

# Casual

## WINTER IN VENICE

Venice is a town, and Italy is a country, where the quality of the panettone is of greater concern than the quality of the nation's central banker. When Italy's central-banker-for-life was forced to resign amid charges of corruption in mid-December, no one save some politicians and the financial press seemed remotely as interested in that event as they were in securing favorite delicacies for Christmas and New Year's. It's as if Americans, informed that Alan Greenspan had been caught selling favors to banks on the merger trail, yawned—meanwhile lavishing attention on fine distinctions between recipes for gingerbread, or latkes, as the case may be.

Of course, the Italians have it right. The proper preparation of the seven courses of seafood traditional for Christmas Eve matters to them up close and personal; the probity of the head of the Bank of Italy only at a distance. Since Italy traded in its multi-zero lira for the euro, it is the European Central Bank that sets interest rates, which might or might not coincide with Italy's economic interest. In fact, by definition the Europe-wide rate cannot be in the interest of both inflation-prone Italy and inflation-free Germany.

The typical Venetian family knows that shopping with care at the truly fabulous fish, fruit, and flower markets that dot their city will provide the basis for sumptuous holiday feasts. But only a few investors bother poring over currency markets. After all, what can Italians do about the exchange rate? When their shoe and textile industries find themselves priced out of world markets because the euro is overvalued relative, say, to the artificially low Chinese currency, Italy can't hope for the natural adjustment that

would have lowered the value of the bygone lira and made its goods competitive in world markets.

So people talk about Prime Minister Silvio Berlusconi's latest cosmetic surgery and hair implants, while the country stumbles along with a zero growth rate and a government incapable of instituting the reforms that everyone says are necessary. The trade unions won't allow the pension system to be fixed; the prime minister increases the stranglehold his television properties have on the media



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industry; and the legislature is absorbed with the need to immunize leading politicians from prosecution—persecution, if you're on their side—by judges who are either the last bastion of integrity or a corrupt and overweening branch of government, depending on your point of view.

How irrelevant it all seems in Venice, a city whose winter charms include the cordiality of its residents, the stylishness of its women in their fur coats and sunglasses, and the strangeness of some of the local practices and priorities.

Thus, in a country where corruption is said to be endemic, where tax evasion is the national sport and the observance of many laws is casual, the new ban on smoking is rigorously

enforced. There is simply no smoking in public places—bars, hotels, dining rooms. It is entirely possible that if the extent of compliance with the tax laws were as great as that of compliance with the smoking ban, Italy's treasury would be bulging with cash.

Then there are the immigrants. Venice is overrun with what Venetians identify as "Nigerian" street vendors selling illegal knock-offs of brand-name merchandise—Gucci, Louis Vuitton, Prada. And they do it at the best locations, directly in front of the stores selling the genuine article. Should a cop hove into view, the vendors quickly pack their merchandise into large bags and wait until the officer has strolled past, apparently blind to these "Nigerians" loitering with their huge canvas bags.

But don't think the authorities are not taking steps to put a stop to the theft of intellectual property and trademarks. Posters and leaflets warn the tourist: "Bad Bag. Don't buy it. Non comprarla. Kaufen Sie sie nicht. Ne l'achète pas."

These leaflets give new meaning to caveat emptor: "The City Government of Venice has decreed a fine of 10,000 euros also for the buyer of these products." The "also" is rather precious, since no fine is specified for the other parties to the transaction, identified as "the maker," "the boss," and "the seller." In fact, the admonition to avoid the knock-offs is accompanied by this sympathetic explanation of the street vendors' plight: "For many it is the only possible job because they are illegal immigrants."

Never mind. Venice remains the jewel in Italy's crown, at least for the tourist—a maze of winding streets, each with its own architectural treasure; the square dominated by the Doge's Palace that Ruskin described as "the central building of the world"; and a citizenry that prides itself on its pro-American attitude. Only a cynic would attribute that last to the fact that the American tourists are the town's biggest spenders.

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