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WORLD BUSINESS NEWSPAPER

# FINANCIAL TIMES

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**Enron's Andy Fastow**  
How his 'special purpose entities' led to financial meltdown  
**Special report, Page 22**



**Transatlantic rift**  
Why Europe has gone soft and why the US just doesn't get it  
**Page 17**



**Kashmir**  
As tensions mount can India avoid a fight and save face?  
**Page 18**

## WORLD

### Argentina takes over rural banks in bid to shore up sector

Argentina's state-owned Banco de la Nación assumed control of three rural banks controlled by Crédit Agricole of France, amid signs of increased uncertainty by officials over how to rescue the crippled financial system.

**Americas, Page 2; Lex, Page 18**

### Israeli family sues EU over attack

An Israeli family that was victim of a Palestinian shooting attack yesterday launched a \$20m civil suit against the European Union, claiming it paid the salaries of two Palestinian Authority policemen who allegedly carried it out.

**Middle East, Page 3**

### Suicide bombers 'will strike' US

Suicide bombers like those who have blown themselves up in public places in Israel will eventually strike in the US, according to the director of the FBI.

**Americas, Page 2; Chorus of disapproval, Page 17**

### Teamsters raise pressure on UPS

The Teamsters union is turning up the heat in its negotiations with UPS, the world's largest transportation services company.

**Americas, Page 2**

## BUSINESS

### Sony cuts prices as battle over video games intensifies

Sony has cut the recommended US price of its in-house games for the PlayStation 2 console, in an increasingly bitter struggle for the \$20bn video games market against rivals Microsoft and Nintendo.

**American companies, Page 20**

### The Financial Accounting Standards Board stepped up its push for a new rule on how companies should record revenues, following a series of probes into corporate accounts.

**Companies & Markets, Page 19**

### Merrill Lynch investment Managers, the troubled fund management arm of the US investment bank, has lost more key pension fund clients.

**Companies & Markets, Page 19**

**Toys R Us**, which has been struggling to attract shoppers amid increased pricing competition from huge discount stores like Wal-Mart, said its quarterly loss had narrowed from a year ago as restructuring took effect.

**American companies, Page 21**

**Vodafone's** directors will today discuss whether the mobile

PRESIDENT INSISTS TOUGH LINE ON EMBARGO MUST REMAIN UNTIL CASTRO REGIME BRINGS IN REFORMS

# Bush rejects call for Cuba trade

By Edward Alden in Washington

President George W. Bush yesterday rejected calls to ease the US economic embargo on Cuba, saying that open trade would only strengthen the regime of Fidel Castro.

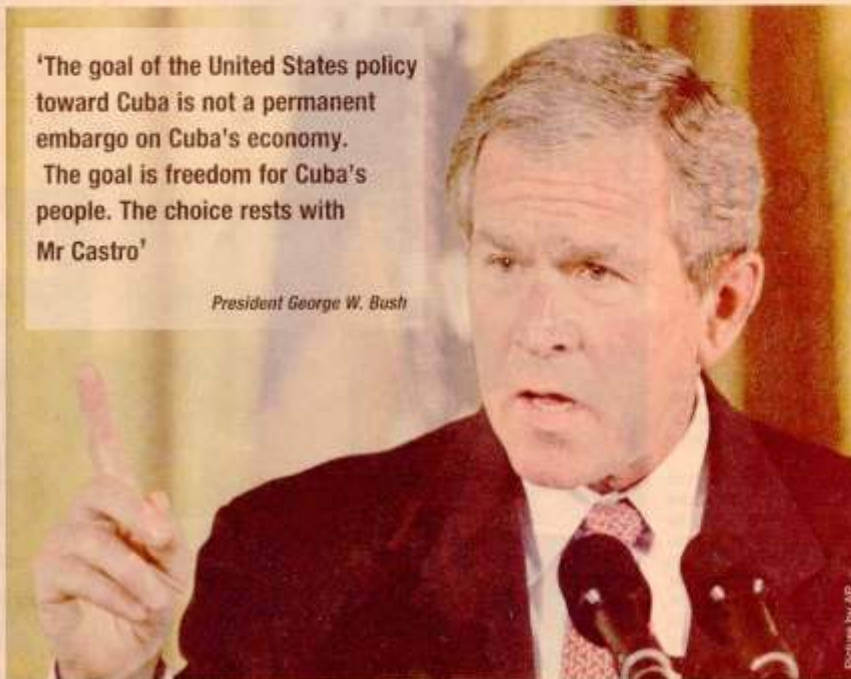
Cuba must hold free and fair elections next year and reform its state-led system to allow for property rights and an open-market economy before the US will restore economic and political ties with the island nation, he said.

"Without major steps by Cuba to open up its political system and its economic system, trade with Cuba will not help the Cuban people," said Mr Bush. "It's important for Americans to understand, without political reform, without economic reform, trade with Cuba will merely enrich Fidel Castro and his cronies."

The tough words, delivered on Cuban Independence Day, were aimed at quashing growing pressure from some in Congress to ease US trade restrictions and begin allowing Americans to travel freely to Cuba. The White

**'The goal of the United States policy toward Cuba is not a permanent embargo on Cuba's economy. The goal is freedom for Cuba's people. The choice rests with Mr Castro'**

President George W. Bush



Picture by AP

Assembly next year. This would require Mr Castro to release all political prisoners, to allow opposition parties to form and campaign freely, and to permit outside observers to monitor the elections.

Mr Bush said that initial economic reforms in Cuba should include the formation of independent trade unions, respect for property rights, and an end to the two-tier economy in which tourists can buy goods and services not available to Cubans.

Under pressure from business and agricultural groups, a majority of the US Congress has in the past favoured some easing of the embargo. A bipartisan House working group on Cuba formed last week by 20 Republicans and 20 Democrats called for initial steps to include normal exports of US food and medicine and an end to the Helms-Burton law that seeks to punish foreign companies investing in the country.

The only short-term concessions offered by Mr Bush yesterday were an easing of restrictions on humanitarian aid through US churches and non-governmental organisations, and the creation of



## TRAVEL UPDATE

## Bargains hard to find on the web

Surfing the web is significantly less effective than accessing one of the big global distribution systems when it comes to finding the lowest fare available, claims Richard Spradling, chief information officer at St Louis-based TQ3 Maritz Travel Solutions.

Research in North America by his company found it was possible to get the cheapest deal via the internet in only 10 per cent of searches. The GDS came up trumps six times more often. In 30 per cent of cases nothing could be found that undercut negotiated corporate discount deals.

Meanwhile, research in the UK by KPMG suggests the hotel room savings to be made by booking online have decreased sharply over the past year. The company looked at rates offered to independent business customers by 11 big chains in the UK city of Cardiff. It compared prices available on the web, direct from the hotel or from central reservations, and found that the average online discount was only £3.75 (\$5.50) down from £12.50 recorded in a similar survey a year ago.

Nearly half the hotels charged the same amount whichever booking channel was used.

## Goodbye to the laptop

Business travellers weary of lugging laptops around should soon be able to write e-mail messages using a virtual reality keyboard about the size of a fat marker pen. The device, developed by Pittsburgh-based Virtual Devices, projects images of the keys on to a desk or table top and responds to the user's finger strokes or simulated mouse movements. It is designed to work with the latest mobile phones or personal digital assistants.

The company says it would ideally like to use a

Blue Tooth wireless link with such devices but expects to have to offer a cable connection initially. The keyboard is likely to sell for about \$150.

## Late in London and Paris

Discouraging news for regular users of Paris Charles de Gaulle and London Heathrow emerges from the latest punctuality figures issued by the Association of European Airlines.

Despite the sharp reduction in capacity that followed September 11, the risk of delay on flights within Europe in the first quarter was roughly the same as in the same period last year.

The AEA says 28.5 per cent of departures from Charles de Gaulle and 25.9 per cent from Heathrow were held up by more than 15 minutes. Overall, there was an improvement from 21 per cent to 19.7 per cent and the 15.6 per cent delayed in March was the best monthly performance for four years. The averages may have been skewed by the demise of Sabena and, in its original shape, Swissair, which resulted in a reduction of services from Brussels and Zurich.

## Schedules to hand

Travellers using hand-held computers incorporating the Pocket PC platform, including the Compaq iPAQ range, can now download a worldwide timetable for the 12-strong Star Alliance group of airlines.

Schedules are updated weekly and, when the customer enters departure and destination airports, the software will work out an itinerary. They can also access information about terminals, aircraft type, flight times and meals. The new service can be downloaded by visiting [www.staralliance.com](http://www.staralliance.com).

Roger Bray

## BUSINESS TRAVEL

# New terminal drives

The airport that travellers in North America aim to avoid hopes modernisation

For decades Detroit Metropolitan Airport was vilified as the worst airport in North America. While it is a busy airport, savvy flyers avoided it if they possibly could, preferring to connect via other airports such as congested Chicago O'Hare or out-of-date New York JFK. Any place, in short, except Detroit, an airport known for interminably long treks through cramped, outdated concourses.

Considering its history, this was understandable. In the autumn of 1986, Northwest Airlines absorbed rival Republic Airlines. Both carriers had hubs in Detroit. The immediate impact of the merger was chaotic. Bags disappeared. Flights were delayed. Travellers were generally flummoxed as labour unrest gripped the newly amalgamated carrier.

In January 1999, a blizzard struck the airport, stranding thousands of passengers aboard aeroplanes out on taxiways for many increasingly desperate hours. Most of those aircraft belonged to Northwest Airlines. The snowstorm, and ensuing breakdown, boosted public backing for an airline passenger bill of rights in the US. The legislation was never passed but airlines hastened to promise improved consumer service.

Detroit was the catalyst, the inadvertent instrument of change.

Now, Northwest and Wayne County, Michigan, the airport's operator, are hoping Detroit acts as a different kind of catalyst, changing jaundiced public opinion. They have reason to be optimistic. Northwest's new \$1.2bn WorldGateway recently opened at Detroit. The 97-gate, mile-long facility (formally the Edward H. McNamara Terminal) is the size of 35 American football fields.

An indoor express tram whisks passengers from one end of the McNamara to the other in 2½ minutes. The terminal has a range of restaurants and shops that were conspicuously absent at Northwest's former facilities. Travellers can eat at the Mediterranean Bar & Grill, buy suits at Brooks Brothers and indulge in automania at the General Motors shop. The terminal is open and airy, allowing what sunlight Michigan offers to suffuse the concourse. Northwest has four lounges for business travellers.

Some frequent travellers are



Flying start: Northwest Airlines' new McNamara facility at Detroit Metropolitan

impressed. The change "is very dramatic", says Bob Agnew, president of Morten Byer & Agnew, an Arlington, Virginia aviation consulting firm. Mr Agnew speaks from the perspective of an industry insider and a frequent flyer. "I've transited that airport many, many times - including coming back from Asia in a wheelchair when I was injured," he says. That was before the new terminal was built and Mr Agnew says the experience was a nightmare. Transferring from aircraft to shuttle bus to domestic terminal in icy weather did not endear the airport to him.

When he connected over Detroit recently, he says, the new terminal

was "very easy to get to. Although it seems some signs were hidden, the terminal itself was excellent - well lit, comfortable."

Mr Agnew believes Northwest's new terminal could alter the way travellers arrive from southern nations in Europe to the US. It is a very good way of connecting passengers, especially in connection to some of the older terminals such as JFK," says Mr Agnew.

All new airport terminals are teething troubles. When the new International terminal opened in the 1990s, the baggage system Hong Kong's new international port encountered problems