Set amid rolling green hills, Bilbao cuts a swashbuckling dash on Spain's northern Atlantic coastline. The muscular vigour of its architecture reflects the city's success as a nineteen-century industrialised maritime centre, but in recent years it has been struggling to overcome the racist effects of defunct heavy industry and perilous regional politics. Light years from Fifth Avenue, it seemed an implausible location for the newest and most glamorous satellite of New York's Solomon R. Guggenheim Foundation. Yet for all its apparent geo-cultural dislocation, Frank Gehry's remarkable building forms part of an energetic civic renewal, fuelled by the Basque Country's highest GNP of any area in Spain (coupled with fiscal autonomy from Madrid) and the Guggenheim Foundation's imperative need to expand and redefine its operations in Europe. As a result, an Atlantic axis of political, economic and cultural collaboration between Bilbao and New York has emerged. The regional Basque administration funded the $100 million project and will make annual contributions to its operating budget. The Guggenheim Foundation will run the museum, providing curatorial expertise as well as the core art collection and programming. Ambitiously conceived as an international centre for modern and contemporary art (much of it European in origin), the new museum complements the existing, smaller Peggy Guggenheim Collection in Venice.

Since it was founded on the banks of the Nervión in 1300 as a trading and fishing port, Bilbao has stubbornly prospered, despite periodic assaults and upheavals. From catastrophic fires of the sixteenth century to Spanish Civil War bombardments (Aquincia is just along the coast), the city has become accustomed to rebuilding itself. The nineteenth-century grid of the Ensanche (literally 'broadening') was constructed in the wake of civil wars and its handsome streets on the west banks of the Nervión contain Beaux Arts classicism mixed with early excursions into Spanish Modernista.