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MINING TRAGEDY

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Act now on euro, US tells Europe

- Geithner gives blunt warning
- Decisive action needed, EU told
- But leaders delay until October

By James Kirkup

EUROPEAN leaders are failing to deal with the "catastrophic" financial risks posed by the eurozone's debt crisis, the United States has warned.

Timothy Geithner, the US Treasury Secretary, travelled to Poland to deliver a blunt call for action to address the European debt crisis.

George Osborne also issued a new warning, telling eurozone leaders that time was running out to save the single currency. But European leaders ignored Mr Geithner's dressing-down by choosing to delay a decision on the Greek bail-out until October.

Market fears are growing that Greece will soon be made to default on its debts and be forced out of the eurozone, possibly destroying the currency union. Many investors are now unwilling to lend to European banks, risking a second credit crisis.

It was an unprecedented move for Mr Geithner to be

invited to a meeting of European Union finance ministers in Wrocław last Friday to discuss responses to the crisis. But the attempt to reach transatlantic agreement failed as Mr Geithner's outspoken warnings offended many European ministers and the two sides rejected each other's suggestions for action.

Mr Geithner said that divisions among European leaders over strategy were "very damaging". "Governments and central banks need to take out the catastrophic risk to markets," he said.

He later said that without decisive action, eurozone members could be left needing a bail-out from major economies such as the US, Japan and China. "You don't want the future of Europe to rest in the hands of those who provide financing to the International Monetary Fund," he said.

Speaking at *The Daily Telegraph* Festival of Business

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Tony Blair meets Col Gaddafi while Prime Minister - but ties continued after Mr Blair left office

Blair and the dictator: Secret links to Gaddafi

Colin Freeman in Tripoli and Robert Mendick in London

NEW questions over Tony Blair's ties to Col Muammar Gaddafi and his role in the release of the Lockerbie bomber emerged last week.

Previously unseen documents discovered in Tripoli by *The Sunday Telegraph* show Mr Blair held secret talks with Gaddafi in the months before Abdelbaset al-Megrahi was freed from a British jail.

The letters and emails show that Mr Blair was flown to Libya twice at Gaddafi's expense on one of the former dictator's jets.

Mr Blair visited the Libyan leader in June 2008 and April 2009, when Libya was threatening to cut all business links if Megrahi stayed in a British jail.

The disclosure of the meetings - of which Mr Blair makes no mention on his various websites - prompted calls by relatives of Lockerbie victims for Mr Blair to make public all his dealings with Gaddafi and his regime. Mr Blair even brought an American billionaire to one of the meetings. Sources say that the financier was asked by Gaddafi for help in building beach resorts on the Libyan coast.

In the correspondence, Mr Blair's private office refers to Gaddafi deferentially as "The Leader". Pam Dix, whose brother died in the bombing of Pan Am flight 103 over Lockerbie on Dec 21 1988, said last Saturday: "The idea of Gaddafi paying for Mr Blair's visit is deeply offensive."

"These new meetings between Mr Blair and Gaddafi are disturbing, and details of what was discussed should now be made public. I am astonished Tony Blair continued to have meetings like this out of office." Oliver Miles, a former British

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'I've half a mind not to give that rogue trader a bonus'

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