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Britain and the United States: Meeting the Challenges of a Rapidly Changing World

Less than two weeks ago I was chairing a cabinet meeting while Prime Minister Blair and President Bush were at the G-8 summit in Scotland. I received a chilling note at 9:10 a.m. that informed me of the terrorist outbreak in which 56 people were brutally murdered. I immediately ordered emergency plans to deal with the outrage. Again I switched on my television last Thursday to hear of further terrorist outrages in London. Another grim feeling of *deja vu* when I learned yet again that three underground stations and a bus were the targets as on 7/7.

Our emergency services excelled themselves and our people responded with stoicism and a determination that terrorism would not prevail. They know, as I do, that we never drop our resolve. As our history shows, London and Londoners survived the Blitz in World War II, as did many other cities in Britain. Our people were also resolute during the IRA terror campaigns in the 1970s, '80s and early '90s. We didn't give in then and we won't give in now.

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We recognize that to win this war the battle won't take place on buses and the tube trains. It will be in our communities and it will include all parts of the community, particularly our ethnic communities. I'd like to salute the mainstream Muslim leaders in Britain. Make no mistake, British Muslims are a target for terrorism too. Indeed, one of the first deaths in the 7/7 attacks was a Muslim woman. In the twisted ideology of the bombers, a Western Muslim is as much an infidel as an atheist. So we have to be sure that in these moments of crisis we are bound together. We have to be clear that we are *all* under attack and that we will not permit the violence of extremists to divide us. That is even more important because we now know that in London the bombers came from within our own community. The prime minister, within days, convened a meeting of the Muslim leaders to take the arguments back to the community to root out the extremist source, to confront not just them and their wicked methods, but also their perverted ideology. We need to respond not only to what the terrorists do but also to what they say and think. People have said that the war in Iraq is the cause of the bombs, but as the terrible tragedy in Egypt reminds us, it is not the truth. Things are more complex and more difficult than that.

To go from opposition to war to suicide jihad is not a link of logic. Indeed, it is a leap of faith. The overwhelming majority of law-abiding British Muslims share with me a repugnance of this contorted way of thinking, and I'm glad to say that the British Muslim leaders have been swift and unequivocal in their condemnation of the suicide bombers. They have aligned themselves with the British way of life in which they are a highly valued part. Many of them are first and second generation Britons. Indeed, one of the best attributes of the British society which the terrorists want to destroy is our tolerance and the excellent relations we enjoy between the different ethnic communities. I'm proud to say that in the immediate aftermath of the attack Londoners stood as one. The best compliment I can pay the British Muslim community is that they stood at that particular moment not principally as Muslims but as Londoners.

Terrorist attacks in Britain are an echo of the terrible atrocity of 9/11 here in the United States. I was with the prime minister watching TV when the first plane crashed into the twin towers. We thought it was an accident like many did, but when the second plane hit, the prime minister told me the world would never be the same again. How true that was. Your 9/11, our 7/7, and the atrocities in Madrid, Bali and now Egypt, a Muslim country where 80 people were killed from many nations, were formed by the same

hate that challenges our values, cities and communities. It's a global challenge causing death and destruction, fear and confusion, but it's certainly a war. As the headlines said in Britain, "Terrorists Declare War on Britain," for as we now know British terrorists murdered British citizens on the bus and in the underground. They killed people who

a crucial role in dealing with the root causes that have spawned such terror. Yes, this war will be fought in our cities, in our communities and also around the globe. It's fundamentally a war about ideas, fairness, justice and our values. As our prime minister said, "Terrorism will only be defeated by going after the ideas of the terrorists, taking them on and defeating them." Our global world spawned some of these perverted ideas. It is changing rapidly and we have to respond to create a fairer, a more equal, world.

live in a way that respects and enhances the freedom of others."

The true test of our devotion to freedom is only just beginning. Freedom is grounded in people's rights to reach their full potential, free from poverty, free from social injustice and free from want, for everyone in this world to have a decent home, a decent job and a decent quality of life. That after all is the American dream, which is shared by most people in this world. Too many people and nations across this world are weighted down by poverty, illiteracy and disease and by the burden of unpayable debts from the past. They are now in danger of being failed even in the U.N. Millennium Program of promises that were made but are not being delivered. We know that across the world 30,000 children will die unnecessarily today and again tomorrow. Each one is a previous hope. Our national and international duty is to ensure that each child has a chance to make the most of his potential. But tomorrow morning 110 million children will not go to school. We feel the need as strongly in developed countries about these issues as we do about climate change that affects us more immediately.

So let me discuss these three huge problems that globalization is posing us: climate change, Africa and poverty, and terrorism. I want to say what we as international politicians can do to manage change, but I also want to say that if all politics, is now global politics it doesn't mean to say that we are powerless.

We can, through our alliances, through our arguments, through our institutions and, yes, our cities, achieve our aims for economic prosperity, social justice and a more suitable future for all our people.

A world that is resentful at the disparity between the rich and the poor is a world in which disorder can flourish and does. It undermines peace and prosperity and freedom for everyone, as we saw even in the city riots some years ago in Los Angeles and Chicago or, indeed, in Liverpool and Birmingham. So we cannot define freedom purely in the terms of military security or political democracy, although these are crucial to our way of life. As Nelson Mandela said, "To be free is not merely to cast off one's chains, but to

were simply going to work. The stoic response to 9/11 in the United States was similar to the dignified, firm and unyielding reaction to 7/7 in Britain.

The security of our people is our first priority and we will do everything in our power to secure that. It inevitably means that we are reassessing some of our civil liberties. That is the price we have to pay, but we pay it with a heavy heart. We have seen remarkable fortitude in these great global cities of New York and London in response to these terrible terrorist attacks. It shows the strength of our cities, it shows how much cities contribute to our society. The resilience in cities like New York and London demonstrate their strength and vital contributions to our societies. They play

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-Tony Blair**

So all these are areas about which we are greatly concerned. They are the issues to be concerned about and really a global challenge that causes death and destruction, fear and confusion, but it is certainly a war and that is the matter that we have to take into account.



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Today I want to address myself to some of these points. In this new world order we must give poorer nations the opportunity to achieve sustainable economic prosperity and social justice, because they are indeed two sides of the same coin in the global economy. Our global economy has great opportunities for prosperity and wealth for all nations,

We must work to win economic prosperity and social justice for everyone. To achieve this, we simply cannot retreat into national isolation.

but realizing this potential does require fair aid, fair trade and a fair criteria for development. I want today to reflect on some of those great challenges of our era and how we in government in Britain are responding to them in close partnership with Europe and the United States.

Globalization has changed the political landscape in our lifetime. Open world markets are now combined with unprecedented speeds of communication and wealth creation. The world has got quicker. Global competition is fierce and getting more intense all the time. In 2002 world exports were 75 times greater than in 1953; China is already the sixth largest economy in the world and in less than 30 years India may be the third largest economy in the world. The prime minister of India has just become one of the few world leaders to address the Congress of the United States.

China, like India, is not just competing on the basis of low costs. It is already a 21st century player with very significant high-tech achievements.

China has joined the World Trade Organization and applied for the market economy status with the European Union. A lot has changed in the last 40 years. I have visited China every year since we've been in government, since 1997, and I have met many of its leaders. A few years ago I met Zhu Rongji, who became the premier of China, and he was telling me about how the economy is growing and asked me whether I was impressed with it and clearly I was. The scale of the growth and the development was phenomenal. He kept referring to the socialist market economy and I said, "What is the socialist market economy?" He told me a story concerning former prime minister, Ted Heath, who died a few days ago. Ted Heath visited China early on—one of the first prime ministers to do so—and he asked if perhaps the Chinese would give him a panda bear to take back to Britain, which it did. It caused great publicity and people loved the panda bear. He went back two years later and asked for another panda bear to mate with the first and the Chinese said, "Fine. We'll give you another one but it will cost you a million dollars." Heath was a bit confused about this and he said, "The first one was free, why is the second one a million dollars?" Rongji said, "Now it's the socialist market economy."

So, we shouldn't be surprised that China is seeking to operate in the global market in buying American companies or competing on manufactured goods or buying American oil companies—but perhaps I should move on quickly from that. It would be wrong to conclude from this that we should retreat and pull up the drawbridge behind us. Protectionism is a natural response to competition but it is mistaken. We need instead to trust our creativity and our faith in our entrepreneurial ability just as the United States has done for over 200 years.

According to the European Union Commission, Europe lags behind the

United States on ten of the 11 innovation performance indicators, including business investment, venture capital, and higher education. We know that our economies need to be high-skilled, high-tech, high-wage economies and so have much to gain from globalization. As we contemplate the further round of trade talks in Hong Kong in December we should be clear that trade and justice are natural allies. We must work to win economic prosperity and social justice for everyone. To achieve this, we simply cannot retreat into national isolation. We have to act together to meet global problems. So an increasing important factor in meeting the challenge of globalization is the growth of our global cities of which Los Angeles is an excellent example—a city of great diversity and creativity with its new internationally-minded mayor, and I look forward to meeting him this afternoon.

According to the United Nations, cities consume 75 percent of the world's natural resources and produce 75 percent of its waste. In 1950, 83 cities had a population of one million. By 2000, this had risen to 411 cities. Only nine of them are in the United States, 46 in the European Union, but 166 are in China. These new global cities are playing an even greater part in determining global priorities.

The recent role of the United States' Cities on Climate Change is an example of this. Clearly, the mayors of great American cities lead the way. Last week I met the mayors of Boston and Denver and they've joined with 190 other city leaders signing up to an initiative advancing the goals of Kyoto. It represents 36 million Americans taking action on energy-saving, urban sprawl and greenhouse gas emissions. Thirty-five of those 190 mayors come from the state of California. They include Los Angeles and nine other cities in Southern California who are showing that cities can do a great deal to tackle

the issue of climatic change. They're taking local responsibility for global problems. In June 60 mayors from around the world from cities like London, Shanghai, Moscow, and Rio de Janeiro met in San Francisco for the World Environment Day. They signed up for the United Nations Urban Environmental Accords which laid out 21 practical actions that cities can take on energy, waste, urban design, health, water and transport. They made quite a significant and radical statement about the mayors of global cities undertaking to write a new chapter in the history of global cooperation and committed to build an ecologically sustainable, economically dynamic, social and equitable future for our cities. At the same time, the Governor

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of California set new goals that by 2050 California would reduce overall emissions to 80 percent below that of 1990—almost the Kyoto target. The beauty of the American system, to my mind, is that local government action affects global politics even if the president has his own reservations. The policies are such that some state governments along with many big corporations, notably here in California, are changing the argument on climatic change, and I'm delighted about that.

The controversy over climatic change is a good example of how we won't always agree on everything. Global solutions require greater global consensus, but it doesn't always mean full agreement. I know that only too well, as one of the negotiators of the Kyoto global convention on climate change. I'm

proud that Britain has already achieved its Kyoto target on greenhouse gas emissions, six years ahead of time. I believe it's wrong to reject the overall scientific evidence embodied in the Kyoto agreement. Two years ago I told Vice President Cheney that, and now I welcome the fact that the G-8 Summit has opened up a new dialogue between the rich and the less developed countries to create a framework, indeed, a new formula to tackle climate changes at the global level. Kyoto will certainly not be enough. A new formula is required that all nations, developing and developed, can sign up to the debate, and the review has now begun. There is more common ground than there was. We need urgently to build on the accord of the recent G-8 Summit in order to take these next steps toward a lasting settlement for the planet. That can only happen if we face up to the need for action nationally, regionally, and, yes, in our cities.

All politics, we can say today, is global politics, whether cooperating on climate change or cooperating on terrorism prevention, as the Los Angeles Police Department and our authorities in London are doing at this moment.

I'm proud that the British government under Tony Blair and our Chancellor Gordon Brown played its part in ensuring that the agenda of the recent G-8 summit in Scotland, was dominated by the issues of Israel-Palestine, poverty in Africa and climatic change. The G-8 summit did not deliver Utopia. It was never going to, but it was a leap forward that could have seemed inconceivable a few years ago.

For many years now debt relief has seemed like a distant dream. This year we are delivering 100 percent relief to the poorest countries in the world, a \$55 billion write-off of multinational debt, \$40 billion immediately. A mixture of decisive leadership and international politics has enabled progress on the set of 50 of

those issues that come from Africa. I'm glad that our two nations, Britain and America, stood together, and I salute the work that America has done to push for lasting solutions in Africa. But the G-8 summit in Gleneagles will only be historic if it is a start of a process, not its high point.

I believe that an international political consensus now exists for action. We're not yet on the verge of a major breakthrough, but we are traveling in the right direction. Debt relief and aid are not ends in themselves. On the contrary, they are means to a higher goal, which is the empowerment of other nations. Only if we ensure that the rules of world trade are fair and just will we empower people to find prosperity so they can have dignity and independence and can still stand on their own feet. It is only if we empower people in their own right that we will embed the progress that we have made.

We need a new covenant for Africa founded not from the old colonialism, not on the post-colonial dependency, but on a partnership of equals, a partnership such as the Commission for African States, of solidarity, of mutual support

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founded in common humanity as well as good governance. It's a covenant for trade, justice, economic, social and political empowerment. A covenant is more than the old contract between donors and recipients, between the powerful and the powerless. It demands commitments not just for today and tomorrow, but for generations to come.

It's a covenant that, because it is driven by the duties of the rich and the empowerment of the poor, is rooted in shared interests and shared values. It is founded on the essential belief, in the words of the United Nations Declaration of Human Rights, that all human beings are born free and equal in dignity and rights.

Aid should no longer be seen as a form of charity compensating people for the failures of the richest countries in the past. It should be seen as an investment in building capacity so that countries can participate in the world economy and so that communities and individuals can be fully equipped for the future.

It is also a challenge in the rapidly changing European Union. The British government, under Tony Blair, currently holds the presidency of the European Union. The European Union is comprised of 25 countries with 450 million people and is growing. One of the key questions for our presidency is the future of Europe's agriculture subsidies, the CAP. Forty percent of our EU budget is spent on agriculture, which comprises only four percent of the European gross domestic product when the priority should be how to deal with science, skills and infrastructure and challenges of a modern world economy. The inevitable agriculture subsidy, as in the United States—it can't be right. Three billion people on this planet live on less than \$2 a day, while each European cow receives a subsidy of \$2.50 a day—that cannot be right. I won't ask about the American subsidy.

We cannot ignore the question of unjust subsidies; our presidency has already started the debates on reforming the CAP in Europe. We want to establish a new financial framework to modernize the European economy. This, of course, will require greater global consensus in

which America and Europe must play a crucial but possibly painful role. There are challenges ahead and there will be difficult and controversial decisions in Europe, which we face as the British presidency. The French especially feel this is something of an Anglo-Saxon attack by which they really mean, sneeringly, Anglo-American.

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The Anglo-American alliance in the past has served us well, especially as we commemorate 60 years of peace after the defeat of fascism. We remind ourselves that the European Union and our alliance with the United States and NATO has made conflict between its member-states unthinkable. It also shows the great virtue of the alliance between Europe and America. We stood shoulder-to-shoulder during world wars. Every dollar of Marshall aid after the war, and then a successful partnership in NATO, showed that a strong Europe and a strong America were mutually desirable. The European Union is, and remains, a great political achievement, and the recent process of enlargement of the Union to 25 members is helping to build a new future for those nations that were blighted by the Cold War.

A few weeks ago I met with the agents of a number of ex-Communist Eastern European countries, including Poland and Hungary, the Czech Republic, Slovakia, three Baltic states, and Slovenia. They are now members of the European Union. The expansion of the

European Union has brought together two different political and economic traditions, which were completely opposed for 50 years. Now we're in a new era where the East and the West are coming together as a new political order, a new commitment to do things differently. During our presidency we will be continuing the process on the access of Romania and Bulgaria in 2007 and opening up the discussions of the Turkish application to join the European Union. These nations believe in the Trans-Atlantic Alliance. They are our allies and they are yours. Artificial lines have been drawn across Europe, east and west. In the east, command and control—uniform policies creating uniform concrete cities. No democracy, resulting in misery for millions of its people, and in parts of the west, are widening gaps between the rich and the poor and the decades of boom-bust economies. So, it's not rivalry we need; it's partnership, a common will and a shared purpose in the face of a common threat from terrorism.

I began this afternoon with the challenges of global terrorism. It's a war and a threat. It's about peace and stability and the need to develop a fairer world. It's not about the traditional battle over territory—if only it were that simple. The purpose of terrorism is an ideological one. A battle in the heart and a battle in the mind. We have to confront this noxious perversion of Islam and expose it. The threat from global terror teaches us more starkly that what is also true in aid to Africa and climate change is that we need to work together. Global problems need global consensus and global solutions. Whatever divides us on the question of tactics is nothing compared to the strategic common interest of free nations. That is what this struggle against terrorist groups of states is about; it's not about territory, wealth or domination. Tony Blair has

made clear it's about the basic rights of humankind, black or white, Christian or not, left or right, or just mainly indifferent, to be free. Free to raise a family and live in hope, free to earn a living and to be rewarded by our own efforts, free not to bend your knee to any man in fear, free to be you as long as you do not impair the freedom of others. That's what we're fighting for; that is a battle worth fighting. You don't need me to instruct you on these values. They are very much enshrined in your own constitution. They are embedded in our heritage and we guarantee we will be at your side in that fight. We share the same values, the same principles, the same commitment to peace and freedom. We take enormous pride in our alliance, great affection in our common bond. We know together side by side we shall prevail.

Thank you.