



PHOTO: AFP

Picture dated December 22, 1988 of the wreckage of the New-York-bound Pan Am Boeing 747 that exploded and crashed over Lockerbie, southwest Scotland on December 21, 1988. Libya has signed an accord with families of the 1988 Lockerbie terrorist bombing victims, clearing the way for financial compensation totalling some 2.7 billion USD, family lawyers said yesterday.

## Libya, Lockerbie families sign compensation deal

REUTERS, Washington

Libya and families of the 1988 Lockerbie bombing victims agreed on Wednesday to set up a \$2.7 billion compensation account in a key step toward closing the book on the mid-air airliner explosion that killed 270 people and further poisoned Libya's relations with the West.

Lawyers for the families said they and Libyan officials signed the agreement in London after an 11-hour meeting. Libya was expected to follow up by sending a letter to the UN Security Council on Thursday or Friday taking responsibility for the bombing of Pan Am Flight 103 over Lockerbie, Scotland.

The Libyan admission of guilt -- long demanded by the United States and Britain -- and the actual payment of the \$2.7 billion were

expected to be followed by moves to lift UN sanctions against Libya, possibly as early as next week.

Diplomats stressed the matter will not be settled until Libya admits responsibility in writing -- something it has long been loathe to do -- and pays the compensation, which could ultimately reach \$10 million per victim.

US sanctions will stay in place for now despite US oil companies' eagerness to do business with Tripoli again, US officials said. Some US sanctions predate Lockerbie and reflect Washington's long-standing anger at what it views as Libyan support for acts like the 1986 bombing of a Berlin disco that triggered US airstrikes on Libya.

Libya and the lawyers representing families of the victims have signed an agreement to create the escrow account at the Bank for

International Settlements," British-based Algerian lawyer Saad Djebar, who has followed the case since 1992, told Reuters from London.

"I expect that by the middle of next week UN sanctions will have been finally removed on Libya," Djebar said.

Jim Kreindler, a US attorney for many families, wrote in a letter to his clients: "Great news. After an 11-hour session in London today, we signed an Escrow Agreement with the Libyan delegation and the Bank (for) International Settlements." He said he expected the \$2.7 billion to be deposited "soon."

In a brief telephone interview, Kreindler told Reuters that Libya would probably wire the money into the account next week.

Some relatives of the 259 people who were killed aboard the Boeing

jumbo jet and the 11 people who died on the ground reacted bitterly at what they described as the first step toward Libya being welcomed back into the world community.

"Obviously we're not happy. We feel this may be the first step in the rehabilitation of (Libyan leader) Muammar Gaddafi," said Dan Cohen of New Jersey, whose 20-year-old daughter Theodora died in the bombing.

Stephanie Bernstein of Maryland, whose husband Michael died at the age of 36, said she wanted to wait until she saw the Libyan statement accepting blame, which the State Department is expected to describe to the families at a briefing in Washington scheduled for noon (1600 GMT) on Friday.

## 2 Afghan aid workers killed in ambush

REUTERS, Kabul

Two local aid workers belonging to the Afghan Red Crescent Society (ARCS) have been killed and three of their colleagues wounded in an ambush southwest of the Afghan capital, the society's secretary general said yesterday.

Qara Beg Izediyar told Reuters the incident occurred in Andar district of Ghazni province on Wednesday and guerrillas loyal to the former Taliban regime and renegade Islamic warlord Gulbuddin Hekmatyar were suspected of carrying out the attack.

He said five gunmen on two motorcycles stopped the Red Crescent vehicle and opened fire on its occupants who were returning from an aid distribution center.

"The attack was a deliberate one," Izediyar said. "The car was a white one, it had the marks of ARCS and Red Cross Federation. We will not be bogged down by the incident and will continue our activities," he added.

## US would have been safer if Gore were president: Albright

AFP, Washington

The United States would now be safer and more popular overseas had Al Gore instead of George W. Bush won the 2000 presidential election, former secretary of state Madeleine Albright said in remarks published Wednesday.

Albright, who served with the ex-vice president in former president Bill Clinton's administration, said the Bush administration had needlessly antagonized many US allies by going to war with Iraq despite heated opposition in Europe and the Muslim world.

By ignoring or trivializing their concerns, Albright said Bush had squandered the well-spring of international sympathy for and goodwill toward the United States that followed the September 11, 2001 terrorist attacks.

## Saudi Arabia vows to defeat 'terrorists'

REUTERS, Riyadh

Crown Prince Abdullah vowed that Saudi Arabia will triumph over "evil powers" and continue its crackdown on suspected militants, and warned citizens on Thursday not to sympathize with or support "terrorists."

His comments followed warnings by the United States and Britain on Wednesday of new terror threats in Saudi Arabia, a key regional US ally and the world's largest oil exporter.

"In the battle between powers of good and powers of evil, there is no room for neutrality or hesitancy...He who protects or sympathises with a terrorist is himself a terrorist and will receive his just punishment," the crown prince said in remarks carried by the official Saudi Press Agency on Thursday.

Facing accusations of failing to rein in militants, Saudi Arabia has cracked down on Islamists suspected of links to al-Qaeda after suicide bombings in Riyadh in May killed 35 people.

There have been several bloody clashes with militants in which at least 16 suspects and 11 Saudi

policemen were killed.

As the world's top oil supplier, Saudi Arabia is key to the world economy and the spate of bombings and violence has raised concerns over fuel supplies to the West.

Crown Prince Abdullah urged citizens to help security forces combat a "misguided, deviant group of terrorists."

"We will continue on our path, believing and trusting in God, confident of victory..." he told a gathering of security men, military forces and ordinary citizens.

On Wednesday, Washington issued a new travel warning for Saudi Arabia, saying it had credible information about threats against US and Western interests, including civil aviation.

Earlier in the day Britain said it had credible intelligence on security threats to British aviation interests in Saudi Arabia and British Airways suspended flights to the kingdom.

The warnings followed a gunbattle on Tuesday between Saudi police and Islamic militants -- the second major clash with sus-

pected militants in the capital Riyadh in three days and the fourth clash reported in the kingdom in less than a month.

A senior Saudi official in Washington said that 10 gunmen arrested after a shootout between militants and police on Sunday were a "major cell that were targeting a British target."

Saudi Arabia's Interior Minister Prince Nayef bin Abdul-Aziz said on Wednesday that authorities were "closing in fast" on terrorists and called on them to surrender.

At least 200 suspects, including non-Saudis, have been arrested since the attacks on housing compounds in Riyadh.

Western sources in Saudi Arabia say Riyadh is helping to tackle Saudi-based members and financiers of Saudi-born Osama bin Laden's al-Qaeda network, blamed for the September 11, 2001, attacks on US cities.

## Moroccan in dock as new Sept 11 trial opens

AFP, Hamburg

A Moroccan student went on trial in Germany on Thursday under tight security accused of being an accessory to murder in the deadly September 11 attacks on US cities.

The case against Abdelghani Mzoudi, 30, could reveal new insights into the al-Qaeda network, which claimed responsibility for the suicide jet attacks in 2001.

He faces up to 15 years in jail if convicted of the charges of accessory to the murder of more than 3,000 people -- based on the death tolls in New York, Washington and Pennsylvania -- and membership of a "terrorist organisation".

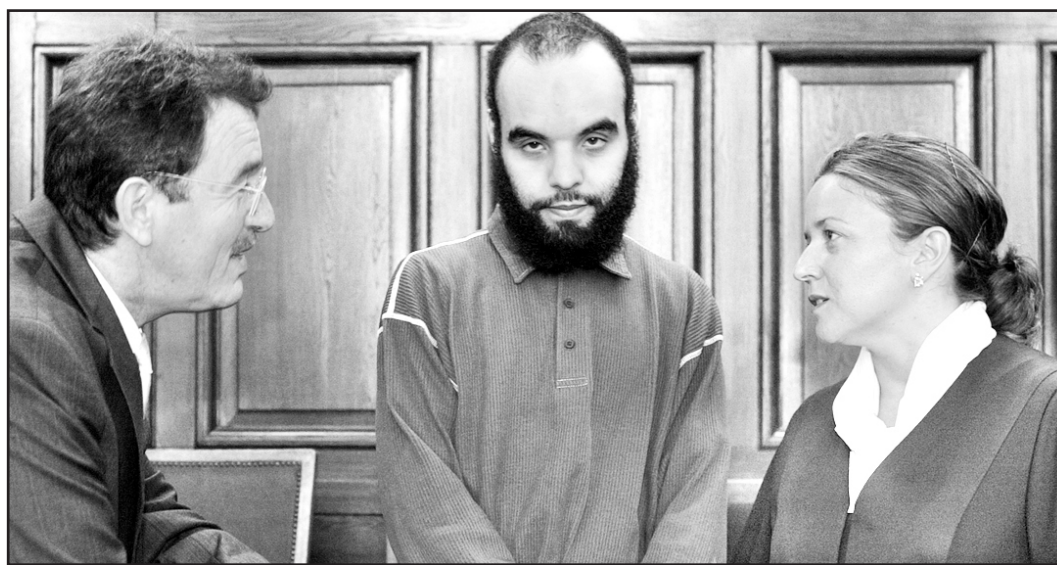


PHOTO: AFP

Moroccan Abdelghani Mzoudi (C) listens to his lawyers Guel Pinar (R) and Michael Rosenthal before his trial in a Hamburg court room yesterday. Mzoudi, a 30-year-old electrical engineering student, is charged with 3,066 counts of aiding and abetting murder and membership of a terrorist organisation, the Hamburg based al-Qaeda cell that led the attack on US cities.

## Beijing confirms 6-way N Korean nuke talks set for Aug 27-29

AFP, Beijing

The Chinese government Thursday confirmed that six-way talks on the North Korean nuclear crisis will be held in Beijing from August 27 to 29.

"After consultations it's decided by China, the DPRK (North Korea), the United States, the Republic of Korea, Russia and Japan that six-party talks will be held in Beijing on August 27," the foreign ministry said.

The talks are scheduled to last three days, it added.

"The convocation of the meeting represents an important step towards a peaceful solution to the Korean nuclear issue," said the ministry.

"As the host, China stands ready to make all the preparations and work with the other parties to promote the process of dialogue so as to ensure peace and stability of the Korean peninsula."

South Korea's foreign ministry announced the dates earlier Thursday amid a series of warm-up talks among diplomats from the six nations to take part in the Beijing meeting.

Chinese Foreign Minister Li Zhaoxing is in Seoul to meet South Korean President Roh Moo-Hyun while US officials huddled with colleagues from Japan and South Korea in Washington to refine tactics on North Korea.

## Judges deal fresh blows to Australia's asylum policy

AFP, Sydney

An Australian judge made an impassioned plea to the government Thursday to release an Iranian family he said were "in a serious state of mental ill health" after two years in immigration detention centers.

In a separate blow to government's tough immigration policies, the nation's High Court issued a ruling effectively declaring the indefinite detention of unwanted asylum candidates illegal.

In the first case, Justice Richard Chisholm said he did not have the jurisdiction to order the release of the family of Iranian asylum-seekers.

But he called on Immigration Minister Philip Ruddock to free the two parents and three children from their detention centers in South Australia on humanitarian grounds.

"I express the hope that he will give careful and compassionate consideration to the urgent needs of this unfortunate family," Chisholm said.

## US troops land at Liberian airport

AP, Monrovia

US military helicopters landed scores of American troops at Liberia's main airport yesterday, significantly bolstering American involvement in the warring country.

Nine helicopters flying in formation settled on the tarmac, as two more hovered overhead.

Scores of American troops jumped out, in flak vests and helmets and armed with rifles.

The United States on Tuesday had promised a 150-member "quick reaction" force for Liberia, in support of a steadily building West African-led force here.

Another 50 new arrivals are expected to help with the logistics of getting aid flowing again to Liberia's cut-off capital.

"This operation today is going to be an important one," said US Ambassador John Blaney, who traveled to the airport to greet the new arrivals. "You are going to see American boots on the ground, and a firm commitment to uphold

humanitarian concerns in this country."

The United States previously had only about a dozen American soldiers on the ground, serving as liaisons with the West African peace force.

The stepped-up deployment comes after Liberian President Charles Taylor, a former warrior blamed for 14 years of conflict here, resigned Monday and left the country as demanded by West African leaders, President Bush, and rebels laying siege to the nation's capital.

The United States, which oversaw Liberia's 19th century founding by freed American slaves, had been urged by the United Nations, European and African countries and Liberians themselves to take a major role in international intervention here.

"I am so happy. All these years we've been praying for America to come," said Randolph Eggle, a 51-year-old worker at the airport. "Today maybe peace will begin."

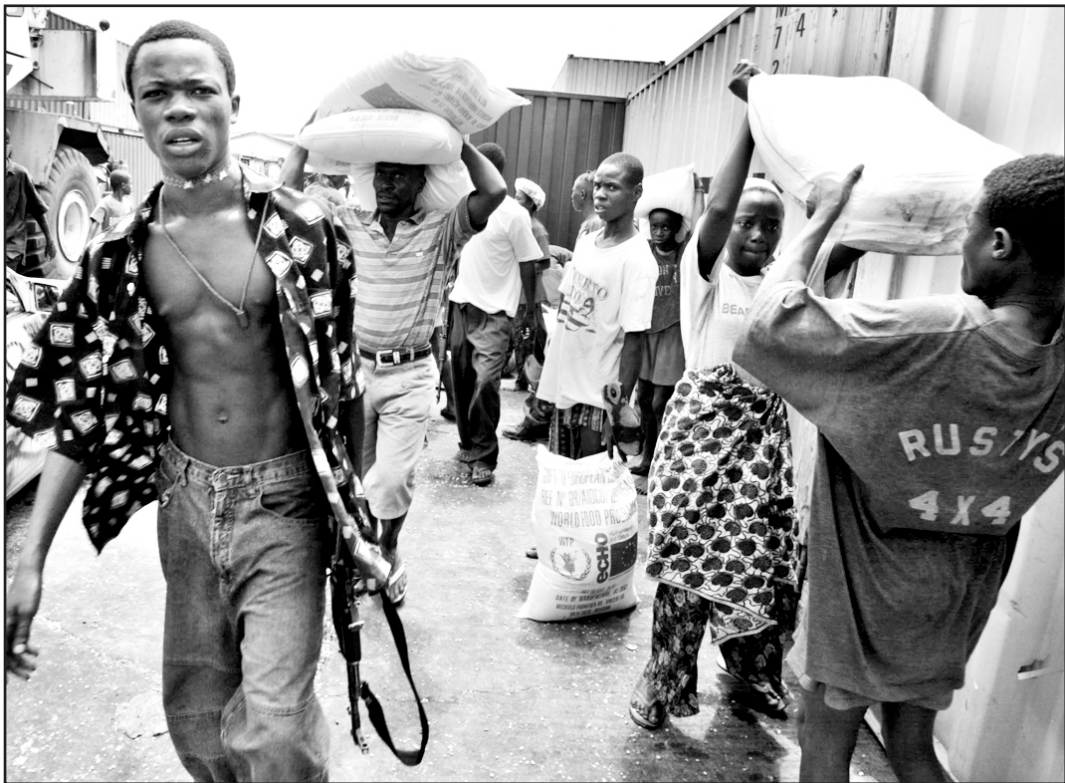


PHOTO: AFP

A LURD (Liberian United for Reconciliation and Democracy) soldier passes by civilians carrying bags of food they stole from containers on Wednesday in Monrovia port, Liberia. Thousands of Liberians looted food from Monrovia's port on Wednesday, a day before rebels were due to hand over control of the area to peacekeepers and aid workers eager to feed the starving and war-battered city.

## 3 killed as blast demolishes building in Spain

REUTERS, Madrid

Three people were killed and more than 20 injured when an explosion demolished a building in the southern Spanish city of Seville, authorities said on Thursday.

"The explosion, which took place at 3 a.m. (9 p.m. EDT Wednesday), was deliberately caused by one neighbor using gas and gasoline and it caused the collapse of a four-story housing block," a government spokesman in the region told Reuters by telephone.

A town council official confirmed media reports that the death toll had risen to three as emergency teams sought to recover the bodies of a married couple crushed under the rubble. Another man was also killed by the blast.