essential.

Please reply to Box No. P459

TEACHER/SENIOR TEACHER/HEAD TEACHER REQUIRED

INDEPENDENT JAPANESE SCHOOL (AGES 2-7) EXPANDING IN EUROPE

Based in London. Appropriate Japanese qualifications essential. Additional Japanese cultural skills an advantage. Salary according to Teachers' Salary Scale, age and experience.

Please reply in writing with CV and copy of qualifications and references.

Reply to Box No. P455

Blueprint Productions - Foreign Correspondant

Production Company with East European interests requires multi-lingual (Fluent Russian) to assist expansion into Russia. Must be educated to MBA standard.

C.V.'s to P.O. Box LB620 - W1A SEA, UK.

International Buyer Required

Exp. of negotiating at a high level with clothing manufacturers in the Far East and Canadian markets essential. You will be responsible for Quality Control, Design selection and approval of final products as well as exploring the eastern clothing market within the UK and Ireland. You must also be fluent in speaking far eastern languages. Based in Belfast this position will offer a high remuneration package and the opportunity to join an established and expanding company.

Apply in writing to Diamond Recruitment, Unit 3 Dargan Ind. Pk, Belfast, BT3 9JP or telephone +44 (0)1232-370461 for an application form.

For more Appointments advertising please turn overleaf.

INFORMATION TECHNOLOGY

CORPORATE OPPORTUNITIES

Experienced 'C' analyst/programmers

City of London **Extensive Overseas Travel**

As a leading developer and supplier of automated banking solutions INTERLINK has experienced a sustained growth in demand throughout 1997.

Our customer service groups need experienced analyst/programmers to undertake support of their extensive overseas customer network from its offices in London and on short term overseas assignments.

Principal skills - 'C', Unix
Desirable experience/skills - Pascal, TCP/IP, X.25, SNMP

Successful candidates can look forward to a rewarding mix of work and responsibilities, working with cash dispensers and point-of-sale systems, at customer sites. New staff must be self motivated and have good communications skills.

An excellent remuneration package comprising; Medical insurance, non-contributory pension, site attendance allowance, permanent health and critical illness insurance. Salary is directly related to ability and performance.

Please send your CV quoting reference EXEU-0997 to:
INTERLINK, Harella House, 90-98 Goswell Road,
London EC1V 7DB, United Kingdom.
Tel : (44) 171 251 1777 Fax : (44) 171 251 1533
Email : interlink@ilink.demon.co.uk
Web : http://www.ilink.co.uk

INTERLINK®

Legal Advisory

London Based

As a prestigious international investment bank with an established global presence, our client is looking to expand its financial advisory team, who are responsible for delivering high quality strategic advice and providing creative financial solutions to corporations, financial institutions and governments.

The successful candidate will be a qualified lawyer who, as part of a team, will advise new and established clients on the structure and execution of mergers, acquisitions, debt and equity offerings. Responsibilities will also include attending client presentations, preparing financial models and analysing corporate transactions.

You will be degree educated with at least 2 years experience as a lawyer and have an extensive knowledge of corporate securities. Experience in handling mergers and acquisitions on an international basis is essential. Computer literacy together with excellent presentation and communication skills are pre-requisites. Fluency in English is required and another language would be an advantage.

Please apply in writing, enclosing a full curriculum vitae and quoting reference 095A, to: Barkers Response Services, 1st Floor, Wellington House, Queensmere, Slough, Berkshire SL1 1DB. Your CV will be forwarded to this client only. Please indicate any company to which your details should not be sent.

BARKERS

SLOUGH TEL 01753-608400 • BIRMINGHAM • BRISTOL • EDINBURGH
EXETER • GLASGOW • LEEDS • LONDON • MANCHESTER • NOTTINGHAM

EURO JOB SEARCH

Male, 22 years, Dutch, recent graduate Polytechnic Engineer in Logistics with IT affinity. Looking for a relevant commercial (inter) national job based close to Holland. Multi-lingual (Dutch, English, German, basic French and Slovenian). Idea developer and computer literate.

Please reply to: Michiel van der Lip at Fax: +31 35 531 83 06

Are you seeking a
PERSONAL ASSISTANT/SECRETARY ?

Honest, reliable, funny and a challenge-seeking 35 year old male from Copenhagen, Denmark, wants to offer assistance to a busy person, both in business and in social relations.

Strong experiences in: Administration, Planning, Event-making and Charity/Party work.
I look forward to hearing from you as soon as possible.

Please contact me on fax: +45 35 43 09 71 or on phone: +45 40 60 34 39.
All contacts will be handled with discretion.

APPOINTMENTS

SENIOR OFFICER - CUSTOMS & IMMIGRATION

GERMANY

British Forces Germany Customs and Immigration is a uniformed service providing advice and assistance to British troops under the NATO Status of Forces Agreement on all matters relating to customs, immigration and taxes.

The successful applicant will supervise seven uniformed personnel plus civilian staff, providing advice to units within Europe. This will cover routine policy matters relating to immigration, customs, new means of transport policy, tax and private trading. As such you will liaise with both UK and German Customs and their tax authorities on issues relating to BFG.

You should be fluent approaching linguist standard in both written and oral German and have an in-depth knowledge of the roles and organisation of BFG covering both the Army and RAF. An understanding of EU and UK regulations on customs, immigration and tax free shopping would also prove useful. IT literacy and a full, clean driving licence are essential.

The post offers a starting salary of £16,050 plus £1,776 recruitment and retention allowance and a non-taxable Cost of Living Allowance which ranges between £4,070 to £5,828 depending on your marital status. This allowance is variable and subject to change. Free accommodation and utilities plus extra allowances for dependant children are also available.

This post is reserved for UK nationals only and is a fixed-term three year contract with possible extensions subject to performance and departmental requirements. Dependent on the exigencies of the service the post could be made permanent.

For further details and an application form, please telephone 0049 2161 47 2280/2193/2140 or write to PM1b, Civil Secretariat, HQ UKSC(G), BFPO 140.

The closing date for applications is 28th October 1997.

The Ministry of Defence is an equal opportunity employer and is fully committed to equal opportunities policies. It positively welcomes applications from suitably qualified individuals irrespective of racial origin, sex or disability.

POSITIVE ABOUT DISABLED PEOPLE

MINISTRY OF DEFENCE

Trader

Exotic Interest Rate Derivatives

Our client is an international bank with an impressive reputation for global financing and innovation.

Based in London and supporting their Fixed Income business, you will be part of a team trading in exotic interest rate derivatives as well as being involved in pricing similar products. You will also have the opportunity to meet with clients to offer advice and provide solutions to their hedging strategies.

You will have an exemplary academic background with a strong mathematical focus and be a post-graduate, ideally with a Ph.D. Apart from having strong analytical skills you will have an excellent knowledge of computer systems and applications. Excellent communication and presentation skills are also required.

Please apply in writing, enclosing a full curriculum vitae and quoting reference 096A, to: Barkers Response Services, 1st Floor, Wellington House, Queensmere, Slough, Berkshire SL1 1DB. Your CV will be forwarded to this client only. Please indicate any company to which your details should not be sent.

BARKERS

SLOUGH TEL 01753-608400 • BIRMINGHAM • BRISTOL • EDINBURGH
EXETER • GLASGOW • LEEDS • LONDON • MANCHESTER • NOTTINGHAM

LUX-DEVELOPMENT, the Luxembourg agency for international co-operation, has an immediate opening for a 12-month contract, renewable, for

A PROJECT DIRECTOR FOR HOTEL AND TOURISM SECTOR DEVELOPMENT

Post based in **VIETNAM**

FOR FURTHER INFORMATION, PLEASE CONSULT OUR WEBSITE

www.lux-development.lu

LUX-DEVELOPMENT
Cloche d'Or B.P. 2273 L-1022 Luxembourg

Australia, New Zealand, Canada & USA

If you have a skilled trade or profession you may be eligible to emigrate. For information and an eligibility assessment contact;

Four Corners emigration

Registered Migration Agent: 89880

Four Corners Emigration
St. Maartenslaan 26-7, 6221 AX,
Maastricht, Netherlands.
Tel:- +31 (0) 43 325 8080
Fax:-+31 (0) 43 326 0060
E-Mail: 4corners@nex-us.com

CRUISESHIP JOBS & WORKING HOLIDAYS

Visit USA, Australia, The Caribbean, Mediterranean, Far East...and get paid for it while meeting people, having fun & adventure of a lifetime. Working holidays in over 50 countries worldwide.

For details send 2 x 26p stamps or 4 Int'l Reply Coupons to:

Transitions Overseas (N1), 197 North End Road, London W14 9NL.

Japanese private school is looking for a mathematics teacher who speaks fluent Japanese.

Contact to:
Mr. Tanaka, Shingakusha International School
Tel: +44 (0)181-993-7624

Metromedia International Telecommunications, Inc., a division of Metromedia International Group's media and communication company, develops and operates broadcast radio stations, wireless cable television systems, paging systems and various forms of telephony systems in Eastern Europe, CIS, Central Asia and the Pacific Rim. We are looking for people to be part of our team as:

GROUP FINANCE DIRECTOR - *PAGING*

Our Paging operations are seeking an individual to be responsible for the finance and accounting functions for the Company's paging ventures overseas. These positions report to our Chief Accounting Officer based in our Stamford, CT office and will be responsible for the development and implementation of accounting systems and systems of internal control, all financial reporting (internal & external), and hiring and training of local accounting staff. Must have 7+ experience which should include several years in a managerial and/or supervisory role and exposure to subscriber businesses particularly paging. International experience and Eastern European and/or Russian language a plus. Position is based in our European headquarters in Vienna, Austria and must be willing to live there and travel about 50% of the time.

We offer competitive salary, expatriate and benefits package.

If interested please send cover letter and resume along with salary requirements to: MITI, Attn: SMT-INT, 333 Ludlow Street, Stamford, CT 06902 USA or FAX +1 203-316-8471. EOE/AA

OPPORTUNITIES SANS FRONTIÈRES (EVERY WEEK)

Recruiting Across Borders For Staff or Students?

The internationalisation of business makes the need to recruit employees with the right education, experience and attitude to cross-border business vital. The demand for employees with this international outlook in turn make the need for schools to provide and promote international MBA courses more important than ever before. The international branding of the school and company name will become fundamental in attracting the multinationa manager of the future.

Time consuming and expensive?

Not necessarily.

The European, **the number one international title on Europe's newsstands, provides the opportunity to reach over 500,000 prospective students and employees worldwide, from graduate to top management level.**

Readers of *The European* **are multilingual, multicultural and multitalented. They are based all around the world - as far afield as the USA and the Far East - with a common interest...Europe. At graduate level, they use or have used** *The European* **in their education, and expect their careers to span countries and continents. At management level, their multicultural understanding and experience is invaluable.**

For these readers, knowledge of the best international MBA courses is vital to their careers. If you want to promote your company's or school's international brand in a cost effective manner, *The European* **provides the ideal worldwide platform.**

To find out more, contact Siobhan Coughlan on +44 (0)171 418 7876(tel) +44 (0)171 713 1835(fax), for full details.

FLUENT JAPANESE SPEAKING p/time & temp. staff required for admin, JWP op, clerk, mkt research & other positions with Int'l Co's. Ashford Associates Tel +44 (0)171 6264592

BOX NUMBERS

All box number replies prefixed by the letter "P" should be sent to:

Classified Sales Department THE EUROPEAN, 200 Gray's Inn Road, London WC1X 8NE

Please mark clearly the box number you are replying to.

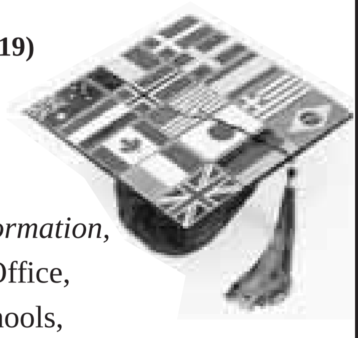
To advertise in the Appointments section please contact Joe Trainor, Sam Harvey or Charlie Attenborough on
+44 (0) 171 418 7883 (tel) or
+44 (0) 171 713 1835 (fax)
E-mail: classified@the-european.com

EDUCATION

Passport to the world...

The American Community Schools ensure expatriate children do not get left behind:

- Three superbly equipped schools in stately settings close to London
- Full English as a Second Language (ESL) program
- International Baccalaureate Diploma for worldwide University access
- Pre-kindergarten to Grade 13 (ages 3-19)
- American High School Diploma, including Advanced Placement courses
- Modern boarding facilities available (ages 12-19)
- Full sports and extra-curricular programs



For free video and further information, contact: The Admissions Office, American Community Schools, England http://www.acs-england.co.uk

'Heywood' Portsmouth Road,
Cobham, Surrey KT11 1BL, England
Telephone 01932 869744
Facsimile 01932 869789
e-mail: mbucknell@acs-england.co.uk

'Hillingdon Court', 108 Vine Lane,
Hillingdon, Middlesex UB10 0BE, England
Telephone 01895 813734
Facsimile 01895 810634
e-mail: hmulkey@acs-england.co.uk

'Woodlee', London Road (A30),
Egham, Surrey TW20 0HS, England
Telephone 01784 430611
Facsimile 01784 430626
e-mail: abarker@acs-england.co.uk

The American Community Schools, England

European School of Economics

ROME-LUCCA-NEW YORK-TOKYO-BOLOGNA-UDINE

STUDY IN ITALY FOR A BRITISH DEGREE

The European School of Economics is a private University with six campuses in Italy. In Rome, the ESE campus is situated five minutes from Piazza di Spagna, in Tuscany in Capezzano Pianore, a seaside location near Lucca and Pisa, and in the hearts of the cities in Vicenza, Bologna and Udine and Verbania. Students study two foreign languages as part of the degree and spend the third year abroad in two different countries in USA, France, England, Germany or Spain according to the languages chosen.

British BA (Hons) degrees in:
International Business ● Financial Management ● Marketing Management ● Hospitality Management ● Music Industry Management ● Entertainment and Event Management ● Sports & Leisure Management ● European Languages and Literature ● Communication Studies ● International Political Science ●

For further information please call
Dr. Elizabeth Mitchell at the ESE Campuses:

Largo del Nazareno 15, 00187-Rome Italy
Tel.+39 6 6780503 Fax. 6780293.

Villa Le Pianore - 55040 Capezzano (LU) Italy -
Tel. + 39 584 915169 Fax. 915384
Web; http://www.caen.it/ESE e-mail: ese.lucca@telcen.caen.it

STUDY IN SWITZERLAND

- *Intensive French (Alliance française)*
- *Intensive English (Cambridge, Toefl & TOEIC)*
- *Summer courses : June - October*
- *Undergraduate degree programs*
- *Pre-MBA - Lémania Business Diploma*
- *Hotel management preparatory course*
- *Commercial, management, exec. secretary diplomas*
- *Maturité suisse* ● *Baccalauréat français*

Ecole Lémania Lausanne

Ecole Lémania - 3, ch. de Préville - CH 1003 Lausanne
Tel. ... 41/ 21/ 320 15 01 - Fax ... 41/ 21/ 312 67 00

Boarding & Day-students

THE EUROPEAN

Classified Advertisers

If you are based in the following areas, please contact YOUR LOCAL REPRESENTATIVE to place an advertisement

GERMANY Mognol & Carroll Tel: +49 2633 7187 Fax: +49 2633 95917
EASTERN EUROPE W Atzelsdorfer Tel: +43 7234 87881 Fax: +43 7234 87882
ITALY Milan & North: Tecnoinform Tel: +39 2 48 010643 Fax; +39 2 48 012333
ITALY Central & South: Tel: +39 761 485008 Fax: +39 761 485002
LIECHTENSTEIN: Harald Buhler Tel: +41 75 373 1183 Fax: +41 75 373 3247
SPAIN Cataluna, Aragona, Basque Country: Mike Mulvaney Telefax: +34 72 3020 84
Andalucia: Joan Davies Tel: +34 5 283 0831 Fax: +34 5 283 1501
REPUBLIC OF IRELAND: John Hendrick Telefax: +353 (0)21 885 608
SCOTLAND: Peter Bailey tel: +44 (0)131 343 2323 Fax: +44 (0)131 332 8822
FAR EAST: Hutton Media Ltd. Tel: +852 528 9135 Fax: +852 528 9257/9281

USA: *Please book direct with London office on* **+44 171 418 7878** *(tel)* **+44 171 713 1835** *(fax) or by e-mail on* **e-mail:101512,3657@compuserve.com.**

STUDY IN VANCOUVER, CANADA

- Independent international school
- English Language Programs for adults
- Certified High School Program
- College programs in Business and Computer Studies
- Academic Preparation for University Studies
- Accommodations with Canadian Families

Richmond International High School and College
8671 Odlin Crescent Richmond, BCX, Canada V6X 1G1
Tel: +1 (604) 244-0100 Fax:+1 (604) 244-0102
E-Mail: study@rihsc.bc.ca Website: http://www.rihsc.bc.ca

Get a College Degree In 27 Days

BS/ MS/ MBA/ PhD.,etc. Including graduation ring, transcript, diploma. Yes, it's real, legal, guaranteed and accredited.

Columbia State University
Tel: +1 504-455-1409. 24/hours

SUCCESS WITH ENGLISH in SMALL GROUPS

5 to 9 Students in a group. Individual tuition

Sels College London

- Intensive English courses for foreign learners
- Situated in the heart of London
- Over 25,000 students taught successfully since 1975
- Recognised by the British Council

64 - 65 LONG ACRE, COVENT GARDEN, LONDON WC2E 9JH
Telephone: 0171-240 2581, Fax: 0171 379 5793
Principal: Y. Raiss, BA, BSc (Econ), F.I.L., MEd, Barrister-at-Law, FRSA

TEFL DIPLOMA

Study TEFL, ESL or TESOL by Distance Learning. Also: Cert. TEFL, Dip. ESP (Business), Cert. TEFL (Management)

Prospectus from:
International Learning Centres
12 Rutland Square, Edinburgh, EH1 2BB
Tel/Fax 01259 720440
100665.506@compuserve.com

eurolink

Train to teach English.
Distance courses leading to
CERTIFICATE
ADVANCED CERTIFICATE & DIPLOMA in TEFL/TESOL
accredited by ACTDEC
Qualifications awarded by
The College of Preceptors
incorporated by Royal Charter in 1849
For prospectus write/tel /fax/e-mail
Tel: + 44 (0) 114 262 1522
Fax: + 44 (0) 114 236 0774
E-mail eurolink@vip.solis.co.uk
Eurolink Courses (Dep.E)
3 Abbeydale Road South
Sheffield S7 2QL. U.K.

TEFL / TESOL ACCREDITED distance certificate course. Tel IN-TESOL +44 1796 474199

DOCTORAL DEGREES

Accredited, 1 to 2 years; 1 month residency.

Business, Education, Gov't, International Relations, Psychology, Religion, Social Work, Health Services

Write: Berne University, International Graduate School, PO Box 1080, Wolfeboro Falls, NH. 03896

Tel: 1-603-569-8648 Fax: 1-603-569-4052 E-mail: berne@berne.edu

EDUCATION SPECIAL REPORTS FOR AUTUMN 97:
16 October: International education *30 October:* Language Education
27 November: Business Management Education
11 December: American Summer Camps

For further information on advertising in these reports, please contact: Alison McNiven or Fleur Terrin,
Tel: +44 171 418 7878 Fax: +44 171 713 1835

PROPERTY RESIDENTIAL

ITALY

TUSCANY

For sale in Green **Chianti** area of Tuscany, 26 hectares (sqm) estate, main house (400 sqm) with a beautiful swimming pool. Two farm houses with all you need. 7 hectares of the land is under cultivation with a variety of fruit trees.

For more information call
IMMOBILIARE MAGENTA
+39 (02) 86453180 +39 (02) 86453389 (fax)

Eurogroup 92

Rural and leisure properties in central Italy
Tuscany - Umbria - Marche.
See all properties on our regularly updated
Internet Site: www.eurogroup92.com
E-mail: eurogroup@odd.it
Eurogroup 92 I-06013 Lama Perugia
Tel: +39 75 8583542 Fax: 8582453

T & T Immobiliare

Prestigious Properties in Chianti and Umbria Cortona - exceptional investment Beautiful Tuscan farmhouse, 450m² structurally sound, to restore internally. Excellent views. Region of: Lire 280,000 Full assistance with restoration projects, technical, legal and financial matters. For colour documentation and holiday rentals brochure, please phone or fax.

Tel: +39 574 574093
Fax: +39 574 575419
web pages:
http://www.texnet.it/ttimmobiliare/
E-MAIL: t.t.imm@texnet.it

FRANCE

COTE D'AZUR

Stunning pair semi - detached modern provencal style villas. Above Nice/Antibes. Panoramic sea view. 1 mile sea. 4 miles airport.

Beautifully appointed inside and out.

3 + 3.5 M FF each o.n.o.

Tel: +44 (0)181 458 9011
Fax: +44 (0)181 458 8422

SPAIN

MARBELLA

Private Property. 4 Bed, 4 Bath Luxury Villa. Swimming Pool, Double Garage, Fantastic Wine Cellar/Room. Land 2,000 Sq m Villa, 400 Sq m. Furnished, Fantastic Value/Bargain.

Must sell quickly.

Tel: Edwina
+44 (0)1276 453563

PORTUGAL

PORTUGAL
VALE DO LOBO, ALGARVE.

Well-appointed villa, three double bedrooms. (Master suite upstairs with own terrace). Second bathroom. Spacious open plan living room, fully equipped kitchen. Terrace and plunge pool with portable child safety fence.

£190,000 ono

Tel: 00 44 1 394 388111 (UK) or 00 351 89 39 39 39 ext. 817 (Portugal).

PORTUGAL ERICERA

Beautiful 3 bed villa, 2 bathrooms, 2 attics. 1 part furnished, 3 outbuildings standing in 3,000 SQ MTS, stunning views, parking for 4 cars. Well maintained. New roof. Railway Station (14 miles) Lisbon airport (25 miles)

£150,000

Tel:+44 (0)191 4871763
Fax:+44 (0)1189 844775

SWITZERLAND

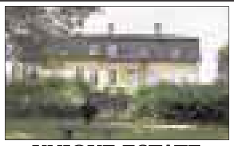
GSTAAD - ROUGEMONT SWITZERLAND

Charming south facing chalet on two levels with view of chateau. Four double bedrooms, two bathrooms. Living dining with fireplace. Secluded garden 1100m². Purchase possible by non-Swiss.

CHF 1,200,000.
Brochure Available

Tel/Fax: +41 26 925 8351

FINLAND



UNIQUE ESTATE by the Sea in the S-W Archipelago in Finland

Total area 670 hectares. Excellent opportunities for hunting and fishing. The manor itself has 12 rooms and is in a good condition.

For further information, **fax to +358-9-409 823**

UK

EAST WEST PROPERTIES

Central London Specialists
Zone 1-6 N.S.E.W. London

BEDSITS £40+
STUDIOS £70+
FLATS £150+
SHORTLETS

East - West
77 Oxford Str.
1 Min
Tottenham Court
Road Tube

+44 171 494 0299

CENTRAL LONDON

Mews house with two garages Convenient location, Bayswater / Notting Hill. 5 rooms, kitchen, bathroom. Freehold

http://www.idmhome.demon.co.uk

Price £340,000

Tel/Fax:
+44 (0)171 221 4811

MARBELLA LIVING

Beach & Golf
Villas-Apts.
Town Houses
OCEAN ESTATES
☎+(345) 2788141
Fax: +(345) 2782405

MARBELLA REPOSSESSIONS FANTASTIC Value Large Sel. of Props. Denise +44 (0) 1274 743 170

GREECE

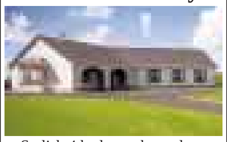
FOR SALE IN THE PELOPONNESE

Luxurious, newly built villa of 600m² spread out over 2 floors, set on 8,000m² of land, with stunning sea view. 7 bedrooms, 7 bathrooms, living room with fireplace, open plan kitchen, reception lounge with fireplace, two dining rooms, servants' room, broad terraces, garden, stone-walling.

180,000,000 GRD
HELLENIC REALTY
Tel: +33 4 50 42 71 98
Fax: +33 4 50 42 76 24
http://www.wegrew.com/hellenic.htm

IRELAND

Ireland - Co. Mayo



Stylish 4 bedroom bungalow, situated on tree-lined ¹/₃ acre grounds. Built 1990 to highest standards and beautifully decorated. Solid teak fittings and marble fireplace in lounge.

For details contact:
Attracta Heffernan, Facefield, Claremorris, Co. Mayo.
Tel: +353 94 62091 Fax: 65529

INTERNATIONAL PROPERTY

SPECIAL REPORTS OCT 1997

***16 Oct:* SPECIAL REPORT:**
American Real Estate

***23 Oct:* SPECIAL REPORT:**
Prestige Property

To reserve your space contact: Jennifer Mullen, Sara Buchet or Sophie Henry
Tel:+44 171 418 7878
Fax:+44 171 713 1835
E-mail:
classified@the-european.com

CYPRUS

PAPHOS - CYPRUS RETIREMENT/HOLIDAY HOME

Near Golf Course. Tsadha Village hilltop cottage (1993). 2 bed/2 bath, luxury kitchen, spacious living room with fireplace. Huge sunny terrace and pretty garden. Panoramic views of Paphos and the Mediterranean. Use of pool. Elegantly furnished and fully equipped. View Oct/Nov.

STG. 78.000 ono Cash.
Tel: +44 (0) 498 568467

CYPRUS Retirement, Holiday, Investment Properties. Free List. Joint Ventures, Offshore Companies, Accommodation.

THEOMARIA Box 4282, 3722 Limassol, Cyprus.
Tel: (357 5) 372917
Fax: (357 5) 377740.

INTERNATIONAL PROPERTY

Readers are advised to seek appropriate professional advice before entering into any commitments.

COMMERCIAL

CANADA

MONTREAL - CANADA
Investment Properties.

Great Opportunities are available in the charming Montreal area, with high return. Apartment buildings, hotels, land, shopping centers, commercial, residential buildings. List of repossessions by banks is available. Call the expert in real estate.

MR. NADER ATTARA B.Sc.Eng
Tel:+1 514 934 1818 or carphone +1 514 941 7565
ROYAL LEPAGE Real Estate Brokers

FRANCE

PARIS
NEAR EIFFEL TOWER
15TH ARRONDISSEMENT

For Sale In Prime Location
LUXURY BOUTIQUE
Suitable for all types of business.
Area being upscaled. Guaranteed Potential.
Selling Price: FFr 3,800,000
Monthly Rent: FFr 6,000

Tel: +33 1 42 73 35 29
(24 hours answer phone)

PORTUGAL

PORTUGAL
CENTRAL ALGARVE.

Charming Country Village Inn. Comprising 11 double beds all en-suite, s/c 2 bed apartment, 50 cover dining room, large lounge, Bar, Pool, c/park. Fully operational equipped and licensed. Close Golf, Sea, all sports. Excellent Condition Throughout. Owners retiring.

FOR SALE. OFF-SHORE Company Owned.

Enquiries by Fax: 00351 89 360 350.

RESTAURANT

(One Of The Best)
in Portugal's ALGARVE
FOR SALE.
Very good value for money.
Price incl. land (2.5 acres) & buildings:

£690,000.

Det: R. Neubersch,
Tel:+351 89 390350
Fax:+351 89 390369
e-mail:
neubersch@mail.telepac.pt

UK

ENGLAND

Nr London, Channel Tunnel.

Elegant 30 bedroom Hotel. Large Ballroom for 250, 2 Bars, Restaurant, 2 Lounges, 2 Large Cellars, Staff/Owners Accom. 5¹/₂ acres. Retirement sale.

1.8 M Sterling

Reply to The European, Box No. P457, 200 Gray's Inn Rd, London WC1X 8NE

TRAVEL AND LEISURE

BOOKS AND PUBLISHING

NEW AUTHORS
PUBLISH YOUR WORK
ALL SUBJECTS CONSIDERED:
Fiction, non-fiction, biography, religious, poetry, children.
AUTHORS WORLDWIDE INVITED.
WRITE OR SEND YOUR MANUSCRIPT TO:
MINERVA PRESS
2 OLD BROMPTON RD, LONDON SW7 3DQ

PEN PALS

PEN-PALS, friendship or marriage. Write 190 Caro Mio 1, Sark, Channel Islands, GY9 OSE, U.K

BALEARICS ■ Mallorca is the latest hotspot for buyers seeking a second home in the sun

Riding the heat wave

Sun soaked: a typical apartment from Taylor Woodrow, with swimming pool, sun terraces and views across the sea

CLIVE BRANSON

MALLORCA, once the domain of British expatriates, has become the latest hotspot for Germans seeking a second home in the sun. Over the past few years their number has swelled to 50,000, a similar figure to Britons, who have been buying property on the island for nearly half a century.

"The mix of mild winters, marinas and golf courses seems to be irresistible to Germans," says Juan Olabarria of Videlba, a property developer in the island's capital, Palma.

There are 12 golf courses on the island, with three more in development. A course has become almost an essential adjunct to any new residential development.

At the Royal Bendinat development the golf course is being increased from nine to 18 holes, with a part being set aside for flora and fauna.

This new ecological awareness extends to the 29 flats and townhouses in the most recent phase of the project: they are all low-rise buildings designed to blend in with the landscape.

Prices start at $185,000 for a one-bedroom apartment, rising to $372,000 for a townhouse.

The British developer Taylor Woodrow has started the second phase of apartments at Vistasur, close to the small town of Capdepera. It is handy for the beaches of Canyamel, Cala Agulia and Font de Sa Cala, all three favourites for watersports enthusiasts. A one-bedroom apartment will cost $103,000, and add on an extra $20,000 for two rooms.

Kate Metink of the Golden Chain agency says: "We have had our busiest year ever." In addition to German buyers, the British have returned in force, providing a substantial boost to the market. At the same time, the strong Mallorcan economy has provided the impetus for the local population to invest in property. Metink says the Dutch and Scandinavians are also coming back as buyers

> **A beguiling mix of mild winters, marinas and golf**

Golden Chain has a range of properties to interest the middle-market buyer, among them a $192,000 terrace house at Cas Catala Nou, between Santa Ponsa and Palma. It has three bedrooms, two bathrooms, access to a community swimming pool and a terrace.

For those with a little more money to spare there is a 553sqm villa with large terraces in the quiet village of Calvia, ten minutes' drive from Palma. It has spacious gardens and indoor and outdoor swimming pools. A German businessman is selling it for $1.3 million, close to the price he paid three years ago.

In fact, prices across the island have remained at the same level as last year, although property in Mallorca is not cheap by European standards.

The island has become the summer refuge for the super-rich – the Spanish royal family has its summer home here – and the marina in Palma is home to some of the most expensive yachts in Europe.

Can Calo, which is between Deya and Valldemos and 24 kilometres from Palma, is at the upper end of the market. The 1,400sqm stone-built mansion, which was built by the Archduke Luis Salvador, has four reception areas, six bedrooms, all with en-suite bathrooms, and a games room.

Staff can be housed in a three-bedroom caretakers' annexe, and there is an additional guest house. The agents, Hamptons, is marketing the property at $4 million.

Hamptons also has a number of luxury properties on Ibiza, the smallest of the three Balearic islands. Among these is the three-bedroom Casa Orvais at San José. The $3.3 million asking price includes a two bedroom guest house and staff flat.

Contacts: Bendinat + 347 140 5000; Taylor Woodrow +44 181 575 4553; Golden Chain +347 167 0328; Hamptons +44 171 824 8822

BRITAIN ■ Going for $40 million: a mansion and estate within an hour of London

Grandeur rebuilt on diamond foundations

Magnificent: Luton Hoo was created by two of Britain's most celebrated designers, Robert Adam and Capability Brown

ONE of Britain's most important country estates, Luton Hoo, is for sale for at least $40 million.

The mansion, which dates from 1760, is set in 618 hectares and has outstanding gardens and parkland designed by Capability Brown. The fact that the estate is only 50 kilometres from London means there is certain to be interest from international buyers.

Luton Hoo was built by Robert Adam for the Earl of Bute, prime minister to George III.

It was extensively rebuilt early this century by Sir Julius Wernher, who had made a fortune from the South African diamond industry. He assembled one of the finest art collections in Britain, and played host to many of the great names of the age, including Winston Churchill and members of Europe's royal families.

The house has more than 400 rooms, including the mirrored Blue Hall and state dining room. The estate is being sold by the executors of the late Nicholas Phillips, great grandson of Sir Julius. The chapel is now consecrated Russian Orthodox (Sir Julius's son, Harold, was married to Lady Zia, the daughter of Grand Duke Michael, cousin of Tsar Nicholas II).

The grounds include stables, seven entrance lodges, 35 houses (one with 11 bedrooms), and a 20 hectare lake.

Knight Frank +44 171 629 8171

CLIVE BRANSON

SPORT

Peslier set for Arc showdown
Horse racing: page 44

BROADCASTING ■ Stations across Europe are paying the earth to televise sport. But the fans also need deep pockets to tune in

Sports rights rule the TV airwaves

ANDREW GALLATLY

FOOTBALL all day, football all night: an unpalatable prospect for the discerning television viewer but the ultimate fantasy for any sports-mad couch potato.

This week, the Spanish digital provider, Canal Satelite Digital, got halfway there, launching the Futbol Mondial channel to provide 12 hours of football a day to subscribers.

The company refused to say how much it had paid for the rights to beam action from Italy, England, France, Germany, the Netherlands, Portugal and Belgium into Spanish homes.

But it was the latest and most dramatic example of how seriously television is taking to sport in the fight to compete for the viewers of the next century. Put simply, sport is now defining European television programming more than any other area of broadcasting.

"Some commentators say there might be a saturation point, but if there is, no-one has identified it yet," said Peter Sprogis, managing director of Prisma Sports, which is selling Fifa's World Cup soccer programming in Europe.

Sprogis recently attended the eighth Sportel conference, the marketplace for European sports rights. He estimates that between $3 billion-$5bn of business may have been discussed during the four-day meeting in Monaco.

Sportel's burgeoning success has been to unify buyers and sellers in an atmosphere more redolent of a bank dealing room that the quiet boardrooms where such deals used to be completed. Nowadays the Sportel rights brokers schedule up to 30 meetings a day with hungry broadcasters not only from established west European nations but from Ukraine, Slovenia, Croatia, Hungary, Romania and Russia. One of the deals made this year was the acquisition by the Russians of the rights to the world-famous Breeders' Cup horse race, inconceivable five years ago.

Not surprisingly, it is football that has demonstrated the most spectacular price rises. The old five-year deal for the English Premiership, for instance, was $384 million. The new four-year deal is $1bn, or $249.3m a year, a staggering 224.6 per cent increase. The value of the European TV rights to the 2002 World Cup will be $1.52bn. The figures exclude the extra costs for marketing and merchandising rights.

This massive market has created some unholy rows. Kirch Gruppe and ISL, the two groups which won Fifa's World Cup rights business for 2002 and 2006 with a record-breaking $2bn bid, nearly came to blows this summer after Kirch revealed its plans to appoint Prisma, led by ex-ISL employees, to handle its interests. A renegotiated settlement saw Prisma take sales in Europe, while ISL will deal with the rest of the world.

The rights boom is not restricted, however, to major sports. Luggiano Torrigliani, head of marketing for the fledgling International Beach Volleyball Federation, says even a sport as new as his is benefiting from the insatiable desire to show sport on television.

"Three years ago we went to Sportel to give away our tapes. But since the Olympic coverage of our sport in 1996, we've been able to get deals in 120 countries," he said.

The European Broadcasting Union's controller of sport, Richard Bunn, believes that the TV rights bonanza will meet a nasty end. "People are spending a lot of money on the uncertain value of sports rights – it will all lead to red figures and bloodshed," he said.

Bunn has an axe to grind. The EBU's once-powerful hold on sports programming is rapidly dwindling as it finds itself marginalised. As its buying power diminishes, so the terrestrial viewer has a weaker voice in the markets where the future of sport is being conducted.

The European Parliament intervened back in April to safeguard free access to traditional sporting events like the Olympics and the World Cup. But terrestrial stations are finding it harder than ever to stand their ground. By far the biggest growth of TV sports has come from non-EBU members, 58 per cent of the total hours last year compared to 25 per cent in 1990.

Richard Dorfmann, senior European vice-president at Mark McCormack's television company, TWI, observes ruefully that the prices for 2002 World Cup football rights are "just off the wall".

But as in the football transfer market, every sporting event has its price. The number of hours of sport broadcast in Europe has increased from 34,128 in 1991 to 84,259 last year. The emerging market is increasingly filled with younger, content-hungry stations which have to get sports to their subscriber's black boxes, leaving the EBU floundering as the main victim of sports rights inflation.

According to Jean Paul de la Fuente, media and business development vice-president at ISL: "We've exploited the cosy relationship that existed between the World Cup and the networks by putting the event in an open market and showing its true value. If it means increasing the price by ten times then we will do that to reflect the real value to the networks."

Perhaps not for much longer. The deals that are being made now could be the last of their kind under existing technology. Digital TV distribution that already exists in France and Germany, begins soon in Italy and has just been launched by this week's Canal Satelite Digital deal in Spain, will change the sports market beyond recognition. Negotiations can now be tiered for live or delayed transmission. Football's 1999 women's World Cup will be a rehearsal for the tiered delivery of a major sports event to include the Internet, video on demand and digital platforms.

The television rights to Wimbledon 1998 are about to be re-negotiated by TWI and Dorfmann says of his lengthening client list: "This time we won't sell it as a European whole. The price increase is going to be manifold, and we'll be selling country by country, working on digital and web rights as well."

'People are spending a lot of money on uncertain value ... it will all lead to red figures and bloodshed'

Dorfmann may have pinpointed the way forward but already, the sale of digital rights has thrown up its own pitfalls. On the first day of the Spanish football season, security guards prevented a match between Mallorca and Valencia from being televised because the home club claimed that Canal Satelite Digital, the company that has just launched Futbol Mondial, did not have the rights.

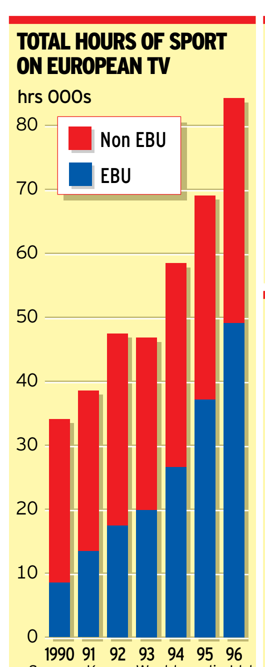
The result was that armchair viewers ended up with a blank screen. This is the paradox of the burgeoning sports rights market: football may be bigger and better than it used to be, but the people it has traditionally served and whose devotion has made the product what it is are the ones being exploited.

The Spanish case was unusual. Normally those *without* satellite are the ones who miss out but the channels argue that they are only responding to the marketplace. When, for instance, the English football association pleaded with Rupert Murdoch's Sky channel to let the nation watch the crucial forthcoming World Cup qualifier against Italy on terrestrial television, Sky politely declined, pointing out that it had been sold the rights by the English FA's counterpart in Rome.

The recent Ryder Cup was another case in point. Millions of frustrated golf fans had to follow the live action on radio because they didn't own a satellite dish. Such disputes serve only to illustrate what can happen when sports rights shoot through the roof: only the highest bidder succeeds.

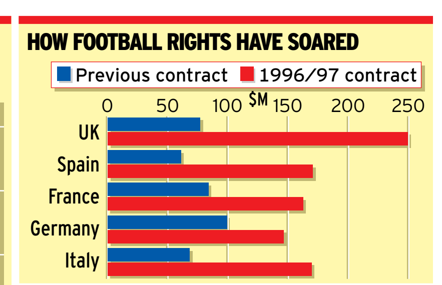
The United States seems to have got the balance about right. Prime sport is shown there in roughly equal measure on network and cable, advertising costs allowing the former to compete with the latter. The irony in Europe is that the more the costs of televising sport go up, the less chance genuine fans with small pockets will have to turn on and tune in.

TOTAL HOURS OF SPORT ON EUROPEAN TV



Source: Kagan World media Ltd

HOW FOOTBALL RIGHTS HAVE SOARED

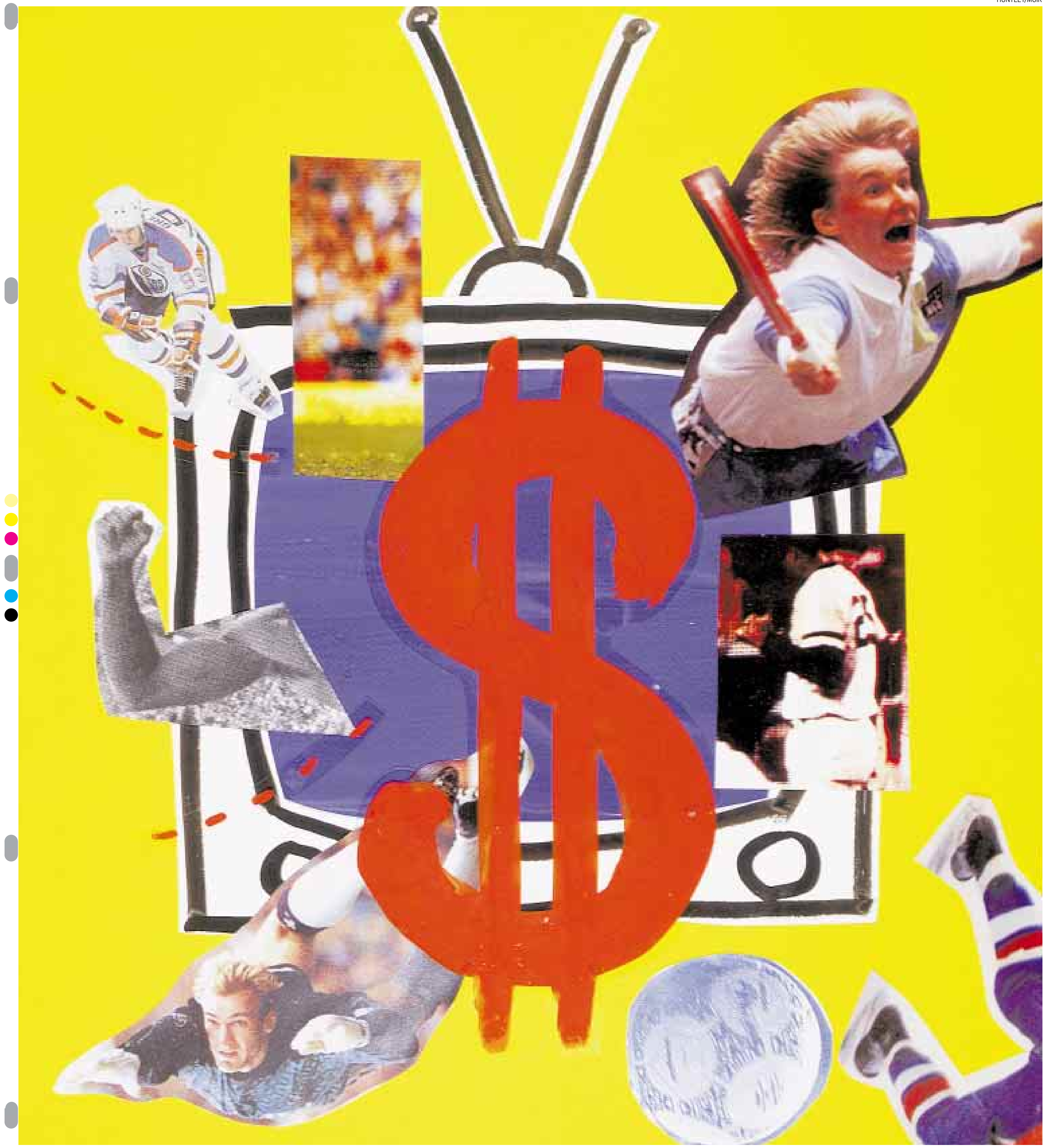


THE COST TO INDIVIDUAL CHANNELS

	Old deal ($m)		New deal ($m)		% change
UK	BSkyB	75.4	BSkyB	242.1	
	BBC	1.4	BBC	7.2	224.6
Spain	Forta/C+	60.9	Forta	59.3	
			C+	104.2	
			Antena 3	101.8	335.6
Italy	RAI	24.9	RAI	125.4	
	Telepii	11.2	Telepii	43.8	368.7
France	Canal+	105.3	Canal+/C+	146.6	
	TF1	6.3	TF1	15.7	45.4
Germany	Sat 1	93.5	Sat 1	157.0	
	Premiere	16.6	Premiere	46.6	37.4

C+ = Canal Plus Satellite

Source: Kagan World media Ltd



HUNTLEY/MUIR

SPORT

SPORTING WORLD

RUGBY UNION

Fights bring fines

THE European Cup's reputation took another knock when Llanelli refused to pay a fine after violent clashes during a match with Pau. The two sides were each fined £20,000 ($32,000), half of which is suspended, for on-field brawling described by competition chief Roger Pickering as gratuitous violence. Llanelli chairman Rob Jones said he will not pay up until he is told what rules have been broken. Earlier this season, cup holder Brive and Pontypridd were fined £30,000, again with half suspended, after clashes during the match were continued in a bar.

FOOTBALL

Bells ring changes

WHISKY distillers Bells have withdrawn their £10 million ($16m) sponsorship of the Scottish Football League after the ten premier league clubs announced that they intend to form a breakaway group. The company's four-year contract is due to end next May. A spokesman for Bells said the company had been close to a new deal but the proposed breakaway left it unclear what it could be sponsoring. Lex Gold, chairman of Hibernian and a spokesman for the premier league clubs, said the decision was disappointing but two other potential sponsors were waiting.

ICE HOCKEY

Cost of Europe

THE three Czech clubs competing in this season's European Hockey League have denounced the competition as costing more money than it brings in. The sides, expected to be a major force, all lost their opening matches with seemingly disinterested performances. Sparta Praha manager Miroslav Kunes said travelling expenses would end up being higher than the prize money, and his club could lose thousands of dollars. Players from Vitkovice and Vsetin agreed, saying that European matches were only a good idea if they did not soak up money that could be invested in the team.

FOOTBALL

Stink at Cologne

BUNDESLIGA side Cologne fired coach Peter Neururer following a disastrous start to the season. Cologne, three times German champions, lost 1-0 at Hertha Berlin in their last league match and are 17th in the 18-strong Bundesliga. Neururer, 42, joined Cologne from Hannover in April 1996. He is the second Bundesliga coach to lose his job this season, Hans-Jürgen Dörner was sacked by Werder Bremen last month. Cologne are expected to replace Neururer with Günter-Lorenz Köstner, currently with second division Unteraching.

PHIL COLE

Focused: Olivier Peslier, seen here winning the French Derby on Peintre Célèbre, aims to put the debacle of the Prix Niel behind him in Longchamp's big race

HORSE RACING ■ Jockeys have scores to settle, and bad blood will come to the boil at the Prix de l'Arc de Triomphe

Racing for revenge

DAVID MEILTON

IT LOOKS set to be the most explosive shoot-out on a European racecourse for years. In the 1997 Prix de l'Arc de Triomphe, Europe's end-of-year championship at Longchamp on 5 October, there are scores to be settled.

Olivier Peslier, champion jockey and the latest golden boy of French racing, rides the strong favourite, Prix du Jockey-Club (French Derby) winner Peintre Célèbre. Texan Cash Asmussen, once a champion jockey but perhaps now a fading star, is on Oscar Schindler, the horse he rode into third place last year.

The drama goes back to last month's Prix Niel, over the Longchamp course and the Arc's 2,400m distance. Peslier forfeited Peintre Célèbre's unbeaten record after being trapped on the rails in the finishing straight. No sooner had he dismounted than he was busy blaming Asmussen. "It was like Ben Hur out there. I think he wanted me to lose the race," said Peslier. "His behaviour was not professional."

In response, the man from ten-gallon-hat country blew his top. Asmussen threatened to "poke the eyes out" of the distinguished racing correspondent of *The Times* when the journalist dared question his tactics.

Europe's master trainer, André Fabre, who trains Peintre Célèbre for millionaire art dealer Daniel Wildenstein, then announced that Asmussen – with whom he had enjoyed a stormy but hugely successful three-year partnership – would never ride his horses again. Fabre backed up the statement by asking the family of the late Stavros Niarchos, who currently retain Asmussen's services, to remove their horses from his stable.

There's more. Last year's Arc was won in champion style by Helissio, owned by Spanish media tycoon Enrico Sarasola, in the hands of a jubilant Peslier. This year, with Peslier having defected to Peintre Célèbre, the ride on Helissio was given to Asmussen. He promptly lost it again, paying the price of an inept defeat on the horse in Ascot's mid-season championship, the King George VI and Queen Elizabeth Diamond Stakes.

> **'It was like Ben Hur out there. He wanted me to lose the race'**

Helissio defends his title as Europe's best, but this time in the care of Dominique Boeuf. The Frenchman originally lost the mount to Peslier after being beaten in last year's Prix du Jockey-Club.

Let us not forget Thierry Jarnet. A former champion himself, he is still retained jockey for the all-powerful Fabre, the man British champion trainer Henry Cecil calls "God" and whose say-so virtually guarantees fame and fortune for a rider in France.

Sidelined for half the year after a serious fall, Jarnet has had to watch some of his best rides going to Peslier. He also suffered the indignity of being blamed for the Prix Niel debacle for failing to set a fast enough pace on New Frontier.

Jarnet will ride Queen Maud, winner of the Prix Vermeille, in the Arc. Imagine his satisfaction if he were to outshine all of them and put his own star back in the ascendant on European racing's showpiece day. The knives will be out with a vengeance.

Now comes the showdown, with $1million in prize money and incalculable millions more in stud fees at stake, and some of Europe's richest men represented. When Peslier, Asmussen, Boeuf and Jarnet line up, each will have more reasons than usual for wanting to win, or at least see the others lose.

There is enough bad blood on the track to satisfy a rapacious vampire. For racegoers and lovers of sporting drama, it is a prospect to savour.

There are also the Paris *turfistes*, who take no prisoners when hit in the pocket – especially if they think they have been traduced. Peintre Célèbre was 1/10 favourite in the Niel, and there was so much bet on the horse that the Pari-Mutuel had to cancel one of the dividends for the race.

When the colt failed by a neck to catch Rajpoute, despite a startling burst of speed once he belatedly escaped the clutches of Asmussen and Jarnet, Peslier knew what to expect.

As he rode Peintre Célèbre back in, the jockey at first tried to shout back at the furious crowd who assailed him, but, angry and red-faced, he was finally reduced to mock-conducting the chorus of boos, jeers and catcalls. He will be anxious to avoid a repeat on Arc day under the full glare of international television coverage.

The war of words that followed the Niel was almost unprecedented in the normally tranquil waters of French racing. But no rules were broken, no lives were endangered, no stewards inquiry was called. Jockeys are employed to win races, after all.

The Arc, in European terms, is the biggest of them all. There will be 20-plus other international stars intent on rendering the squabbles of the French racing elite irrelevant. They include a credible German challenger, Borgia, ridden by the fiery British champion-elect Kieren Fallon, who has had his own conflicts on the track.

Top Australian stayer Nothing Leica Dane has been imported specially to run in the Arc. Pilsudski, winner of last year's $2m Breeders' Cup Turf in Canada, is better than ever this season and won his trial in Ireland by a street. Then there is the Aga Khan's Irish Oaks winner Ebadiyla, on offer at 33/1, no less. Only now coming to her peak, she is the best each-way bet.

Who will still be standing when the cards are played and the guns fall silent? Bank on Boeuf and the brilliant Helissio. If they can get a clear lead his rivals may be left bickering for the crumbs. The forgotten Frenchman could well have the last laugh.

GOLF ■ The race is on to succeed Seve Ballesteros as Europe's Ryder Cup captain

Who will follow the leader?

MIKE BLAKE/REUTERS

Sparkling stuff: after retaining the Ryder Cup, Europe's players soak up the atmosphere with a champagne celebration

BILL ELLIOTT

THE sharp intake of breath that greeted Seve Ballesteros's announcement that he did not wish to continue as Ryder Cup captain was not shared by everyone.

Those who have known the Spaniard for more than 20 years always suspected that this would be the case. Taking on the role of Europe's captain came easy to a man who always has regarded himself as a natural leader. But even at 40, Ballesteros still defines himself as a player above all else.

As he hurtled around the Valderrama course over three days of high-octane matchplay, Seve not only orchestrated Europe's one-point victory over the US, he played what amounted to virtual-reality golf. The fear that his passion for the game, allied to his lust for winning, would push him a step too far so that he got in the way at crucial moments almost came true. In the end, Ballesteros stepped back just far enough, restricting himself to moral support for his senior players and adding technical advice for the rookies.

When Ignacio Garrido said that every time he wondered what to do next, Seve magically appeared out of nowhere, Darren Clarke and Thomas Bjorn nodded their agreement. Now, however, Ballesteros has decided it is time to focus on his own game as he tries to resurrect the talent that made him the most exciting player of his generation. "I believe I can play in three more Ryder Cups and this is my target," he said, however self-deluding such ambitions might prove.

Significantly, this would then leave Seve free to resume the captaincy for the 2005 match in Ireland, a country and a people he adores, regarding it as his alternative spiritual retreat after his beloved Spain. His own preference as his successor in Boston in two years' time is Bernhard Langer. But the German has stressed that he, too, intends to play instead of lead. This, logically, leaves experienced Ryder Cuppers Sam Torrance and Mark James as leading contenders when the committee meets in England around Christmas to discuss the issue.

What is certain is that the method by which the team is chosen will be changed. The currently favoured blueprint suggests that the five leading Europeans on the world rankings list get in automatically, with another five from the European Ryder Cup rankings and the captain choosing two wild cards, as he does now. Such a system has the advantage of addressing the problem of increasing numbers of European stars playing in America.

If utilised this time, it would have produced exactly the side that played at Valderrama but, significantly, without the embarrassment of the Miguel Martin episode. The hapless Spaniard would have just missed out on qualifying, irrespective of his injury.

Until then, Europe can bask in another unexpected success that owed as much to the emergence of Bjorn, Garrido, Lee Westwood and Clarke as to the senior pros. The rookies provided half of Europe's points. Tiger Woods may have left with his reputation dented but Europe's young quartet enhanced theirs.

Bjorn, especially, can look back with pride on his week's work. His thrilling fightback from four holes down against Open champion Justin Leonard to clinch a crucial half-point was *the* turning point on the last, dramatic day.

TENNIS ■ France's charismatic Davis Cup captain is now inspiring his country's Federation Cup players

Women jump aboard Noah's ark

GEORGES HOMSI AND HAMID TINOUCHE

CORINNE DUBREUIL/ACTION PLUS

Yannick's girls: Noah is hoping to become the only national coach to win both the Davis Cup and Federation Cup

AT the end of last year, after leading France to one of the most exciting Davis Cup triumphs in the history of the competition, Yannick Noah needed a fresh challenge in his "been there, done that" career.

Just at the time the charismatic Frenchman was contemplating his next move, he was approached by Mary Pierce and Julie Halard, his country's leading women players. Could he, they asked, do the same for them as he had for France's men?

"They told me that they were very motivated to win the Federation Cup [the women's equivalent of the Davis Cup] and they thought I could help them. The answer was easy. I simply could not refuse," said Noah.

This weekend Noah's girls, as they have become known, attempt to win the Fed Cup for the first time, against the Netherlands in 's Hertogenbosch. Unlike France's two memorable Davis Cup successes under Noah – against Sweden in Malmø last year and the mighty United States in 1991 – the French Fed Cup team start as favourites.

"He is no guru but having said that, he has given us the motivation we were lacking," said Nathalie Tauziat, the veteran of the French team. "When he says something, he doesn't make us feel ill at ease. He has a knack of reassuring us and is positive even when we don't play well. For a captain, that's very important."

The emphasis Noah places on doing things the right way is manifested by his retention in the team of former captain Françoise Durr, who has been working as his assistant. "Françoise knows the players better than me," he said. "She is the one who built this team; I am happy to add my experience to hers." Yet Noah's motivational factors have made all the difference. Whereas Durr had trouble persuading Mary Pierce to show up on time for team meetings, Noah was quick to find the right solution. He imposed a Ffr100 ($16) penalty for each minute a player was late. Pierce was never late again.

Sandrine Testud, another of the French team, can testify to Noah's influence. After losing her first match in the semifinal against Belgium, Testud was devastated. "I don't think I would have been able to win my second match without Yannick," she said. "That evening, he found the right words to comfort me. He said words I had never heard before. The next day I won."

To prepare the girls for the final against the Netherlands, and, more specifically, the Dutch Nº1 Brenda Schultz-McCarthy, the fastest server on the women's tour, Noah has been serving hundreds and hundreds of balls to Pierce, Testud and their teammates.

He wants to win as badly as they do, not least to erase the memory of the humiliating loss recently suffered by his defending Davis Cup squad. Defeat by Belgium and subsequent relegation from the World Group hurt, especially since Noah admits he made selection errors. He wants to use that setback to spur him to the women's title. "I won't make the same mistakes I made with the boys. This final will be a great moment."

SPORT

FOOTBALL ■ A study by academics shows a club gains from standing by its man

Sacking is bad for your wealth

DOMINIC O'REILLY

FIRING has long been a popular tactic in football. Generally preceded by a "vote of confidence", that most notorious portent of doom since Judas landed a kiss on Jesus's cheek, sacking the coach is possibly the only option shared by all clubs, rich or small.

The bookies' list of favourites for the first dismissal of each new season invariably has plenty of takers, and punters rarely have to wait long before collecting their winnings.

Three British academics are aiming to change this brutish treatment, claiming that their research proves it is not only managers who suffer after a dismissal.

Intrigued by the near-unique hiring and firing habits of what has become a billion-dollar industry, the trio trawled through 20 seasons' worth of managerial changes to see just how effective the system is.

Their findings, published in the *Journal of the Institute of Economic Affairs*, suggested that clubs who sent off their manager fared worse than those in similar positions who stayed loyal to their man.

"Footballers are likely to say that we sit in an ivory tower and know nothing of the game but perhaps they have been guilty of ignoring business practices outside their industry," said Steven Dobson of Hull University, one of the authors of the report.

Events in Madrid and Milan seem to bear that out. Five years ago, Real Madrid were cruising to the title but club president Rámon Mendoza wanted more style on the pitch. He sacked the coach, Radomir Antic, and was punished for his lack of faith when the team collapsed and lost the title.

Real's humiliation was greeted with glee on the other side of Madrid by rivals Atletico but its employment record was even worse. Under club president Jesús Gil, coaches were lasting on average less than six months.

Given this instability, it was little surprise that Atletico were never championship contenders until Gil finally left a coach alone for a season.

A BOCALANDRO/COVER

Happy together: the success of Antic (left) has been a handy lesson on loyalty's value for Atletico president Gil (right)

His decision was probably influenced by the huge sum of pesetas he had wasted paying off the contracts of coaches who had fallen out of favour.

This forced conversion to loyalty was rewarded with a league and cup double delivered, with a sweet irony, by Radomir Antic.

AC Milan, too, have found out the hard way that change is not always beneficial. Last year Oscar Tabarez was sacked after three months in charge to clear the way for Arrigo Sacchi's return. In Sacchi's first match back, Milan were knocked out of the Champions' Cup, a defeat which cost them billions of lire.

Sacchi was soon replaced by Fabio Cappello, only for *his* position to come under threat as the team, confused and demoralised, made their worst start to a season for 59 years.

But these are clubs who expect success, where fans and tradition demand regular deliveries of trophies. Surely it is little wonder that they act in such a ruthless way? Wrong. It is in the lower divisions that managers' offices ought to be fitted with a revolving door or an ejector seat.

According to the research in the IEA journal, managers in the bottom division of the English league are 50 per cent more likely to be given a red card than those in the Premiership.

Mickey Adams at London side Fulham was recently sacked to make way for former two-time European Footballer of the Year Kevin Keegan.

In taking Fulham from one position off bottom of the league to promotion in little more than a season, Adams had shown a talent disproportionate to his journeyman playing career.

It didn't matter. Mohamed Al Fayed, owner of Harrods and scourge of the Tory party, had bought the club for £30 million (£48m) and wanted a more high-profile figure. Adams, worthy but without Keegan's fame, stood no chance.

This is the problem faced by anyone trying to change the business culture of football. For chairmen and presidents, doing what they want, when they want, is half the fun of the job. If poor results bring the jeers of thousands of fans, the simplest course of action is to sacrifice the coach.

Asked to give his reason for sacking one coach, AS Roma president Franco Sensi said: "At 71, I'm too old and tired to hear the fans booing me."

The difference between the ideal and the reality is best summed up by Azeglio Vicini, dismissed after failing to deliver Italy the World Cup in 1990. He said: "If I was a club president, I would think long and hard before taking on a manager to make sure there was no risk involved. In adversity I would defend him. But then I'm a manager by trade, not a president."

The likes of Sensi will ignore this idea and the academics' theory, and point instead to Mallorca, riding high in the Spanish First Division under their third coach in four months.

And within football, there is little shame or loss in being sacked, unlike most industries where a dismissal makes one virtually unemployable. Ray Wilkins, who will assist Keegan at Fulham, was fired by Queen's Park Rangers barely a year ago.

Adams, the man he replaces, received a £300,000 payout and a huge amount of public goodwill which will almost certainly enable him to walk into another job.

What the dons must find is the answer to the obvious question raised by their report: if sacking coaches does not work, then what will?

Good week for...

Pete Sampras hardly needs another $2 million – after all, he has banked nearly $30m in prize money alone during his career – but he accepted the winner's cheque for the Compaq Grand Slam Cup with his customary good manners. Sampras (*pictured*) earned a $500,000 bonus for his Australian Open and Wimbledon triumphs and $1.5m for winning the cup in Munich for the second time. It doubles the 26-year-old's earnings for the year so far, taking them up to $3.9m.

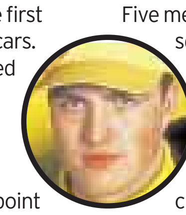
Hertha Berlin have finally won a league match. Backed by millions of marks, the side from the German capital were expected to be a major force after winning promotion back to the Bundesliga last season. Bad luck has dogged them, however, repeatedly turning what seemed certain victories into draws or defeats before the breakthrough success finally came against Cologne. Now that a psychological barrier has been broken, Hertha are expected to start fulfilling its potential, and rewarding their sponsors.

Krzystof Holowczyc also achieved a triumph that had been keeping him waiting. The Polish driver clinched the European Rally Championship by winning the penultimate race of the season, in Cyprus. Holowczyc was championship runner-up two years ago.

Bad week for...

Benfica are wondering when their bad weeks will end. Ten points off the lead in Portugal's First Division, the former European champions were dumped out of the Uefa Cup by Bastia. Portugal's sports papers likened the reverse to the end of the world. Arsenal and Sampdoria, both recent winners of the Cup Winners' Cup, also crashed out of the Uefa Cup.

Ralf Schumacher's rashness in the Luxembourg Grand Prix caused a family row and annoyed his team. Schumacher (*pictured*), in his first season in Formula 1, collided with big brother Michael on the first corner, crippling both cars. The smash all but ended Michael's chances of a third world title this year as Jacques Villeneuve's victory swept him into a nine-point lead in the table with two races left.



Swiss football, rarely seen as a haven of drunkeness and debauchery, has been shocked by the antics of two of the country's national youth teams. Five members of the under-15 squad have been banned indefinitely after allegations of drinking and womanising at a recent training camp. The teenagers could claim in their defence that they were only copying their elders, with the under-21 squad having allegedly enjoyed an all-night drinking session with nightclub hostesses.

EUROPE'S BEST ■ Our new football table has little room for reputations. It's consistency that matters

How good is your club?

IT will provoke arguments, indignation, even anger. Yet it is a brutal reminder of the importance of being consistent.

The European this week launches the most compehensive guide to football's top teams across the continent. It shows no deference to reputation, reflecting instead the need to maintain strong league form coupled with a successful run in European competition.

Hence the omission of some of the biggest names. There is, for instance, no AC Milan, five-times European Champions' Cup winners. Missing too are Arsenal, current leaders of the English Premiership.

Fans of both sides will be outraged but the explanation is simple: the table goes back 50 games and Milan finished only 12th in Italy's Serie A last season. Plus, they were knocked out in the group stages of the Champions' League. This term, they have had their worst start for 59 years. Put simply, they don't deserve to be included, however famous they are.

As for Arsenal, they were eliminated in the first round of both this and last season's Uefa Cup and have only recently started to dominate the English league. Domestic performances in the weeks ahead should see the London club enter and fight their way up the rolling 50-team standings.

The week-on-week table covers clubs from Europe's 14 strongest leagues, plus any other teams still alive in European competition. The winner of the Top 50 title at the end of the season will be the most consistent team overall.

Italy, with seven entries, has most teams in the first table, followed by Germany and France, each with five. Not surprisingly, Italian champions Juventus head the rankings, having won their domestic league and reached last season's Champions' Cup final a year after winning it. Juve have shown the steadiest form over the past 18 months.

European champions Borussia Dortmund can only manage fourth spot, let down by an indifferent start to this season's Bundesliga. The leading English side is Manchester United, in 15th place. Barring a disastrous league and European campaign, the Reds should quickly climb up the table.

Conspicuous by their inclusion are Skonto Riga from Latvia and Ukraine's Dynamo Tbilisi. Both have put together virtually unblemished records at home but their stay in *The European*'s top 50 will be shortlived as they are overtaken by teams who qualify for the next rounds of the three European competitions.

THE EUROPEAN TOP 50

	TEAM	Country	Points
1	JUVENTUS	Italy	202.2
2	INTER MILAN	Italy	179.7
3	BARCELONA	Spain	179.0
4	BORUSSIA DORTMUND	Germany	177.4
5	MONACO	France	165.7
6	AJAX	Holland	163.6
7	PARIS ST GERMAIN	France	161.7
8	FC PORTO	Portugal	157.3
9	REAL MADRID	Spain	147.0
10	SCHALKE 04	Germany	145.4
11	LAZIO	Italy	143.2
12	ATLETICO MADRID	Spain	142.0
13	PARMA	Italy	140.7
14	DYNAMO TBILISI	Georgia	138.9
15	MANCHESTER UNITED	England	137.8
16	PSV EINDHOVEN	Holland	136.1
17	LIVERPOOL	England	134.8
18	FEYENOORD	Holland	134.6
19	BAYERN MUNICH	Germany	131.9
20	SPORTING LISBON	Portugal	131.3
21	ROSENBORG TRONDHEIM	Norway	131.2
22	SAMPDORIA	Italy	130.7
23	FC BRUGES	Belgium	129.9
24	AEK ATHENS	Greece	129.5
25	METZ	France	129.2
26	GALATASARAY	Turkey	128.5
27	WIDZEW LODZ	Poland	127.0
28	SKONTO RIGA	Latvia	125.8
29	FENERBAHCE	Turkey	125.5
30	TRABZONSPOR	Turkey	125.5
31	DYNAMO KIEV	Ukraine	125.4
32	VICENZA	Italy	125.2
33	AUXERRE	France	124.2
34	UDINESE	Italy	123.7
35	KARLSRUHE	Germany	122.9
36	NEWCASTLE UNITED	England	122.8
37	CROATIA ZAGREB	Croatia	121.5
38	OLYMPIAKOS PIRAEUS	Greece	121.5
39	SPARTAK MOSCOW	Russia	121.3
40	BESIKTAS	Turkey	121.0
41	BENFICA	Portugal	120.8
42	BRONDBY	Denmark	120.4
43	BAYER LEVERKUSEN	Germany	119.4
44	SLAVIA PRAGUE	Czech Rep	119.1
45	DEPORTIVO LA CORUNA	Spain	118.5
46	GUIMARAES	Portugal	117.3
47	RANGERS	Scotland	117.3
48	ROTOR VOLGOGRAD	Russia	117.3
49	RODA JC	Holland	117.1
50	BORDEAUX	France	116.7

Guide to the Euro league ratings

❶ Clubs have been selected from the 14 strongest premier divisions across Europe – a top tier of eight leagues and a second tier of six, according to the Uefa co-efficient. The table goes back 50 games and will be updated each week.

❷ Clubs score points through a combination of league results and performances in Europe. Points are given for a draw, a home win and an away win. The two-tier handicapping system will reflect the varying levels of the leagues. The stronger the league, the more points for a top performance.

❸ Extra points are acquired for reaching the latter stages of the three European cup competitions. Bonus points are also given if a team from a lower league beats a team from a higher league in any European match.

The Continental

Spain's wedding of the year: Princess Cristina marries her Olympic handball player, page 54

POP MUSIC ■ The Spice Girls have sold millions of records without having played live. Now, in a deal with Pepsi, they go on stage for the new generation

Fizzy Spice

Mark Porter and Stephen Armstrong

FROM Moscow to Marseille and Stockholm to Tiger Bay the Spice Girls are topping the charts. Everyone everywhere has heard of them. Not since the Beatles has any one group been quite so *sans frontières*, and even the Beatles look like being ousted from the pedestal of popularity as Britain's all-girl group last week passed the 18 million sales mark with their first album, *Spice*.

In Austria they have won a platinum disc for sales; in Belgium, Denmark, Holland and France they were awarded triple platinum; and in Spain they notched up five times platinum. The album has sold eight million copies in Europe since its release last November.

This year they have earned $48 million, and by 2000 it is predicted they will have grossed $480 million. They were rated 32nd in the *Forbes* list of the richest entertainers in the world, beating the rock band U2 and Hollywood stars Kevin Costner and Michael Douglas. Not bad for a group who have never played live and who have been accused by many in the music industry of being nothing more than a marketing creation – five musical puppets (albeit capable of generating more wealth than a Third-World economy).

However, their critics will get their answer on 12 October, courtesy of a contract with Pepsi-Cola. Flame-haired Geri (Ginger or Sexy Spice), Mel B (Scary Spice), Emma (Baby Spice), Victoria (Posh Spice) and Mel C (Sporty Spice) will have to bare their naked vocal cords before an eager world when they perform live in Istanbul.

Apart from a 2,000-strong circus of freeloaders and media, the 18,000 audience will be exclusively Pepsi-Cola prize-winners, nearly all of them from Turkey. Some 400 fans will be flown in from elsewhere in Europe, all-expenses-paid. The competition was just one part of a complex relationship between the Spice Girls' management company and Pepsico – the $33 billion-a-year megacorp which owns Pepsi-Cola, 7 Up, Walkers Crisps, Frito-lay, Pizza Hut, Kentucky Fried Chicken and Taco Bell.

The first part of the deal involved the Spice Girls' TV advertisement. This had the distinction of being the first ever non-US Pepsico ad to get global distribution. For this purpose, the band was an shrewd choice. With recognition around the world and the kind of popularity in Europe which no other group (Beatles included) has managed in such a short timescale, they were the perfect magnet to capture the all-important youth market. It is, after all, only 18 months since they emerged from suburban anonymity to superstardom, and their appeal lies almost exclusively with the very young.

The Spice Girls released a single this summer, *Step to Me*, that was available only to people who had sent in 20 Pepsi ring pulls. This proved to be a coup for the soft-drinks giant, which is perennially engaged in cut-throat war with its larger rival, Coca-Cola.

According to Andrew Marsden, marketing director of Pepsi's UK distributor Britvic, the promotion has been running for two months with around 15,000 people a day redeeming their tokens. At its peak it was 20,000, with similar figures in France and Germany.

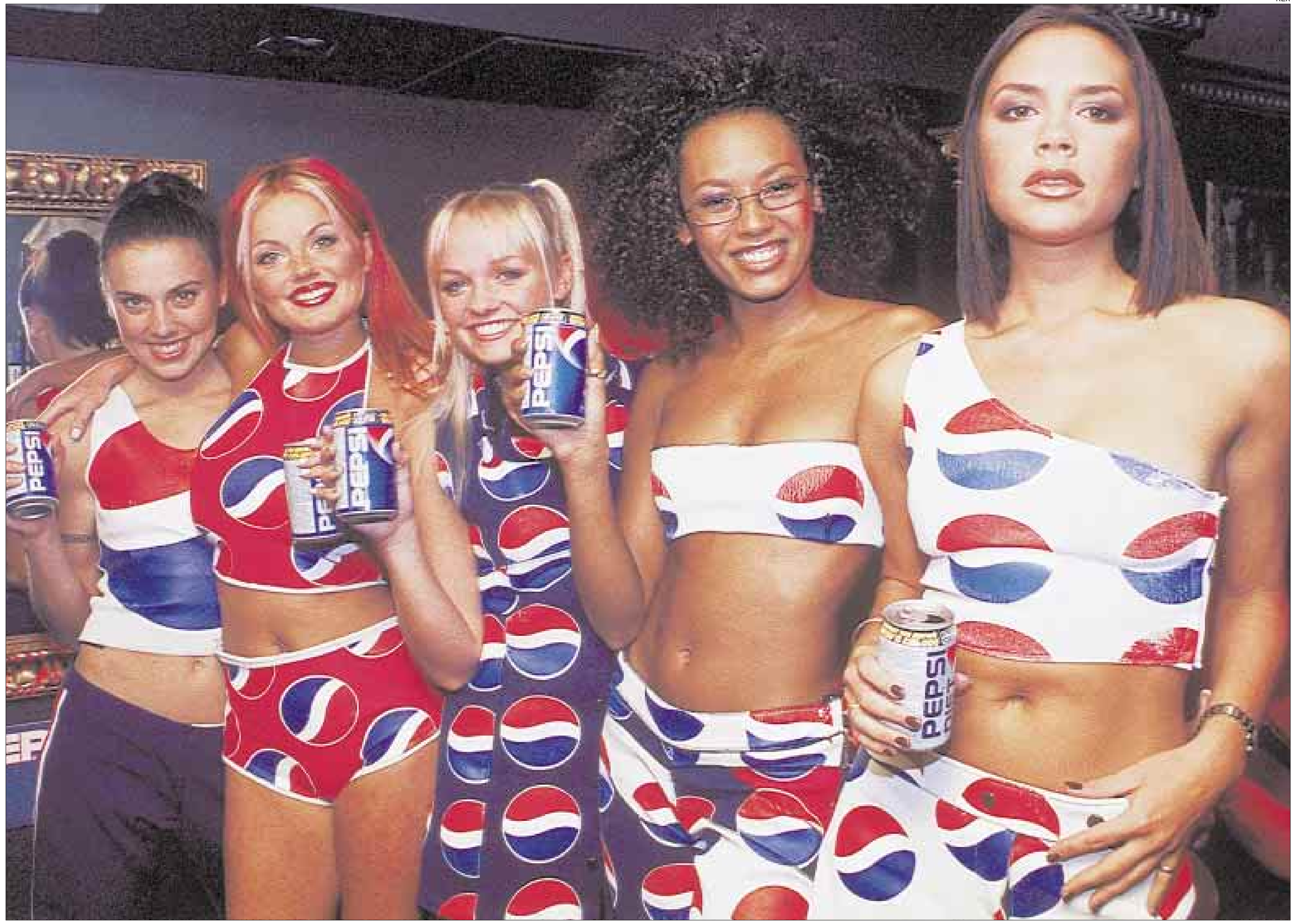
"The Spice Girls fit really closely with our brand strategy. They have exactly the right attitude," says Marsden. "Whatever you think about it, Girl Power has become part of the lingua franca remarkably quickly. As a brand, the Spice Girls are phenomenal and we are very pleased with the tremendous impact this promotion has had."

During a promotional stunt for Pepsi at, of all places, Cannes, Posh Spice discovered that there is a price to pay for becoming a marketing commodity. Sweltering under the TV arc lights and desperately thirsty, she asked for a drink. An ice cool can was handed to her, but it was snatched away by a minder from Pepsi before she could do the unthinkable and drink the hotel's only available soft drink – Coca-Cola.

The company expects to send out at least half a million CDs of the track *Step to Me*. With every Pepsi-swigging Spice fan in Europe spending between $10 and $16 on the requisite 20 cans, the idea makes sense: around $6.4 million worth of sense.

British newspapers have been stating that the girls were paid $8 million for the deal. This is an exaggeration, according to those close to Pepsi's decision-makers. The real figure is closer to $1.6 million. For this Pepsi gets the global ad, the CD plus the concert in Istanbul. It is the soundest investment Pepsi has ever made, and bosses cannot believe their luck that the girls cost only $320,000 each before tax.

"Michael Jackson would have cost ten times as much. But it's also been terrific publicity for the girls, with their pictures splashed on a special run of ten million cans distributed in every corner of the world. It is a perfect symbiotic relationship," said an industry source.



REX

They'll tell you what they really, really drink ... for a price. The Spices (l-r) Mel C, Geri, Emma, Mel B, Victoria

'Girl Power quickly became part of the lingua franca'

But Pepsi's cheap deal will not last for much longer. A new contract is to be drawn up, the terms of which are strictly secret. But given the extraordinary success of the band since they first signed up earlier this year, the $1.6 million figure is likely to have a zero added to the end.

Since using the girls in promotional activity, Pepsi's share of the cola market has increased by up to 1.6 per cent across Europe, and is now pushing 20 per cent. Ten years ago they were outsold by Coca-Cola by eight to one. Now that figure is just two-and-a-half to one.

It is also refreshing news after the multi-million dollar fiasco of Project Blue which involved a $2.4 million commercial, a link-up with the Russian space station Mir complete with cans floating in space, and a repainting of Concorde in blue, the new colour of Pepsi.

It was the most spectacular marketing event of 1996. Cindy Crawford and Andre Agassi talked of their multi-million dollar devotion to the product, to the backdrop of Concorde's drooping blue nose. It was meant to be the dawn of a new era, with Project Blue marking the end of Pepsi's 54-year-old red, white and blue colour scheme in a visual revamp which alone cost $200 million.

The only drawback to the ludicrous fanfare was that it failed. Sales dipped in Europe, where the blue look was on trial. In 1996 the figures were 12.9 per cent down on the previous year, then ... along came the Spice Girls.

Shortly after the Pepsi/Spice Girls link, Colgate-Palmolive followed suit by allocating a chunk of its $5.6 million advertising campaign to pay for teen singer Louise's live tour, which was christened the Louise Soft and Gentle No Sweat Tour. Clearasil also joined the action by signing up boy band 911's first UK concerts (providing free samples of spot-cream on every seat at the Albert Hall in London).

The concept of sponsoring music was pioneered during the 1980s when Pepsi signed up Michael Jackson. It was a less sophisticated arrangement, essentially little more than celebrity product endorsement. Today the battle for the youth market has changed for both the record industry and corporate sponsors, and with it the nature of associating a brand with a pop group.

But Spice Girls do not only do business with Pepsi. There are deals with more than a dozen other brand names, including Walkers Crisps, BT Phonecards, Polaroid, Sony, Cadbury, Benetton, Impulse deodorant, Asda, Chupachups lollipops and the British television station Channel 5.

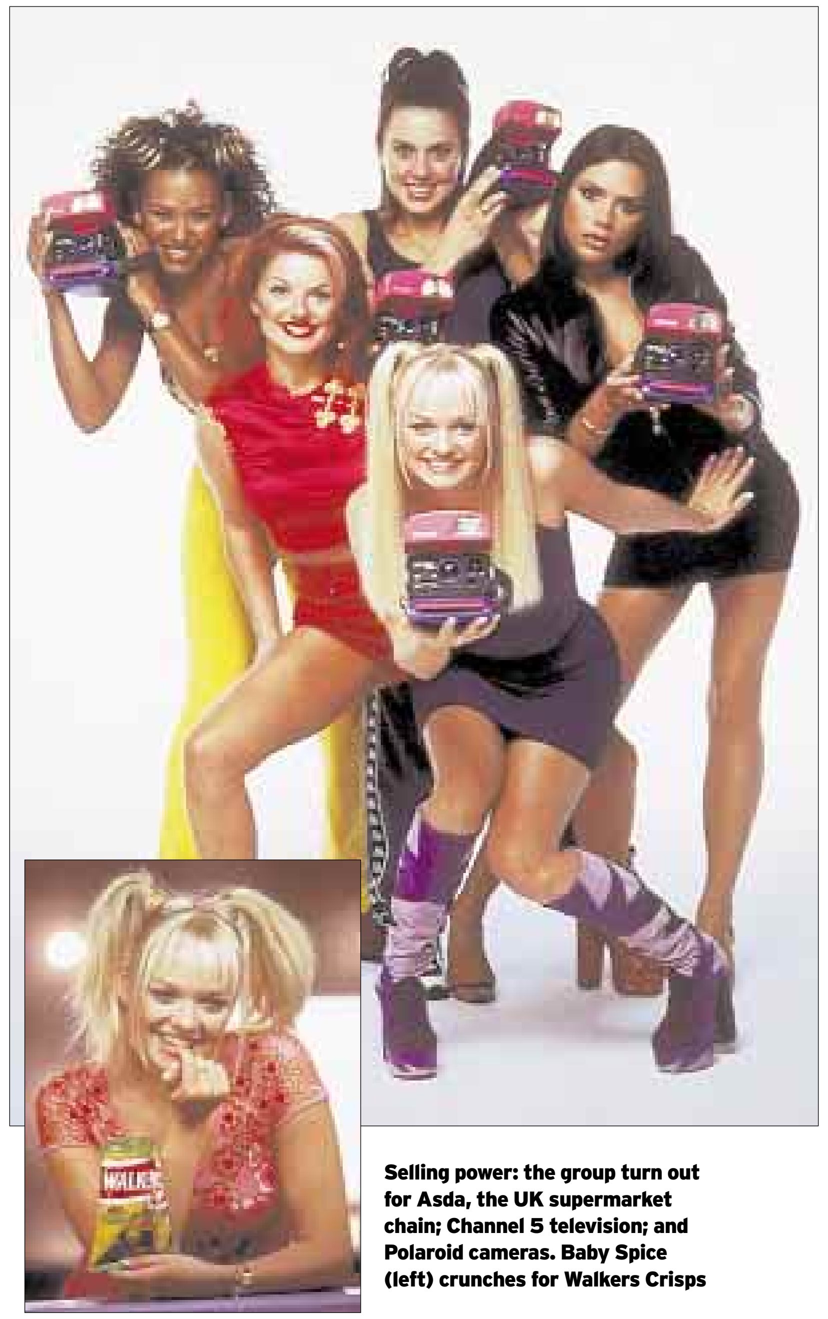
There is also a merchandising push under way which is unparalleled since the era of Beatle wigs and plastic guitars. To this end Simon Fuller, the girls' mentor and manager, has employed Edward Freedman, the gift-shop genius who turned merchandising at Manchester United from a $3.2 million a year enterprise to $32 million. There are, as a result, Spice Girl clothes, china, duvets and stationery all sold through UK mega-volume retailers like Woolworths, Tesco and Asda.

With all the advertising and marketing deals, it's as if the girls are tacitly accepting that they have a limited time at the top. If that is so it makes sense to make hay while the sun shines. However, it could have the effect of losing the creative instinct in a vacuous world of product placement.

"The problem is that there's someone at the Spice Girls' management company who is selling the band like a soap powder," says Mark Ratcliff, who runs an advertising agency called Murmur, which advises on youth marketing. "There's a danger for the band that they'll spread themselves too thinly. There's the Walkers ad, the Pepsi ad, the Polaroid ad. How many more products can they be attached to? It looks like they are rushing for the buck."

However, with a new single coming out on Monday 6 October, a second album, *Spiceworld*, to be launched at the Alhambra palace in Madrid on 3 November, and *Spiceworld - The Movie*, due out on 26 December, things are looking vertiginously upwards.

Ashley Newton, an impresario from the recording world, says: "They are moving on to more of a United Nations-Benetton world vision." It is goodbye Girl Power, hello to the marketing revolution.



Selling power: the group turn out for Asda, the UK supermarket chain; Channel 5 television; and Polaroid cameras. Baby Spice (left) crunches for Walkers Crisps

The Continental

Book of the week REVIEWED BY MARGARET KEMP

Stranger in the land of the Leopard King

La Cour de Mobutu

By Pierre Janssen (Michel Lafon, Ffr120)

IN 1992 an extraordinary match took place between Pierre Janssen, a 29-year-old Belgian salesman, and Yaki, the daughter of President Mobutu Sese Seko of Zaire. For five years Janssen, the only white man at the Court of the Leopard King, watched as his father-in-law drained his country's resources to fund his lavish lifestyle, leaving Zaire with an international debt of $14 billion, or nearly twice its gross domestic product.

His lurid account of his experiences has now become a bestseller in France. Janssen had met Yaki at a Brussels dinner party, and says he was immediately drawn to her beauty. There must surely have been other material attractions which he fails to record.

Once the engagement was announced, an executive jet flew Janssen and Yaki to Zaire, where they were fêted for three days on Mobutu's yacht. Tulips costing thousands of dollars were flown in from Amsterdam, and silver ice buckets of Laurent Perrier sat on every table.

According to Zairean tradition, Janssen was obliged to buy his bride from her father. The currency was first-edition books and cases of rare wines which, he records, impressed the dictator. "Mobuto recalled that when he had married his first wife he was so poor he bought her with bottles of beer".

Unlike Mobutu, whose father was a cook, Janssen's roots were aristocratic; his parents were horrified when they learned his fiancée was black. Before the wedding, Mobutu entertained them in Zaire with an extravagant dinner. Taking Mme Janssen by the hand, Mobutu offered her a delicacy prepared by his chefs – roast monkey. "My mother, never very adventurous, politely declined."

Mobutu gave his daughter $3.2 million worth of jewels, and three bridal gowns came from Parisian couturiers Christian Lacroix, Nina Ricci and Jean-Louis Scherrer. The 2,500 wedding guests flew in on chartered Boeings and were presented with local currency (later nicknamed "prostates" in honour of Mobutu's cancer) on their arrival. The reception was held in the immense palace of Gbadolite, whose massive malachite doors required three flunkies to open them. The wedding buffet was prepared in the Paris kitchens of superchef Gaston Lenôtre.

Another chef had been commissioned to scour Europe for rare wines: Janssen calculates that the guests got through a thousand bottles at as much as $4,000 apiece. The presidential jet's 14-hour round-trip from Paris meant the cake alone cost $65,000.

The feasting over, Janssen settled into his new life, working for the man who insisted he call him "Papa". At 9am the butler uncorked the first bottle of Laurent Perrier as the entourage arrived, requesting favours. "$320,000 went out daily at these audiences," recalls Janssen, who maintains he refused the bulky envelopes offered by Mobutu. "I could see the whole world was robbing him; I did not want to become part of it," he writes.

Nonetheless, as go-between for Mobutu, Janssen travelled with six bodyguards and made full use of "Papa's" riches. Because of his knowledge of languages and his salesman skills, he was used by Mobutu as an ambassador. He met 45 heads of state and many of his business heroes. He swears that he received no salary but, advised by his wife to put money by to play the copper and zinc markets, kept his office in Belgium and signed a contract with Grumman to sell its aircraft in Africa. "If you've got the power, the money's nothing," he says. It was a dangerous role, however, and he had to watch his back. "Just as well I kept on the move: Mobutu's minions were jealous, convinced that I was a secret agent, a white predator who must be eliminated."

Supplicants at Mobutu's court took him daily for $320,000

It is astonishing that Janssen did not anticipate the end sooner. His extraordinary lifestyle came to an abrupt halt last May when he tried to withdraw money from a cash dispenser. "It nearly took my hand off," he recalls. He claims that he is penniless but nonetheless manages to divide his time between luxury hotels in Paris, Monte Carlo and New York. He is also parted from his wife because, he insists, she won't leave her family. "I am still wildly in love with my little African princess," he writes in the epilogue but, given his separation, cynics might wonder whether her charms have diminished along with her fortune.

Janssen comes across as naive, ambitious and unremorseful. Whether or not he acepted bribes he lived off ill-gotten gains for five years. "I wanted to do so much for Zaire, but I drank too much Laurent Perrier and ordered too many suits," he says. With the promise of a sequel next spring and a film by Oliver Stone, it looks as though Janssen will be feeding off the Mobutu legacy for many years to come.

LANDMARK ■ The Basques have commissioned a magnificent museum, now they need people to love it enough to make it pay its way

Bilbao places its bets for a heroic gamble

INIGO BUJEDO

VICKY HAYWARD

FRANK GEHRY is taking a break from television crews on the riverbank in downtown Bilbao. In the background work goes on around the clock to finish his $100 million Guggenheim museum in time for its official opening by the King Juan Carlos on 18 October. Gehry himself has no reason to be nervous. His fellow American, the revered architect Philip Johnson, has already called the mass of curved metallic forms "the greatest building of our time". Equally important to Gehry, the city's residents have taken an instant liking to it as a symbol of the feisty Basque spirit.

"I sketched the main outline in just ten days," says Gehry affably. "But I think now the real miracle is that we actually managed to get it built."

When Basque politicians first announced the 1991 deal to set up a Bilbao branch of New York's Guggenheim museum – with Gehry's design sewn into the package – it met strong local opposition. Sculptor Jorge Oteiza summed up the project as an "extravagant Disneyland".

Nobody here now doubts Gehry's building is a magnificent landmark. Designed as an inner-city implant running along the river Nervión's abandoned industrial waterfront, its explosive sculptural profile erupts above the city's bourgeois grid of streets like that of a shimmering dream factory. Viewed from the opposite riverbank, the curving titanium-scaled walls reflect the shipbuilding, steel industry and fishing fleet that once fuelled the city's economy.

From any other angle, though, the overriding impression is one of giant scale. The museum's impressive dimensions – covering 24,000 sqm, it is twice the height and length of the Centre Pompidou in Paris – are not just for effect. Gehry's brief from Thomas Krens, the director of the Guggenheim Foundation and driving force behind the project, was to build a 21st-century museum which could accommodate today's outsize art and that of the future.

But despite the universal acclaim for Gehry's building – even Oteiza has praised it – much will be at stake for the Basques when it opens its doors next month. Today the city's mood has swung to one of cautious expectation. Spanish observers argue that the building will outshine the contents, especially since the museum failed to secure the loan of Picasso's masterpiece *Guernica* from Madrid for the opening. Meanwhile, Basque nationalist politicians who have gambled $161 million of local taxpayers' money on the project will nervously await entrance figures for the first weeks of opening.

COVER

Partners in art: director Thomas Krens (l) and architect Frank Gehry

One can see Gehry's point of view: in retrospect it seems miraculous that Thomas Krens persuaded Basque politicians to come up with the funding for such a high-risk arts venture. Krens, considered by some a genius and others a megalomaniac, established an expansionist policy when he arrived at the Guggenheim in 1988. But his early attempts to set up branches in Massachusetts and Salzburg, and to expand the museum in Venice, all foundered.

However, when he started talking to Bilbao in 1991, unusual factors were at play. First, the region had developed financial independence; second, the PNV party had control of decision making at regional, provincial and city levels; and, most important of all, a sense of desperation had developed about Bilbao's dying industrial economy and the region's terrorist-torn image.

"Krens sold the project here because he spoke the same economists' language as the local politicians," explains Alberto Tellitu, journalist and co-author of *The Guggenheim Miracle*. "They did not buy it as a cultural venture. For them, it is a high-risk cure for the city's economic and social recovery."

But while in public Krens spoke the language of investment, in private he played cut-and-thrust politics to push through a fast deal. When the Basques appeared to waver after socialists blasted the project with criticism in the regional parliament, he called up Gianni De Michelis – the then Italian foreign minister, Guggenheim patron and friend of the Spanish socialist premier Felipe González – to embarrass the opposition into silence.

The tactic worked, and the deal was signed – with De Michelis as co-signatory – in December 1991, just six months after Krens and the Basques began talking. Only three months later, De Michelis was hauled up by the Italian courts on corruption charges. By that time, though, the Basques had paid Krens the first half of their $20million downpayment for a renewable 75-year agreement for a rolling loan of selected masterworks from the world's greatest private 20th- century collection. They would also foot the $100m bill for the building, spend $50m on new art and cover other expenses along the way.

The region has not lost hope of getting *Guernica*

The acid test of exactly what the Guggenheim will lend Bilbao comes at next month's opening. The question of content has become crucial since July when it was learned that Picasso's crowd-pulling *Guernica* would not be on show to help boost attendance figures. Basque politicians have been arguing their moral right to borrow the giant canvas depicting Franco's 1937 civil war bombing of Guernica – the historic seat of their parliament just 19km from Bilbao – ever since the picture was returned to Spain from New York in 1981.

Picasso stated in his will that the work should go back to Spain after the restoration of democratic government. The Basques' bid to borrow *Guernica* for the museum opening was hotly debated and hit the headlines. Congress voted in favour of the loan in June this year, but the Reina Sofia Museum's trustees overturned the vote in July by producing a technical report showing the painting was too fragile to travel.

Ultimately, the episode may work to the Basques' advantage. It has put more pressure on Krens to make a spectacular showing from the Guggenheim's resources. Since late July more than 250 artworks have arrived from the New York and Venice branches. In classic Krens style, their identities remain secret, thanks to a battalion of guards posted at the doors of the galleries.

Krens has dropped numerous hints about the museum's contents, suggesting the art on show will make its impact not as a collection of big hits but as a coherent – if polemical – skim through 20th-century art, ending with what is most exciting and controversial today. There will be unexpected matches – one rumour has been Klimt with Kandinsky – and new technology, photography and big sculpture in the contemporary galleries.

Smoothly unruffled, Krens is an impressive talker. "I think we're going to surprise many people with the extent of the unseen work from the permanent collection and the generosity of spaces," he says. "Some of the galleries are simply the best spaces to show art in the world and my objective is to make them take second stage to what we put in them."

Despite his optimism, some Spanish critics have already started sniping, suggesting Krens has raised expectations too high. One suspects they may have to eat their words. If the outside of the building has silenced critics, why not the inside too? After all, Gehry stresses, he designed it "from the inside out" in collaboration with Krens and the artists showing there.

"There's no other museum like this," comments Richard Serra, a leading American sculptor, whose giant 32-metre iron sculpture was the first work installed in the museum in June. "It sets a new potential for how artists can think about the possibility of scale. People won't know until it opens, but I think Frank's providing another kind of playground for artists."

As usual Gehry himself makes it sound easy. "With the dead artists, the guys who cannot defend themselves if you like, we were respectable and stodgy. But we took a little more freedom with the galleries for the living artists so they can make their own statement."

Those people who have slipped through the security net say the effect is indeed stunning; the architectural scale – the largest gallery is more than 100m long – magnifies the art's impact but does not compete with it. From a purely educational view, too, the Guggenheim's modernist riches undoubtedly plug a massive hole in Spain's museum collections.

ERIKA BARAHONA EDE

Glittering gallery: the spectacular lines of Frank Gehry's Guggenheim museum are revealed as the building nears completion. It will be opened by King Juan Carlos on 18 October

Whether or not the museum will have the pulling power it needs is another question. Will the Basque public, currently targeted as 40 per cent of the 700,000 visitors needed for 1997-98, pay $5 for a ticket? Certainly, the *Guernica* debate has raised interest and the museum hopes to borrow the painting for a Picasso exhibition in 1999. Nonetheless, the Basques' attempt to use political pressure through congress this year has stacked the opinion of the Spanish art world against them.

Unlike Gehry, Krens may have underestimated how vital the ingredient of local identity needs to be within his "total experience" of world art. The opening celebrations, with free concerts and a graffiti contest, are all very well to set an inviting art-for-all tone, but the public knows that emblematic Basque sculptor Chillida has for the time being chosen not to sell to the museum. He is critical of the lack of a local artistic director.

This is not a minor matter. If the region likewise turns its back on the Guggenheim, the estimated annual $7m deficit, to be covered by local taxpayers, could spiral out of control and leave the region's cultural policy mortgaged for decades to come.

It is even less clear whether the museum can live up to the hopes pinned on it by politicians. Bilbao may have acquired a stunning icon and the Basques a symbol of autonomy, but as they know only too well that is not the same as foreign investment, new jobs or – the real miracle everyone hopes for – the end of terrorist violence.

A local joke captures the lingering sense of scepticism. One Bilbainon asks another if he knows how many millions El Guggenheim has cost. "It's fine just so long as he can score goals," comes the reply.

Continental critique

A discriminating look at what's on and what's worth talking about in Europe this week

TOP FILM IN EUROPE: Air Force One
President Ford (not Gerald but Harrison) against hijackers of his own plane

Pick of the week

ON THE EVE of the first performance of *Cyrano de Bergerac* at the Théâtre de la Porte-Saint-Martin in 1887, Edmond Rostand predicted that his play would be the"biggest flop of the year". In fact, Rostand received a standing ovation and his work was immediately hailed as a masterpiece.

One hundred years and an estimated 15,000 performances later, France is celebrating the centenary of its big-nosed Gascon hero in style. This season three productions of *Cyrano* are currently competing in Paris: Henri Lazarini's at the Ranelagh with Patrick Préjean, Pino Micol's at the Dejazet with Pierre Santini, and the most eagerly awaited and lavish of all, Jérôme de Savaray's at the Théâtre de Chaillot. This last boasts Francis Huster as Cyrano and his real-life Brazilian-born love Christiana Reali as Roxanne.

Savary's show combines glamorous stars, sumptuous costumes, an impressive battle scene and even a horse. But he takes few risks and the result is an unexpectedly conventional evening. Huster misses his chance to be one of the memorable Cyranos with a performance that is strangely lacking in warmth. It is Reali who delivers the real surprise of the show. Far from the passive maiden envisaged by Rostand, she is coquettish, capricious, arrogant and ultimately tragic.

However, fans may be disappointed by the muted on-stage chemistry between her and Huster, a couple who once compared their volatile relationship to that of Richard Burton and Elizabeth Taylor.

LOUISE FINLAY

Until 31 December.
Théâtre de Chaillot (+33 1-45051450)

MARC ENGUERAND

Chemical reaction: Francis Huster and Christiana Reali have an off-stage romance but there is not much fire between them on stage

Coming soon

AT the end of October, Europe's newest art fair opens in Berlin. Art Forum Berlin, described by German newspaper *Die Welt* as "the art fair with the highest demands upon itself", enjoyed a sensational debut last year. The aim of the Forum, which takes place in Berlin's huge Messe site with its unique circular layout, is to showcase contemporary art created since 1945. Around 130 leading international galleries have been invited by a jury of experts from five countries to exhibit their wares. This year's theme is Architecture and Art. 31 Oct-4 Nov.
Messe Berlin (+49 30-88551643)

The film festival caravan reaches London in November for the 41st London Film Festival. The opening film is Robert Bierman's *Keep the Aspidistra Flying*, based on George Orwell's novel, starring Robert E Grant and Helena Bonham Carter, and closes with Mike Figgis's *One Night Stand*, with Wesley Snipes, Nastassja Kinski and Robert Downey Jr. Other movies on the programme include James Mangold's *Copland* featuring Sylvester Stallone and Harvey Keitel, and Helena Bonham Carter makes another appearance in Iain Softley's film *The Wings of the Dove*, based on Henry James's novel. 6-23 Nov.
Various venues (+44 171-4201122)

Cinema

★★★ Exceptional ★★ Try not to miss ★ Better than average

NEW

CONTACT★ Jodie Foster as an astronomy scientist receiving mysterious messages from the star Vega, in Robert Zemecki's film of Carl Sagan's 1985 sci-fi best-seller: sophisticated, philosophical and quietly spectacular: *Star Trek* for grown-ups. *(Belgium, France, German, Spain, UK)*
FACE Drama about a violent London smash-and-grab raid that goes wrong, with fine performances by Robert Carlyle and Ray Winstone, directed by Antonia Bird. The heist is excitingly filmed, the subsequent mystery rather transparent, and the company of East End hoodlums tiring. *(UK)*
FACE/OFF★★ Dazzling if slightly empty revenge thriller by John Woo, with John Travolta as head of an LA anti-terrorist unit hunting Nicolas Cage as the killer of his son. He assumes his identity in a plot twist and the killer assumes his: both act superbly. *(France, Germany, Netherlands)*
LA FEMME DÉFENDU★★★ Outstanding analysis of a love story by Philippe Harel shot from the viewpoint of the male seducer (Harel himself, seen in mirrors) and focusing on the seduced but later dominant (brilliant) Isabelle Carré. *(France)*
TANA DA MORIRE★ All-singing, all-dancing movie based partly on fact – the killing of a Palermo gangster by a rival from a mafia family. He returns from the dead to preserve his sister's virginity; but while the film is a Sicilian *Guys and Dolls*, it berates crime from a feminist viewpoint. *(Italy)*

ON RELEASE

MARCELLO MASTROIANNI: MI RICORDO, SI MI RICORDO★★ Directed by Mastroianni's companion for the last 22 years of his life, this is an enchanting memoir of the man and the actor, with its to-camera scenes from the Portuguese set of his final film: his voice alone is worth the ticket price. *(France, Italy)*
MRS BROWN★ Appealing study by John Madden of the warm, but not carnal, relations between Queen Victoria (Judi Dench) and her gillie John Brown (Billy Connolly). Anthony Sher almost steals the picture as Disraeli. *(UK)*
MRS DALLOWAY★ Vanessa Redgrave and Rupert Graves star in Marleen Gorris's worthy film version of Virginia Woolf's brooding 1925 novel, evoking the past, the friends and the former suitors of the 51-year-old heroine. *(Germany)*
ONE NIGHT STAND★ Venice's best actor Wesley Snipes is an erring husband in Mike Figgis's intelligent but finally too-neat story of an event (a stolen night with Nastassja Kinski) turning into a situation, with a stunning performance by Robert Downey Jr. *(France, Germany)*
TERRITORIO COMANCHE★★ Gerardo Herrero's vivid, exciting, only slightly clichéd account of two men and one woman reporter covering the Bosnian war in Sarajevo, impressively conveyed in all its horrors and sudden surprises as well as its grim havoc. *(France)*

RICHARD MAYNE

Art, glory and murder: the life of the Medicis

THE Medici most of us remember are Cosimo the Elder and Lorenzo the Magnificent, who lorded it in the glory days of early Renaissance Florence.

Later members of the dynasty have never enjoyed a good press. With such illustrious figures as the drunken pederast Gian Gastone (ruled 1723-1735), whose subjects only ever saw him throwing up down the sides of his coach, this is not surprising. But there was a second flowering of the Medici which did much to embellish the city and the power of the territory.

The reigns of Cosimo I, the first grand duke of Tuscany, Francesco I and Ferdinando I – covering 1537-1609 – are the focus of a new exhibition at the Palazzo Pitti. *Magnificenza alla Corte dei Medici* gives an overview of their era's artistic splendour and scientific pride, with 250 exhibits in reconstructed interiors of late-16th-century Florence. These include the Uffizi's octagonal Tribuna, home to the family collection of art, and Francesco I's ingenious Studiolo in the Palazzo Vecchio, full of paintings, statues and secret places.

If Lorenzo preferred private commissions, this later triumvirate was resolutely outward-looking. Ferdinando staged some of Florence's most lavish parties, including a week-long celebration of his wedding to Christine of Lorraine, which ended at the Pitti Palace, with a spectacle of explosions and fire-eating.

Buildings and public art formed a more lasting contribution. Giorgio Vasari, Cosimo I's official architect, began work designing the Uffizi in 1559. Soon Vasari was also redecorating the Palazzo Vecchio, the city's town hall, with Medici-glorifying frescoes.

One of the aims of this show is to refresh our view of Florence's open air statuary. Cellini's *Perseus* was conceived as a piece of propaganda to show the superiority of Cosimo I's benign autocracy. *Perseus* is not in the show, but Cellini's intense bust of Cosimo and works by Giambologna and other court sculptors are.

Also here are reliquaries, swords, goblets, chairs, Chinese rhinoceros horns and porcelain vases. The art of the time extended beyond painting and sculpture: the need to create objects which displayed the patron's wealth made some of the "lesser" arts, including metalwork, woodcarving, equally if not more important. Lorenzo the Magnificent paid ten times as much for an engraved gem as for a painting by Botticelli.

Francesco I (1541-1587) was certainly the oddest of these three Medicis. He dressed shoddily, had little time for protocol, and liked to stay in his workroom, conducting scientific experiments. He was no amateur, though; he invented a method of making porcelain which had previously been a Chinese monopoly. One example of this Medici ware (only 60 or so pieces survive) are shown here.

The Studiolo exhibits one of the main traits of late 16th-century Florence, sacrilegious to fans of the early Renaissance; a love of clutter and ornament. Every part of this tiny room is adorned with paintings, elaborate stucco work, bronzes and architectural flourishes.

Even Medici murder was cluttered and Mannerist. Francesco's sister Isabella was killed by her husband, Paolo Orsini, over dinner. Four assistants lowered a noose down silently from a trapdoor above her head; then leaning across as if to caress her, he slipped it over her neck. With such unlikely plots so close, it is probably no coincidence that the first opera was performed in Florence in Ferdinando's reign.

LEE MARSHALL

Until 6 Jan. Palazzo Pitti, Florence (+39 55-225843)

Sala di Giovanni da San Giovanni in the Palazzo Pitti

AUSTRIA

VIENNA: Work! The first European stop for Herb Ritts's retrospective of 195 prints. This show incorporates all the typical images for which the American photographer is famous, including portraits of Richard Gere, Glenn Close and Madonna and classic macho portraits of muscle-bound young men such as *Fred with Tires* (1984). Ritts has shot memorable covers for magazines such as *Vanity Fair*, and has been hired by corporate clients like Donna Karan and Giorgio Armani. Some of his most beautiful work, however, is of the African Masai, a far cry from the world of couture. In *Foot, elderly Masai woman*, Ritts finds beauty in lines and age, which are somehow missing from his supermodels. Until 18 Jan. *KunstHausWien (+43 1-7120495)*

BELGIUM

BRUGES: Salvador Dalí Paintings and watercolours seldom seen in public from the private collection of the Italian Albaretto family who were close friends of Dalí; they include his portrait of the poet Garcia Lorca, the delicately coloured *Waterfall* and Dalí's interpretations of illustrations for literature such as *Don Quichotte* and *The Odyssey*. Until 2 Nov. *Kunstcentrum (+32 50-335666)*

FINLAND

HELSINKI: Andy Warhol The largest retrospective of the American Pop artist ever to be held in Scandinavia. More than 200 works chart Warhol's progress from his product designs for Brillo and Campbell's soup through to his portraits of pop and film stars. Monroe is there and so, too, are Mickey Mouse, John Lennon and Chairman Mao. Until 16 Nov. *Helsinki Kunsthalle (+358 9-4542060)*

FRANCE

PARIS: Der Aufstieg und Fall der Stadt Mahagonny The Brecht/Weill "morality" opera has become a favourite with directors, not least perhaps because its allegorical canvas gives them *carte blanche* to inscribe their own interpretations on it. The British director Graham Vick has assembled a strong contingent of compatriots. Marie McLaughlin as Jenny sings the famous Alabama Song and Kathryn Harries is Begbick. Jeffrey Tate conducts, 8 Oct. *Opéra Bastille (+33 1-44 73 13 00)*
STRASBOURG: Musica Festival Only four names from the past – Prokofiev, Shostakovich, Eric Satie and William Walton – are allowed to intrude on the roll-call of contemporary composers in Strasbourg's programme. Modern British and Scandinavian music rules, with Finland's Magnus Lindberg represented by no fewer than six works. The London Sinfonietta performs four of them. The British factor features George Benjamin, Oliver Knussen, Jonathan Harvey and Thomas Adès, and three differing versions of Sir William Walton's *Façade* are unusually contrasted in one programme, 7 Oct. Four world premieres include a work by Strasbourg-based composer Suzanne Giraud for the Arditti String Quartet, 4 Oct. Mauricio Kagel's Lieder *Opera Aus Deutschland*, inspired by Schubert, is given a new production by the visiting Basel Stadttheater, 8 Oct. Until 8 Oct. *Various venues (+33 3-88 21 02 21)*

GERMANY

BIELEFELD: National Symphony Orchestra of Washington The nearest the US has to an official orchestra – it performs at presidential inaugurations and Independence Day ceremonies – starts a 12-city tour of Germany, Austria, the Netherlands, France and the UK under Leonard Slatkin, appointed musical director last year. Beethoven, Sibelius and Verdi are the only non-American composers in a tour schedule which celebrates, among others, Copland, Gershwin, Ives, Piston and Barber. Evelyn Glennie is the soloist in the European premiere of Joseph Schwantner's *Percussion Concerto* at **Vienna**, 6 Oct; **Frankfurt**, 8 Oct; and **London,** 17 Oct. 2 Oct. *Octkerhalle (+49 521-178899)*
BERLIN: Deutschlandbilder Seven years after German reunification, this almost over-comprehensive exhibition traces the development of painting in the divided German state and seeks to define nationhood by drawing on 550 works by 92 artists from east and west. The show quashes claims that united Germany is bristling with new-found self-confidence. Soul-searching paintings such as Gerhard Richter's *Onkel Rudi* depicting a smiling uncle clad in Nazi Wehrmacht uniform suggest that German identity remains a painful, complex and difficult question which, to a large extent, remains unanswered. Helmut Kohl would not like it. Martin-Gropius Bau. Tues-Sun 10am-8pm. Until 11 January.
HAMBURG: Titanic It is 85 years since the *Titanic* sank in the North Atlantic but fascination with the liner's story is undiminished. Europe's largest exhibition devoted to the *Titanic* is in Hamburg's warehouse district. Around 600 exhibits are displayed, half of which were salvaged from the wreck, discovered in 1985, including photographs of the crew, clothing, musical instruments and cutlery. For conservation reasons, many items remain submerged in water, presented in aquarium-like cases. This and the dim lighting give a gloomy atmosphere, suggesting what it must have been like on the sinking ship. Until 9 Nov. *Hamburg Speicherstadt, Kehrwieder 2-3 (+49 40-30051505)*
STUTTGART: Stuttgart Ballet festival John Cranko single-handedly transformed the German ballet scene and turned the Stuttgart company into one of the finest in the world during his tenure as artistic director. His ballets focused on narrative and flesh-and-blood characters with a distinctive sense of humour. He died in 1973 and is honoured on what would have been his 70th birthday by a fortnight of special performances. Celebrated Stuttgart alumni such as Jiri Kylián, William Forsyth and John Neumeier have contributed works and there are four of Cranko best-known ballets including *Onegin* and his witty *Taming of the Shrew.* Until 16 October*. Württemburgische Staatstheater (+49 711-202090)*

IRELAND

DUBLIN: The Leenane Trilogy Martin McDonagh's play *The Beauty Queen of Leenane* was a huge success with London critics and audiences earlier this year. It was the first part of a trilogy about rural life in Connemara and the two other components, *A Skull in Connemara* and *The Lonesome West,* follow the fortunes of different sets of characters with heavy helpings of comedy, shock and satire. London's *Observer* newspaper described McDonagh's tales as "nicely balanced between the outrageous and the normal." 7-18 Oct. *Olympia Theatre (+353 1-6777744)*

ITALY

PIACENZA: Golden Age of the Farnese Family For the past 30 years the Farnese family residence, Palazzo Farnese, has been closed for renovation. Now it has reopened with a new exhibition documenting the family's rule, its lifestyle and its art collections. There are portraits by court painters Draghi and Spolverini and masterpieces such as Bellini's *Madonna adorante il figlio con san Giovannino* (1483-87), a detailed circular work. Much of the collection was smuggled to Naples in 1736 when Charles re-established the Kingdom of Naples. Until 30 Nov. *Palazzo Farnese (+39 523-328270)*
MILAN: Vassily Kandinsky (1866-1944) While the Centre Pompidou in Paris is renovated, its Kandinsky collection travels to Milan. The 110 paintings, watercolours, sketches and drawings give a comprehensive survey of the Russian artist's life. Kandinsky was one of the greatest pioneers of "pure" abstract painting and taught at the famous Bauhaus school of modern design. This is a rare chance to follow the artist's career from *Winter, Schwabing* (1902), painted while he was studying under German painter and sculptor Franz Stück, to *The Last Watercolour* (1944). Until 11 Jan. *Fondazione Mazzotta (+39 2-878197)*

NETHERLANDS

AMSTERDAM: Vincent Van Gogh The Drawings, Nuenen 1883-1885 Van Gogh wrote to his brother Theo: "What I am trying to find is not the ability to draw a hand rather the gesture, not to render a head with mathematical correctness rather the wealth of expression." This show of rarely exhibited drawings reveals his learning process from the intensive, expressive use of his ink landscapes to his fascination with the human figure, shown by his masterpiece *The Potato Eaters*. Last week, until 12 Oct. *Van Gogh Museum (+31 20-5200)*

SPAIN

BARCELONA: Getting Married An exhibition at the Textile Museum to coincide with the wedding (4 Oct) between the Infanta Cristina de Borbón and the Basque handball-player, Iñaki Urdangarîn Liebaert. The main exhibits are wedding clothes for brides and grooms dating from 1785 and modern outfits from haute-couture designers Pedro Rovira, Josep Ferrer and Margarita Nuez. Until 31 Dec. *Museu Tèxtil de la Indumentària (+34 3-933104516)*
MADRID: Ballet Antonio Gades: Fuenteovejuna Antonio Gades is over 60 but the Spanish flamenco dancer/choreographer, best known for his work in the film trilogy *Blood Weddings*, is as spectacular as the younger Cortés. He is in Madrid with his company to perform a work based on Lope de Vega's play about a true story of peasant revolt in the 15th century. Until 5 Oct. *Teatro Lope de Vega (+34 1-5484000)*

SWEDEN

STOCKHOLM: Hilding Rosenberg Little-known outside his own country, the prolific composer who died in 1985 is esteemed the grand old man of 20th-century Swedish music. His portfolio includes the longest continuous opera ever written, the eight-hour *Joseph* based on Thomas Mann's novel. Stockholm is honouring him with a complete cycle of his 12 string quartets which will be performed chronologically over the next 15 months. To put them in context they are programmed alongside corresponding quartets by such contemporaries as Stravinsky, Schönberg, Sibelius, Bartok, Janacek, Stenhammar and Holmboe. Quartets taking part are the Ketterqvist which opens the series, 4 Oct, Lysell, Tale, Chilingirian and Yggdrasil. *Konserthus (+46 8-1021110)*

SWITZERLAND

ZÜRICH: Le vins herbé Not so much an opera, more a dramatic cantata – and a challenge for stage directors. Because it does not fall neatly into either category, Frank Martin's variation on the Tristan and Yseult legend is seldom performed, so this production will focus renewed interest on a Swiss composer whose music-austere and Debussy-like in this case – is currently being re-assessed. The full-length work, premiered at Zürich in 1942, is written for 12 solo voices and string instruments. Nicholas Cleobury conducts, 4 Oct. *Opernhaus (+41 1-2686666)*

UNITED KINGDOM

LONDON: Russia in the Shadows From 1986 onwards, glasnost and perestroika revolutionised Russian cinema. Although production costs soared and output dwindled; the new freedom spawned novelties, with Western overtones and sometimes Western cash. To illustrate these upheavals the NFT is showing a the first retrospective with 38 Soviet and Russian films, many of them so far unseen in the west. Part one: *Nostalgia for the Present* (1986-1990) includes the 1988 film *Little Vera*, a tough portrait of a rebellious teenager, and Georg Danelia's 1987 sci-fi satire *Kin-dza-dza*. 1 Oct–6 Nov. The highlight of part two: *We Will Begin to Live* (1991-1996) is Nikita Mikhalkov's Oscar-winning *Burnt By the Sun*. 25 Nov–30 Dec. *National Film Theatre (+44 171 928 3232)*
Cartier: 1900-1939. Coco Chanel's cigarette case and Gloria Swanson's rock crystal bracelets are among the exhibits from the jeweller's most fertile period. The exhibition, commemorating 150 years since Cartier was founded, has unearthed hitherto unknown plaster casts of lost jewels. Cartier often drew inspiration from museum relics and there is a spectacular display of exotica in Japanese, Egyptian and Indian styles. Until 1 February. *British Museum (+44 171-6361555)*
MANCHESTER: Das klagende Lied A Mahler world premiere. He was 20 when he wrote his first important large-scale work, later reduced for the version known today. *Waldmärchen*, the first of its three parts, was abandoned and has not been performed since the original manuscript passed into private hands 62 years ago. Mahler himself never heard the cantata as he conceived it. Now reunified and newly edited, its first performance is a coup for the Hallé Orchestra and conductor Kent Nagano. Soloists are American soprano Pamela Coburn, Swedish baritone Hakan Hagegard and Polish contralto Jadwiga Rappé. 7 Oct. *Bridgewater Hall*

Send details of cultural events, at least three weeks in advance, to: Fiona Adams, The European, 200 Gray's Inn Road, London WC1X 8NE, United Kingdom
Tel: +44 171-418 7720 Fax: +44 171-713 1870
email: fadams@the-european.com

Flesh is more: Jenny Saville's *Propped*

Exhibition

IF DAMIEN HIRST's pickled shark is looking careworn, its shock value long since dissipated, his *A Thousand Years* is still powerful. In a perspex tank, flies feed on a rotting carcass. It is a bleak representation of life, and symptomatic of a need on the part of these artists to confront their image-saturated audience with a difficult reality. After all the hype about *Sensation*, the show of contemporary art at the Royal Academy in London, it is almost disappointing to find so much thoughtful work.

A few works stand out. In Jenny Saville's *Propped* and *Plan* – a vast, female body mapped out for liposuction – mottled flesh is transformed through layered, iridescent pastels into a celebration of female opulence. Chris Ofili's collage, *The Holy Virgin*, has spiritual authority, but instead of *putti*, pornographic shots of bottoms hover around. Gavin Turk's *Pop*, a man holding a gun is powerful, but the danger is diffused by his glass prison.

As for Marcus Harvey's *Myra*, templates of a child's handprints give this notorious mugshot of the Moors murderer an unbearable poignancy. An unseeing child gropes its way around a face that has come to represent evil. Provocative, certainly, but never sensationalist.

LILLIAN PIZZICHINI

Until 28 Dec. Royal Academy (+44 171-4397438)

People in glass houses: Gavin Turk's *Pop*

The Continental

ROMANCE ■ Barcelona celebrates the wedding of a handball player and a very modern princess

PHOTOGRAPHS: EFE / SYGMA

Sports star's royal catch

CRISTINA CARILLO DE ALBORNOZ

IN the Ramblas, Barcelona's chic tree-lined esplanade, the trendiest snack of the summer is *el pastis nupcial* (nuptial pastry). Elsewhere, every flowerbed and shop window has become a testament to matrimony for Europe's wedding of the year on 4 October.

White flowers have been planted in public parks and gardens, 30 historic buildings including the Gothic cathedral have been specially restored, and 30,000 posters have been pasted up in shop windows featuring the betrothed pair smiling coyly into the camera. "It will be like when we hosted the Olympics five years ago," says a local council official. "The city is in a frenzy."

The bride is Infanta Cristina, the second daughter of King Juan Carlos and Queen Sofia, and her fiancé, Iñaki Urdangarîn Liebaert, sixth son of an industrial engineer from the Basque region and a member of the national handball team. "It seems like a fairytale," he admits cautiously, "but I am keeping my feet firmly on the ground. It's vital not to pretend to be more than you really are."

As pressure mounts for the British monarchy to shed its centuries-old protocol and bare its soul to the people, the relationship between princess and plebeian has been seized on as a symbol of the modern concept of royalty.

The press has rejoiced copiously at the ordinariness of their unofficial clothes, scrubbed faces and shared passion for sport, and a recent poll concluded that only 11 per cent of Spaniards would have preferred to see the Infanta wed an aristocrat.

The 32 year old, who is third in line to the throne, has always shied away from court protocol: she shares a flat in Barcelona with her cousin Princess Alexia of Greece and does her shopping in the local supermarket.

At work, where she earns $1,400 a month in the department of fine arts of the Fundación de la Caixa, she rejected the offer of a private office and asked her colleagues to ignore her title.

"I think it's important to hold down a proper job alongside my official obligations," she says. "I feel that real nobility depends on natural dignity rather than an inaccessible upbringing."

But despite the relative normality of the Infanta's lifestyle, the engagement has come as a culture shock for her fiancé. His first official outing was the golden wedding anniversary of the King and Queen of Norway at which he encountered Europe's royalty en masse.

"It was a hard test," he says, "but a quick one, like military service. I was suddenly confronted with all of Europe's royal families, but I felt comfortable."

One of the first lessons he learned was discretion. He refuses to speak of his experiences at court despite often intolerable pressures from the press.

"At the beginning I found the attention very hard," he admits. "Journalists were saying things that were simply not true and I felt I was being watched all the time. Whenever I left my house there were journalists waiting on the steps."

Royal guests: Infanta Cristina and Iñaki Urdangarîn at the birthday of King Harald of Norway. Iñaki, the athlete (left)

The attention carries unsettling echoes of Princess Diana's experiences during her engagement to the Prince of Wales. Sport and royalty are seen as an intoxicating combination in a country where sports stars are given royal status, and handball has suddenly achieved unprecedented popularity – and extra funding from the government.

The couple met at last year's Olympic Games in Atlanta where Liebaert's handball team won the bronze medal.

When the Infanta, a keen sailor who represented her country in the Seoul Olympics, formally congratulated the players, her gaze is said to have lingered longest on the 29-year-old sportsman. Later at a celebratory dinner, they were formally introduced. "What I like about him," the Infanta says, "is difficult to express in words; simply his whole way of being."

> 'My first royal engagement was a hard test, but a quick one – like military service'

After the wedding the couple will live in the Infanta's flat in Barcelona. "We are trying to plan our life meticulously so it will not affect my team," says Liebaert. "Handball has given me some of my best friends and a whole new concept of thinking plus savings for the future."

He has remained astonishingly composed. "I'm sleeping very well," he smiles. "I've always made an effort to adapt to circumstances and the royal family has been very helpful and easy-going with me. I just want to try to live my life as normally as possible and I'm sure," he adds optimistically, "that all the attention I've aroused will die down."

LETTERS

Letters for publication should include the writer's name, postal address and telephone number. They should be sent to: The Editor, The European, 200 Gray's Inn Road, London WC1X 8NE, England. The e-mail address is letters@the-european.com and the fax number +(44) (0)171 713 1840. Shorter letters are preferred. The Editor reserves the right to edit letters.

Srebrenica: could the Dutch have done more?

BIANCA Jagger's article on the fall of Srebrenica (issue 385) describes in detail the atrocities committed by the Serbs in July 1995. Until today, those responsible have still not been brought to justice. The world community and its political leaders should not rest until this has been achieved. Ms Jagger is right about all this.

One important element is regrettably missing in Ms Jagger's well-documented article. She believes that the 400 lightly armed Dutch peacekeepers could have prevented the fall of the enclave. However, they were completely outnumbered and outgunned by the Serbs, who used artillery, multiple rocket launchers and mortars to attack the enclave's 40,000 civilians.

The peacekeepers neither had the mandate nor the means to resist. The Serbs had continually blocked supplies. Without diesel, spare parts, fresh food and other supplies the Dutch unit was hardly able to execute its daily tasks. No help from other countries was given to improve this situation and when the Dutch military asked for support from the air the United Nations did not approve their requests until it was too late.

It goes without saying that one should not make the Dutch battalion the scapegoat for the failure of so many others. It did its best to alleviate the suffering of the thousands of refugees flooding its Potocari base. The question raised by Bianca Jagger whether to bring the Dutch officers and soldiers to trial should therefore receive a clear answer: a firm no.

Bert Kreemers
Deputy Director of Public Information
Ministry of Defence
The Hague, the Netherlands

THE largest single war crime in Europe since the Second World War took place in the "safe haven" of Srebrenica. The efficient and ruthless rounding-up, deportation and murder of many thousands of victims had been planned in advance by the Serb political and military leadership, particularly General Mladic, the supreme commander.

Much has been written about the depressing blend of fear, cynicism, indifference, defeatism and racism among the Dutch troops stationed in the enclave. They had been unambiguously ordered by UN headquarters in Zagreb "to take up blocking positions" against the advancing Serbs, but their battle morale is summed up by one sergeant's comment: "Everybody got a fright. You could easily get killed in such an operation."

There were no Dutch fatalities except one bolting private killed in desperation by the Bosnians. The Dutch ran away. In their haste, they refused to take many of their Bosnian employees with them, not least in order to avoid provoking the Serbs. These were left to their fate. The Dutch troops neglected to raise a full-scale alarm about the continuing massacre until all their men had been brought to safety.

Chad Laurent Andrei
Brussels, Belgium

WE are indebted to Bianca Jagger for details of the agreement made between General Bernard Janvier of France, supreme UN military commander of former Yugoslavia, and General Ratko Mladic, commander of the Bosnian Serb army. She writes: "There has been no blame attached to the UN leaders and troops who delivered the men of Srebrenica like lambs to the slaughter or to the man who masterminded the bloody four-year war across former Yugoslavia, President Slobodan Milosevic of Serbia."

The international community must insist on the apprehension of Radovan Karadzic and General Mladic. Milosevic should be indicted by the war crimes tribunal in The Hague as the perpetrator of a war which broke all the rules of the Geneva convention.

Jane Maureen Muehlum
Eltville am Rhein, Germany

Strategy for Poland

DESPITE recent concern, the outcome of the Polish parliamentary elections is not going to affect the economy in a negative way. Having been in charge of Poland's economic policy from 1994 to earlier this year, I am confident that the main course of the reforms will be continued.

Although it will be extremely difficult to repeat the remarkable achievements of the outgoing government – an average rate of GDP growth in 1995-97 of 6.5 per cent, decreasing inflation threefold and unemployment by a third – the new coalition may be able to push development still further. There is an opportunity to advance structural and institutional reforms which will contribute to continued steady growth and bring Poland to the door of the European Union by the end of this parliament's term in 2001.

The great irony of Polish politics is that the new coalition of AWS (Solidarity Electoral Action) and UW (Freedom Union) is doomed to continue Strategy for Poland, the economic programme that – despite their active opposition – was implemented so successfully and led to OECD membership.

The AWS programme or the UW plan cannot be forced through. This is good, since both are wrong. Given its populism, xenophobia and financial softness, the former would be a real threat to market transition. The latter would cause social unrest and destabilisation owing to its excessive liberalism. Both would slow growth and erode competitiveness.

A compromise between the two can be achieved on a platform close to the approach of Strategy for Poland. The main policy features will be gradual structural reforms, new institutional arrangements, sound fundamentals, social awareness and active role of the state. It will be open for foreign participation and domestic entrepreneurship. This marriage has served the Polish purpose well and will continue to do so in the future.

Professor Grzegorz W Kolodko
Adviser to the President of Poland
Distinguished Sasakawa Chair in Development Policy
World Institute for Development Economics Research
Helsinki, Finland

DRAWN FROM EUROPE

CARTOONISTS AND WRITERS SYNDICATE — KOSTAS – *TA NEA*, ATHENS, GREECE

Tightening the Net

MARTIN Bangemann, the European commissioner responsible for industrial affairs, information technology and telecommunications, has proposed a simple global framework for regulating the Internet. His initiative seems a prudent one.

Such regulations could ensure access, transparency and confidentiality. These rules should aim at curtailing criminal behaviour, including the spreading of computer viruses and recipes for manufacturing drugs and explosives. It should also discourage computer hacking.

Jens A Stenstadvolden
Loevenstad, Norway

Finland's contribution

YOUR "EU contributions: who pays and who gains" table (issue 385) lists Finland as gaining Ecu70 million ($76.5m) from the EU. Your source is given as the Dutch finance ministry. But we in Finland are net contributors to the EU budget. Officially, we estimate that our net payment last year was Ecu150 million, and our share seems to be on the increase.

Your source is unreliable. Ports in the Netherlands are import channels to the entire EU area. The Dutch authorities collect customs duties which lower the GNP payment share of their EU membership fee. The Dutch overestimate their own net payment and have underestimated our payment.

I have sent a written question to the Commission to obtain their breakdown of the net payers and contributors to the EU. I think that even the Germans are overestimating their share of contributions.

Esko Seppänen MEP (GUE)
Member of the Budget Committee of the European Parliament
Helsinki, Finland

No car, no life

IN reply to Bethan Williams (Letters, issue 385), the image of the mangled Mercedes in that Paris tunnel should have nothing to do with "trepidation with the car". It should be a lesson for drivers who are under the influence of alcohol or drugs that impair their mental and physical state.

If Ms Williams were to live in an English village with a two-mile (3.2km) walk to the bus stop, perhaps she would not be so keen to give up her car. My nearest supermarket is seven miles away. Would she be happy marching three young children to the bus stop in all weathers, going to the shops, then carting the kids and all the shopping back again?

Alan Cole
E-mail: alan.cole@virgin.net
Blackawton, England

Minnows in the Cup

THE assumption that the European Cup Winners' Cup is a competition in decline (issue 385) cannot be measured against the quality of the teams in the competition. I recently watched a match between Lierse SK of Belgium and Anorthosis Famagusta of Cyprus. This was a capacity crowd of 6,000. The Cypriot team attracted 1,000 of its supporters from as far as New York and Sydney. Anorthosis Famagusta attracted a capacity crowd at Ibrox two years ago when they nearly put Glasgow Rangers out of the Champions' League.

This year's minnows in the Cup Winners' Cup may be next year's European champions.

Chris Christofi
Woodford Green, England

IN Bernhard Petersen's letter on Denmark (issue 384) the word "hostile" was inadvertently included in his description of the Danish newspaper Ekstra Bladet*'s special issue on "De Fremmede" (The Foreigners).*

Turmoil in the markets

ONE minute Asia's tiger economies are held up as a role model for Europe, the next there is currency turbulence, a crisis of confidence and political instability. These wild and unnecessary currency fluctuations will reduce Asian growth rates, push up unemployment and lead to even greater economic inequality.

The environmental disaster that has so suddenly engulfed much of the region is a harsh reminder that pollution is a problem that requires concerted action on a global level. The free-market response that everything can be resolved by the price mechanism is sadly inadequate. It is wrong to argue that once it becomes profitable to curb pollution, pollution will be curbed. In the same way that there is no global policeman to stop the orgy of destruction affecting the world's rainforests, who is going to halt the turmoil in the international money markets?

International action is needed to reduce the volume of speculative activity in the global economy. Currency transactions should be heavily taxed.

Kathleen Doyle
Esbjerg, Denmark

THERE are fears for the Asian tiger economies whose rapid growth has been jeopardised by recent currency falls and economic slowdown.

Western Europe needs to look at the lessons to be learnt from the Asian setback, particularly with regard to employment, inflation and currency levels.

Bill Harvie
Dublin, Ireland

FOLLOWING the UK taxpayers' multibillion pound munificence to international financiers on Black Wednesday in 1992, I see the the prime minister of newly fleeced Malaysia says that someone, somewhere, should make currency trading illegal. A compelling argument for a single currency – wider than the European Union?

Ian R Jenkins
Hamilton, Scotland

THE market is said to be well pleased at the prospect of Britain joining economic and monetary union at an artificially low rate which will provide a temporary advantage for the British economy.

But it appears short-sighted to become so ecstatic over such an advantage. What if the rate proves to be too high in the long run?

If the policies adopted by the bankers in Frankfurt result in economic depression and mass unemployment, the British government will have lost all power to apply any remedy.

By far the best decision would be to retain our own currency and the ability to take measures suited to our own economy, rather than surrender all power to the Frankfurt bankers.

REG Simmerson
Member, UK Independence Party
London, England