

## PM holds talks with Obama

David Cameron insisted on Tuesday night that BP should not be blamed for the "completely wrong" decision to release the Lockerbie bomber.

Speaking at a White House press conference alongside Barack Obama, the Prime Minister said the Scottish Government was responsible for freeing Abdelbaset al-Megrahi.

He also warned the US against excessive punishment of BP over the Gulf of Mexico oil spill - insisting it was in no one's interests to undermine the firm's future.

The comments came as both leaders tried to defuse renewed tensions over the row, amid claims that BP lobbied for Megrahi's release as part of an oil deal with Libya.

Mr Cameron said he had seen no evidence that the Scottish Government had been "swayed" by lobbying from BP, but the company would have to explain any representations it had made.

He said he and President Obama had been in "violent agreement" that freeing the terminally-ill bomber on compassionate grounds last August had been wrong.

## BA cabin crew could strike again

British Airways cabin crew have rejected the airline's final offer aimed at ending their long-running dispute, raising the threat of fresh strikes, it was announced on Tuesday.

Members of Unite voted by 3,419 to 1,686 against the offer, dashing hopes of an end to the bitter row over cost savings, travel concessions and disciplinary issues.

The union had balloted around 11,000 of its members without making any recommendation on whether to accept the proposed deal. Union leaders will now meet to decide their next move.

A Unite spokesman said: "The union will now meet with cabin crew representatives this afternoon to consider the next steps."

Cabin crew have taken 22 days of strike action since March, costing the carrier more

"Releasing the Lockerbie bomber, a mass murderer, was completely wrong," Mr Cameron said. "He showed his victims no compassion. They were not allowed to die in their beds at home." But he added: "That was not a decision taken by BP, it was a decision taken by the Scottish Government."

Mr Cameron said BP was in no doubt about its obligations in relation to the spill. "It is BP's role to cap the leak, to clean up the mess, and to pay appropriate compensation," he said.

"Equally, BP is an important company to both the British and American economies. Thousands of jobs on both sides of the Atlantic depend on it. So it is in the interests of both our countries, as we agreed, that it remains a strong and stable company in the future... Let's not confuse the oil spill with the Lockerbie bomber."

Mr Cameron said he did not believe an inquiry was needed into the release of Megrahi, but he re-stated his promise to disclose any Government documents that shed light on negotiations with Libya.

than £150 million, and one of the options being considered is to hold another ballot for further walkouts, which could take place from September.

The 2-1 majority against the offer follows previous ballots on industrial action, which returned much bigger votes in favour.

Unite postponed a strike ballot last month after BA tabled the new offer, but the union's leadership decided against making any recommendation on whether it should be accepted.

The dispute started last year over BA's plans to cut costs by reducing the number of cabin crew on aircraft, but the row intensified after the airline withdrew travel concessions from staff who went on strike.



### WORLD NEWS

#### AFGHANISTAN WANTS FULL SECURITY HANDOVER BY 2014

KABUL - The international community on Tuesday endorsed sweeping Afghan government plans to take responsibility for security by 2014, forge peace to end nine years of war and take greater control of aid projects.

UN chief Ban Ki-moon and US Secretary of State Hillary Clinton led about 80 organisations and countries at a key conference in Kabul aiming to put Afghanistan on the road to stability - and allow foreign troops to draw down.

President Hamid Karzai is under intense Western pressure to crack down on corruption, make better use of billions of dollars of aid money and quell a virulent Taliban insurgency.

#### FRENCH FOOTBALLERS QUIZZED IN UNDER-AGE SEX PROBE

PARIS - French police detained football internationals Franck Ribery and Karim Benzema for questioning on Tuesday as part of a probe into an alleged under-age prostitution ring, legal sources said.

Police have until 9:00 am (0700 GMT) on Thursday to decide whether to release the pair or bring them in front of a judge to face a charge of paying for sex with a minor that could see them jailed for three years.

#### SUPERHEROES, QUILTS AND WISH TREES TO FIGHT AIDS

VIENNA - Colourful, creative and a little bit crazy: the fight against AIDS can be all that as activists demonstrated on Tuesday at the Global Village on the sidelines of the World AIDS Conference in Vienna.

At one end of the Village, super-heroes Methadone Man and Buprenorphine Babe stood in bright latex suits, ready to confront the deadly scourge of HIV-AIDS.

Methadone and buprenorphine are used to treat drug addiction, especially to heroin, which is a major contributor to the AIDS epidemic due to shared needles.

"We wanted to make a campaign that was fun and dynamic, something that would make people gravitate towards the campaign rather than us going to them," Carlos Moreno, who produced a comic book of the two heroes for the Open Society Institute project, said.

## Terror threat 'surged after Iraq war'

The invasion of Iraq led to a huge surge in the terrorist threat to the United Kingdom, the former head of MI5 said on Tuesday.

Giving evidence to the official inquiry into the war, Baroness Manningham-Buller said that the service had struggled to cope with the number of plots emerging in the aftermath of the invasion in 2003.

"Our involvement in Iraq radicalised, for want of a better word, a whole generation of young people - not a whole generation, a few among a generation - who saw our involvement in Iraq and Afghanistan as being an attack on Islam," she said.

She said that many British-born individuals found themselves attracted to the ideology of Osama bin Laden and al Qaida.

## Four more held in Moat inquiry

Four more people have been arrested on suspicion of helping fugitive gunman Raoul Moat, bringing the total to 20, Northumbria Police said.

A second post-mortem examination on the killer's body will be held at the request of his brother, Angus, a police source said, with reports saying it will be held Wednesday.

A Northumbria Police spokesman said two men and two women were arrested on suspicion of assisting an offender. A man and a woman were arrested in Blyth, Northumberland, and a man and a woman in Newcastle.

"This brings to 20 the total number of people arrested in connection with this case," the spokesman said. Two of them have been charged with conspiracy to murder and will appear before Newcastle Crown Court on Thursday.

## Investment 'key to economic recovery'

Britain must rely on business investment and exports, not debt-fuelled domestic consumption, to lock in the recovery from recession, Business Secretary Vince Cable said on Tuesday.

The economic model based on rising household and state debt under the previous Labour administration was "unsustainable" and the current Government must take rapid and decisive action to return the economy to a path of strong and sustainable growth, he said.

## CELEBRITY NEWS

### BOYCOTT OFFERS WORDS OF WISDOM TO GRADUATES

Cricketer Geoffrey Boycott on Tuesday offered words of wisdom to graduates on how to face life's challenges.

While receiving an honorary doctorate in sports science from Leeds Metropolitan University, Boycott talked about the trials in his own life.

The Yorkshire-born sportsman said he would have liked a university career but was unable to do so because of financial restraints and also said recovering from cancer of the tongue had taught him to keep fighting.

He said: "There have been tough times but you have got to keep fighting, life will not always be plain sailing."

In a document outlining his strategy for sustainable growth, Mr Cable made clear this would not involve his Department for Business, Innovation and Skills "picking winners" to support with public funds, but shaping the market and regulatory environment to encourage innovation and enterprise.

### Hosepipe ban remains

A hosepipe ban is still in place in the Lake District despite a flood warning in the area. Torrential rain over the past few days has put Cumbria at risk from flooding, according to the Environment Agency.

A flood warning was issued for the Keswick Campsite area on Monday, meaning flooding of homes and businesses is expected.

Several other areas are under flood watch, with more heavy downpours predicted in the coming days.

The Upper River Derwent, Stonethwaite Beck and Derwent Water, the rivers Brathay, Rothay and Winster and the rivers Kent and Bela have all been put on flood alert. But the hosepipe ban, which was introduced on July 9, will stay in place because even more rain is needed for the reservoirs to make a full recovery.

### Defence industry 'must improve'

The British defence industry was on Tuesday urged by Liam Fox to improve its value for money to the taxpayer. The defence programme inherited from the former Labour government was "entirely unaffordable", he said.

Without "cost containment", the Government would be forced to cut projects already under way or reduce investment in further schemes, the Defence Secretary added.

Speaking at the Farnborough air show, Dr Fox said: "We demand, and the nation expects, that our armed forces are provided with the equipment and support they require to do the jobs that we ask them to do. But in addition we demand, and the nation expects, that we can demonstrate value for money on defence expenditure."

### Tome Raider jailed for antique books theft

A tome raider who stole antique books worth £40,000 from a world-famous London library has been jailed for three-and-a-half years.

Cambridge University graduate William Jacques, who stole £1 million of rare books in the late 1990s, drew up a "thief's shopping list" as he continued his life of crime.

He used a false name to sign in to the Royal Horticultural Society's Lindley Library in London before stuffing valuable books under his tweed jacket and fleeing, Southwark Crown Court in London was told.

### Search ends at Tobin's former home

Searches at a former home of serial killer Peter Tobin drew to a close on Tuesday after police said they were "fully satisfied" it was not linked to any crimes.

Teams of officers and archaeologists spent nine days extensively analysing the rear garden and ground floor and basement areas of the property in Station Road, Portslade, East Sussex.

But Sussex Police said their efforts had failed to uncover any fresh evidence linking Tobin to further crimes.

The focus of their searches will now be concentrated at a second nearby property where he used to live in the 1980s, in Marine Parade, Brighton.

### Weller makes Mercury shortlist

Chart veteran Paul Weller was shortlisted on Tuesday for the Mercury Music Prize for the first time in 16 years - and will battle it out with past winner Dizzee Rascal.

Also in the running are hotly tipped The xx - whose music provided the theme for the BBC's election coverage - and 40-something Mancunian trio I Am Kloot have made their shortlist debut with their fifth album.

## MARKET DATA

### POPULAR SHARES

#### Closing prices Tuesday

Admiral Grp	1425.00	+16.00
Aviva	334.00	-0.63
BAE Systems	312.88	-5.38
BG	1056.00	-4.50
BP	387.50	-0.38
Brit Airways	199.38	-2.50
BT Grp	134.50	-4.50
Centrica	303.38	-4.50
GlaxoSmithKline	1173.50	-14.50
HSBC HLDGS	627.75	+4.75
Intl Power	355.75	+5.75
M & S	339.00	-3.88
National Grid	490.13	+1.38
Pennon Grp	578.50	+1.50
Sainsbury	342.88	-3.50
Scottish & sthr	1165.00	-9.00
Severn	1264.00	-12.00
Tate Lyle	461.75	-5.25
Tesco	394.00	-4.75
United utils	534.50	-4.00

### TOURIST RATES

Tourists going abroad can expect the following rates for sterling:

Australia	1.65 dollars
Canada	1.53 dollars
Denmark	8.34 krone
Euro	1.12 euro
Hong Kong	11.27 dollars
Japan	126.67 yen
Norway	9.13 krone
Sweden	10.67 krona
Switzerland	1.53 francs
USA	1.46 dollars

(Rates for indication purposes only)

### TUESDAY'S CRICKET

#### CLYDESDALE BANK 40

Derbyshire 225-8 v Gloucs 152-5  
Gloucs won by 1 run (D/L Method)

#### WOMEN'S ODI

England 176-9 v New Zealand 178-4  
New Zealand won by 6 wkts

They are among 12 acts battling for the respected award, officially called the Barclaycard Mercury Prize, which rewards the outstanding album of the year.

Dizzee, whose career has soared in recent years, first won the Mercury with debut release *Boy In Da Corner* in 2003. This latest nomination for *Tongue N' Cheek* is his third in only four albums, as he was also listed in 2007 for *Maths + English*.

### Graffiti artist gift for Obama

The work of a well-known street artist could end up hanging in the White House after one of his paintings was included among the official gifts to Barack Obama from David Cameron on his first trip to Washington as Prime Minister.

Ben Eine - best known for painting graffiti-style letters on shop shutters in London's East End and one of Samantha Cameron's favourite artists - donated the £2,500 piece titled *Twenty First Century City* so the Prime Minister and his wife could give it to the US president.

With Washington being drenched by occasional torrential downpours, the first family's young daughters may also appreciate their offerings from the UK: two pairs of Hunter Wellington boots, one in pink and one in purple.

### FINANCIAL NEWS

#### FTSE closes in the red

Markets on both sides of the Atlantic were in negative territory on Tuesday after disappointing figures from Goldman Sachs and computer hardware giant IBM.

The Dow Jones Industrial Average was more than 100 points lower at one stage after the investment bank provided the latest sign of weakness in revenues in the current corporate results season.

The FTSE 100 Index closed in the red, although it pulled back from the worst of its losses to stand 8.8 points down at 5139.5.

IT firms were among the biggest fallers on London's Footsie after Cable & Wireless Worldwide issued a profits warning.

#### Worst case scenario warns of repossessions hike

Home repossessions could soar to 175,000 in 2012 if the Government fails to tackle the UK's deficit, it was warned on Tuesday.

The figure represents a "doomsday scenario" under which unemployment peaks at 11.4% in 2011 and interest rates rise rapidly, possibly due to a sovereign debt crisis.

But the report, which was commissioned under the Labour government but never published, stressed the scenario was unlikely to happen.

It added that if unemployment fell rapidly after the first quarter of next year, interest rates remained low and house prices rose sharply, it was possible fewer than 33,000 homes would be repossessed during 2012.

#### Public sector borrowing higher than expected

Government borrowing hit a higher-than-expected £14.5 billion last month, official figures revealed on Tuesday.

The woes facing Britain's battered finances showed few signs of easing as the Office for National Statistics (ONS) confirmed the budget deficit widened by another £700 million in June to £12.6 billion.

Last month's public sector net borrowing was £200 million less than the £14.7 billion seen a year ago, but was more than the £13.5 billion expected by analysts.

Figures excluding the temporary effects of State financial intervention showed borrowing rose to £15.2 billion up from £14.9 billion in June 2009.

### SPORTS NEWS

#### Hodgson reassured by Gerrard backing

Liverpool manager Roy Hodgson hopes speculation about the future of Steven Gerrard will come to an end now the captain has publicly declared his commitment to his boyhood club.

The 30-year-old midfielder refused to talk about his future while he was at the World Cup in South Africa with England.

But on his first day of pre-season training Gerrard was keen to stress how much he is anticipating the coming campaign and playing alongside international team-mate and new signing Joe Cole.

"I made it clear that I simply needed to concentrate on the World Cup and then have a decent holiday with my family," said the midfielder. "I wanted the chance to meet Roy Hodgson privately and having done so, I'm very impressed with his plans for the future."

#### Wilson poised for Liverpool switch

Rangers have agreed to sell 18-year-old defender Danny Wilson to Liverpool in a deal worth up to £5million.

Liverpool have been tracking Wilson for several months and are now set to complete the transfer after the teenager was pulled out of the Rangers squad that set off on a pre-season tour of Australia on Tuesday evening.

Rangers chief executive Martin Bain said: "We have agreed a deal in principle with Liverpool for the transfer of Danny Wilson. Liverpool's offer will see the club receive £2million up front with add-ons linked to games played, taking the total value of the deal to £5million."

#### Fulham's Jol wait continues

Fulham's pursuit of Martin Jol continues to be frustrated by Ajax's refusal to discuss compensation for the release of their manager.

On a day of conflicting reports, Jol appeared to have performed a U-turn after initially claiming in the Dutch media that he was ready to stay in Holland.

 **WEATHER****INTERNATIONAL WEATHER**

	Min		Max		Condition
	C	F	C	F	
Amsterdam	10	50	27	81	ptcloudy
Athens	23	73	33	91	clear
Auckland	8	46	15	59	rain
Beijing	20	68	33	91	clear
Beirut	22	72	33	88	ptcloudy
Cairo	24	75	34	93	clear
Dublin	9	48	19	66	rain
Hong Kong	26	79	33	91	rain
Istanbul	22	72	30	86	rain
Johannesburg	0	32	18	64	clear
Madrid	11	52	36	97	clear
Manila	25	77	34	93	rain
Mexico City	12	54	24	75	rain
New Delhi	25	77	33	91	rain
New York	22	72	33	91	ptcloudy
Oslo	9	48	18	64	rain
Paris	17	63	31	88	ptcloudy
Rome	19	66	34	93	rain
Sao Paulo	15	59	24	75	rain
Singapore	25	77	32	90	rain
Stockholm	17	63	25	77	ptcloudy
Sydney	7	45	17	63	rain
Tokyo	21	70	33	91	clear
Toronto	17	63	26	79	rain
Zurich	11	52	30	86	clear

**UK WEATHER**

	C	F	Cast
Aberdeen	18	64	Spotty showers
Belfast	18	64	Spotty showers
Birmingham	22	72	Rainy periods
Bournemouth	22	72	Spotty showers
Cardiff	20	68	Rainy periods
Edinburgh	19	66	Spotty showers
London	26	79	Spotty showers
Manchester	19	66	Rainy periods
Newcastle	19	66	Rainy periods
Norwich	23	73	Spotty showers
Nottingham	21	70	Rainy periods
Plymouth	18	64	Rainy periods
St Helier	21	70	Showers around
Stornoway	16	61	Spotty showers

But it is understood that the 54-year-old is intent on succeeding Roy Hodgson at Craven Cottage only to have his path blocked by Ajax, who are keen to retain him.

Fulham's chief executive Alistair Mackintosh is in Amsterdam to discuss the move but has so far been unable to secure Jol's departure.

The former Tottenham manager has two years left on his contract and his exit would require Fulham to pay compensation.

**Chelsea: Drogha not for sale**

Chelsea have warned Europe's top clubs Ivory Coast striker Didier Drogha is not for sale. The double winners moved swiftly to silence speculation over the striker's future after he had been linked with a move to Manchester City by his agent.

Agent Thierno Seydi suggested in a radio interview Drogha could leave Stamford Bridge before the transfer deadline and said there had already been dialogue with City.

But while City insisted there was "no foundation" to Seydi's remarks, Chelsea went further by declaring Drogha untouchable.

A spokesman for Chelsea said: "It is all irrelevant, Didier Drogha is not for sale."

**NATIONWIDE NOT RENEWING ENGLAND SPONSORSHIP**

Nationwide Building Society have confirmed they will not be renewing their sponsorship of the England team.

The move had been widely predicted over the last couple of weeks, leaving the Football Association to find a new partner just three weeks before a friendly with Hungary at Wembley where swathes of empty seats are anticipated following the disappointing World Cup performance.

**Fedrigio wins 16th stage**

Pierrick Fedrigio of the Bbox-Bouygues team won the 16th stage of the Tour de France here on Tuesday to hand the hosts their sixth stage win of the race.

Race leader Alberto Contador, who took the yellow jersey from Luxembourg rival Andy Schleck on Monday, came over the finish line just under seven minutes later.

Schleck, who lost the yellow jersey on Monday after suffering a mechanical problem, was expected to launch a challenge to Contador on what was the third and penultimate day of racing in the Pyrenees. However, their anticipated battle over the Tourmalet and Aubisque mountain passes did not materialise.

**Clarke honoured to team up with Monty**

Darren Clarke on Tuesday expressed his "honour" and "delight" at joining Paul McGinley and Thomas Bjorn as assistants to captain Colin Montgomerie in October's Ryder Cup at Celtic Manor.

McGinley and Bjorn always looked top of the list after being opposing captains at last September's Vivendi Trophy match - Continental Europe versus Britain and Ireland - but Clarke is the surprise addition.

He was runner-up in the Scottish Open two weeks ago and is 21st in the points race.

**Gladiators share summit**

Gloucestershire went joint top of the Clydesdale Bank 40 Group B when they narrowly defeated Derbyshire in a rain-affected match under the County Ground floodlights.

The Gladiators squeezed home by one run on the Duckworth-Lewis method after they were set a revised target of 175 in 31 overs.

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They had been chasing the Falcons' 225 for eight, which included 65 from 56 balls from Wayne Madsen, and the contest was in the balance when the umpires took the players off the field for the last time with the visitors 152 for five, one ahead of the par score.

**Cook confident over fitness**

Essex batsman Alastair Cook is confident that his back problem is under control as he prepares for a return to Test action in the four-match series against Pakistan later this month.

The back injury kept him out of most of England Lions' fixtures in their recent tri-series against A sides from India and West Indies but Cook feels he is learning to cope with the problem.

Cook previously hurt his back on England's tour of South Africa last year, when he was pulled out of the one-day squad midway through the series with what was diagnosed as a bulging disc.

England begin their four-match series against Pakistan on July 29 at Trent Bridge and the left-handed opener insists he is ready for the challenge.

**Preston claim bragging rights**

A lacklustre Blackburn side suffered a 3-0 pre-season hammering by Lancashire neighbours Preston on Tuesday night.

Two first-half headers from summer signing Paul Hayes, the second of them from a cross delivered by Rovers old boy Keith Treacy, put North End in control before Michael Salgado fouled Sean St Ledger to allow Chris Brown to make it 3-0 from the penalty spot.

There was better fortune for Wolves as a successful short trip to Walsall ended in a surrounding 4-0 win.

Youngster Ashley Hemmings headed the opener from Greg Halford's fine cross and Sam Vokes scored twice in five minutes shortly before half-time, first tapping in Scott Malone's cross and then seizing on defensive confusion to make it 3-0.

Sylvan Ebanks-Blake powered into the box to smash home an emphatic fourth and substitute Kevin Doyle was in irrepressible form, three times going close to a deserved goal.