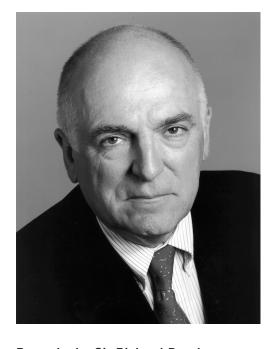
COUNTERING TODAY'S TERRORISM: SEARCHING FOR A MORE SUBTLE APPROACH



Remarks by Sir Richard Dearlove Introduction by Richard Aborn April 17, 2007

Citizens Crime Commission

OF NEW YORK CITY, INC.

THE MILSTEIN CRIMINAL JUSTICE POLICY FORUM



HOWARD P. MILSTEIN

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Howard and Edward Milstein are prominent New York bankers and real estate owners. They have a long record of working with the New York City criminal justice system to create and support innovative programs. They are also active in national crime prevention issues.

Introduction by Richard Aborn

s you know, our speaker is Sir Richard Dearlove, the former chief of MI6. The formal name, the Secret Intelligence Service, or as more commonly called, MI6, provides the British government with a global covert capability to promote and defend the national security and economic well-being of the United Kingdom. MI6 was founded at the turn of the 20th century, in 1909. It was the first time that Britain had formalized its intelligence capability. And it was formed, in part, because of the growing perceived threat, and actually real threat, of German military and naval expansion prior to the First World War. The bureau was subsequently divided into a home section, MI5, and a foreign section, MI6.

Sir Richard served as chief of MI6 from August of 1999 until retiring in July of 2004. During those years, and as I understand, it continues, MI6 priorities continued to expand, and now encompass counter-terrorism, counter-proliferation and international crime fighting. And, needless to say, Sir Richard had to take on the task of also focusing on Islamic terrorism.

His work at MI6 provides him with a unique vantage point to which to observe the global war on terrorist networks, as well as a build up to a war in Iraq and other related issues. Sir Richard began working at MI6 in 1966 following his graduation from Cambridge. His postings have included Nairobi, Prague, Paris, Geneva and Washington. Since 2004, since leaving MI6, Sir Richard has served as master of Pembroke College at Cambridge University.

As Master, Sir Richard plays an important role in the life and progress of Pembroke, the third oldest college in Cambridge. It was founded in 1347. It is my pleasure to welcome Sir Richard Dearlove.

Remarks by Sir Richard Dearlove

Richard, thank you for that extremely accurate introduction. You're clearly a lawyer who does his homework. The first thing I want to say is, as Deputy Vice Chancellor at Cambridge — because I'm also a Deputy Vice Chancellor of the university — I want to express my condolences for the deaths at Virginia Tech. I find that event particularly shocking. That it should take place, within a sanctuary of learning. One feels very strongly about such an issue.

I'm very conscious that there is a high degree of expertise in this audience. And I think maybe much of what I want to say will be known to many of you already. But I hope I present it from a slightly different perspective. And I think on these occasions, anyway, the questions very often get down to the meat of what we want to discuss. And I'm very happy to answer any questions that you want around this very complex and wide ranging subject. Our time is limited.

So I am going to present in shorthand some of the issues that I'll speak about. Obviously, here in New York City, the point at which we start, is 9/11. It is definitely a defining event.

It is on one of those lines in history, contemporary history, or even in the longer term. It'll be seen as a barrier of which there's a before and an after. And there's no question that it brought a large number of issues into very sharp focus.

They were defined on that day. And it caused the U.S. and other western governments to radically revise their foreign policy, and domestic security priorities. And, interestingly, I think it's true, if we travel backwards from 9/11, many of the elements that came together on that dreadful day were actually known about.

Particularly by the intelligence and security communities of what I will loosely refer to as the west. Though they were, at that stage, still, I think, poorly understood. And not seen really as a set of cohesive issues profoundly affecting overall national security policy. Yes, they were considered important. But they were not considered to have overwhelming importance. Similarly, if we travel forward from 9/11, the issue of confronting and fighting terrorism, which, to the international community, seemed such a logical and straightforward necessity in the immediate aftermath, has, I think, been obscured now and confused partly because of the consequences of the policy decisions engendered by our responses to 9/11.

But, also, of course, because of the complexities of the politics of the Middle East. In short, I believe that in fighting or countering terrorism, we have lost clarity of purpose and execution.

9/11 has also inspired a massive outpouring of academic, journalistic and political writing and speculation about the phenomenon of terrorism, and the terrorism inspired by fundamentalist Islam in particular and also, about the Middle East

and the nature of Islam. Time was, if you walked into a book shop, it was hard to find any books on terrorism or on Islam at all. Now they're prominently placed. And there are hundreds of them. And I hope this won't cause offense. Time was, if you were a Londoner, it seemed that Americans were not particularly stirred or interested by terrorism, per se, when it had an Irish label on it.

But times have changed indeed. And the aim of my talk today is, I hope, to cast some light on the issues of how our societies might best deal with the continuing terrorism from both a practical and commonsensical standpoint. And I think, also, to try to see through some of this excessive amount of often ill informed and over complex commentary that we find on the phenomenon.

My credentials for giving this talk you heard about, I was an operational intelligence officer for a large chunk of my career, before I became a senior manager. And, in that capacity, I was involved both in dealing with the Irish problem, but also, of course, with the appearance and development of what we now refer to, by the shorthand, of al Qaeda. I might just add I was the 13th Chief of SIS, as you said, founded in 1909. I'm the 53rd Master of Pembroke College Cambridge, founded in 1347. Both jobs have a certain amount of continuity and stability about them. All my predecessors as Chief died in their beds. One of my predecessors as Master of Pembroke, was actually burned at the stake. I leave you to decide which is the riskier position.

Now, some basic contextual points about the phenomenon that we refer to as al Qaeda. It is one of the extreme emanations of political Islam. And is part of a broader set of developments across the Middle East in which the Arab nationalist and socialist governments which characterized the 1950s and 60s, and longer than that in some countries, have had to come to terms with and adapt to Islamic revivalism, producing a wave of fundamentalist movements across the whole region. Perhaps the most influential of these has been the Muslim Brotherhood, founded by Hassan al-Banna in Egypt in 1928, which has spawned, by following the twin paths of political participation, and violent revolutionary jihad, both peaceful reformers and very violent terrorists.

Ayman al-Zawahiri, Bin Laden's influential and important deputy, is a direct product of this movement in Egypt. Now the reason I mention that is that, today, let me mention another incident that we've largely forgotten about. And that occurred on the 20th of November, 1979, the dawn of Islam's 15th century. A group of 300 terrorists, including many different Arab nationalities, took over the grand mosque in Mecca, condemning the house of Saud for its corruption and un-Islamic lifestyle. And as has been written by academics, the house of Saud was being judged by the very Islamic yardstick that it used to legitimize itself. At the time, these events were not much understood in the west. And not really given very much attention.

It's only perhaps today, when we are caught up inexorably in their follow on, that it's easier to see them in a broader social and political context, and understand their significance. Islam has a rich history of cleansing movements which have sought, often violently, to lead Muslims back to appreciation of an attachment to, allegedly, the prophet's original values, purging Islam

of alien influences. And today we are clearly in the throes of another such series of events, of which 9/11 was one, albeit of particular symbolic importance, both for the perpetrators and those attacked.

However, it is essential to realize how, with the benefit of hindsight, that al Qaeda, if we look at the circumstances surrounding its emergence, is not, or should not be regarded, in my view, as a particularly surprising phenomenon. However much its activities may shock us and threaten us. And it is the depth of its roots in the political and religious history of the Middle East that makes it, now, so formidably difficult to deal with.

So let us narrow the focus to al Qaeda itself. As modern terrorist movements go, and there are many of course, it is essentially religious and ideological in character. Most other terrorist movements I can think of are active to achieve very specific political, and usually territorial, objectives. Palestinians, Irish, Armenians, and so on. If al Qaeda had specific political objectives, and I think it may have done at its inception, the destruction of the house of Saud being one, and the removal of western forces from the Middle East being another. These, I believe, have now been completely superseded. Superseded by quasi-mystical objectives that are essentially religious in character. Such as the creation, which is guite impractical, of course, of a new caliphate.

Actually, this does make al Qaeda, in my view, qualitatively different from every other terrorist movement we have experience of dealing with. It doesn't really have political handles. And what I mean by that is even if you wanted to negotiate with al Qaeda, I'm not sure that at the moment,

would be possible. Another characteristic it acquires from its religious inspiration I think is a lack of restraint. And what I mean by that is that if you think of a movement like PIRA in comparison, the Provisional IRA, there are certain terrorist incidents and outrages that PIRA would never have even considered committing.

Now it is this lack of tangible political substance, and its primary espousal of religious values that makes al Qaeda such a formidable ideological influence as well. And gives to it the character of a movement rather than the rigidities, weaknesses and formal structures of an organization.

I think that's a very important distinction. Al Qaeda, in its early active stages, was much more organized than it is now. When it moved from Sudan to Afghanistan, given sanctuary by the Taliban, it was almost a mini-state within a state. Providing the Taliban with its best shock troops. It was located in well organized camps. It ran its own hotels which had signing in books. You may be surprised by that. It created documentation. It researched in laboratories. And, you know, it trained jihadis and terrorists.

At that stage, al Qaeda had a distinctive military aspect. And it was during this period that the attacks on the U.S. embassies in east Africa were elaborately planned. Similarly, the attack on the USS Cole.

And all of these events were highly organized conspiracies. Large amounts of time, significant numbers of people, were involved. The organization which planned and carried out those attacks was not really under much pressure from, as it were, opposing forces. And it does point to the fact that our intelligence coverage of al Qaeda

at that time, and our insights, were frankly not very good at all. In June 2001 — I don't know whether this is in George Tenet's book or not, but I'm going to tell you nonetheless, George Tenet and I had an intelligence summit on Bermuda.

We actually planted two trees in the governor's garden, because it's a tradition on Bermuda to plant trees for such meetings. I hope they're thriving. We spent the first two hours talking about something terrorist and big being planned. We didn't know when, we didn't know where.

Of course the rest is history. And I'm going to move on now. I mention that because I think people overlook the fact, now, following the report of the 9/11 commission, the depths of concern and the focus in the intelligence community during that summit, and the latter part of that summer. After the invasion of Afghanistan, and I think that was a brave and correct decision by the Bush administration, al Qaeda was at its most vulnerable. And, in the two to three years following the invasion, the U.S. led war on terror, and that's a phrase which I personally don't think adds to our understanding of the problem, but I use it nonetheless, the war on terror had significant success.

Much of al Qaeda's infrastructure was dismantled and its leadership detained. However, this success, though significant with great beneficial short term results, was not sufficient to excise the cancer.

It became evident that one of al Qaeda's most essential strategic qualities has been its ability to mutate in response to our success against it. I think this has something to do with its, what I would describe as its genetic make up. And, by that, I mean it is more of a movement than an organization.

And this mutation has almost happened spontaneously. And as Richard referred to in his introduction, al Qaeda, at that point, moved in the direction of becoming a sort of brand.

An inspiration in which local terrorist groups, as it were, joined the franchise. And there were a number of attacks which I think carry that character: In Morocco, in Indonesia, in Turkey, in Spain.

These were a spate of attacks probably only loosely linked with al Qaeda's leadership. And establishing a direct organizational link, as opposed to an inspirational link, has proved very difficult. And I've already mentioned the name of Zawahiri. But if, I think, that there was a degree of strategic involvement, it's much more likely to have come from Zawahiri as a strategist than from Bin Laden. Because I think that Bin Laden has, to an extent, almost been pushed to one side like a living icon and a symbol, rather than a direct planner or strategist. Which I feel sure is Zawahiri. However, this franchised and decentralized concept of al Qaeda has, I think now, in the view of the experts, probably run its course.

A possible reason is the success of security and intelligence organizations in disrupting local groups. But I also think it is perhaps the difficulty of having strategic impact globally if you, as it were, promote or push your program through using local organizations.

And what's interesting now, I think, is the July 2005 attacks in London, which we originally thought to be locally organized conspiracy without primary links to al Qaeda— are subject to reassessment. And some of you will know there have recently been arrests. I don't have the detail on that. But it does show compelling evidence of a direct connection back to al Qaeda in Pakistan. And, in fact, the experts now talk about al Qaeda reconstituting and reasserting its leadership. Some experts go as far as to say that al Qaeda is very much on the march again. Alive and well on the Pakistani Afghan border, particularly in Waziristan, largely beyond the effective reach of the Pakistani government. Witness the failure of the local tribal leaders to respect the recent agreement conducted with the Pakistani military to control foreigners in this sensitive area.

So I think we may be facing a situation where al Qaeda has almost gone full circle. And is back again in the northern part of Pakistan and southern Afghanistan. Not, of course, with the same infrastructure that it had before. But with a very effective, and protected, base area. This, to me, is a significant development, and I think a surprise. Because I had always thought that we would look into Saudi Arabia for al Qaeda's, let's say, ideological engine. But the Saudis have been surprisingly effective in suppressing the phenomenon. They haven't done much to solve the problem but the Saudi security service has been much more efficient and has reached further into the problem than any of us anticipated.

And I think that's also maybe one of the reasons why you now have this Pakistani focus. One of the consequences of this Pakistani focus is that it does put the U.K. in the front line in terms of the risk of a major terrorist attack, given the evidence of the links which exist between radical fundamentalist Muslim leaders in Pakistan and the youth susceptible to radicalization

in the U.K. The statistics on visits to Pakistan by young Pakistani males from the Pakistani community in the U.K. are quite staggering. And many of those visits exceed a month in length. And it is clear that we do have a major problem of radicalization. The numbers are not necessarily very great. But they don't have to be very great to cause a significant problem.

And the U.K. based plot dismantled by the arrests of August 2006 to blow up ten U.S. airliners simultaneously over the Atlantic using liquids explosives is, I think, symptomatic of these relationships. The serious security problem that the U.K. is now facing is very serious.

As I said earlier, the war on terror has had significant success. A number of major attacks have been prevented. And it has been, in my view, a real achievement to stop another major attack on the U.S. mainland. However, I would say that this has been a largely tactical success.

When it comes to striking at the causes of terrorism, the eventual removal of the risk itself, rather than its symptoms, we actually, in my view, have made little progress. The complexities of the problem we face probably accounts for this.

The fact that it is as much a Muslim on Muslim problem, a struggle for the soul of Islam, as it is a confrontation between Muslim values and western values. After all, it took the west many years to climb onto the moral and political high ground in the Cold War. Despite the fact that this was a much more straightforward and less nuanced confrontation of opposing ideologies and political systems.

But maybe it is still too early in this crisis for us to expect to have made strategic progress. Now, unquestionably 9/11 has had a massive impact on U.S. government in all its aspects. Judicial, legislative and executive. It has also profoundly influenced policy. That this should have happened is thoroughly understandable.

That it is as desirable in the way that it has happened, I think, is questionable. The war on terror was not a bad idea at its inception. I would in fact argue that it was probably a necessary response which met the implicit wishes of the vast majority of the American people. It was also, initially, successful. But where I part company with the policy is its failure to adapt in response to the threat. The policy has, in practice, lacked subtlety.

You do not carry out brain surgery with a blunt knife. We did start out attempting to amputate, in rather basic fashion, bits off from the main body. But we're now into something much more subtle, sophisticated, delicate.

Yet there is still too much emphasis on what I would describe as the use of blunt instruments. From time to time, they may be still required, they are not and they should not be at the core of our counter-terrorist efforts. Terrorism is no more or less than a desperate act of political communication, a resort to extreme violence when other political means of attracting attention to or consideration of the cause it supports, is not going to work. The terrorist aims to force himself upon our consciousness, to oblige us to take account of him.

Now if one accepts this premise, one of the basic principles of counter-terrorist policy should be, over time, to avoid amplification of the terrorist message. Much counter-terrorist policy in the U.S. I strongly support. But where the U.S. differs from the U.K. is that I fear the balance has tipped in the U.S. towards giving terrorism too much attention. And, thus, amplifying rather than minimizing the terrorist message. Now perhaps the complex checks and balances within the political system make this inevitable.

But the polarization of the U.S. political scene has created a situation where counterterrorist actions and policies have become intensely partisan issues. And you could say that Bin Laden has succeeded in inserting the al Qaeda virus into America's political bloodstream.

The U.K. has been more successful, despite the currently greater al Qaeda internal threat, at not allowing itself to be affected to the same degree. Or I should say infected to the same degree. Perhaps years of bipartisan solidarity on countering Irish terrorism has made it easier. Maintaining a sense of proportion about terrorism, and by that I mean not investing the terrorist threat with excessive importance, is difficult. But it is very important even following an event like 9/11. We have yet to cross a threshold where that sense of proportion should or could be justifiably abandoned. And what I mean by that is we haven't yet faced an incident where it would be, as it were, logical to abandon a sense of proportion.

And I'm thinking in terms of a CBRN incident. Which I think would change our perceptions. One of the most undesirable longer term effects of 9/11 has been the distortions it has created governmentally. In the legislative process, in the use of

executive power. In the influence of the 9/11 Commission, and Rob Silverman on the reorganization of the U.S. intelligence community. Time is limited this evening. So I will restrict my comments to the one area which I do know something about, which is the reorganization of the U.S. intelligence and security community. The something-must-be-done; reaction in Congress, and in the Senate, which followed 9/11 and Iraq, has, in my view, achieved poor results. And I hope I'm not causing offense but I thought if I was going to give a lecture to this group, I should state my views clearly.

Judge Richard Posner has written excellently and sensibly about this in his book Uncertain Shield. But at the very moment when the U.S. requires a strengthened and more highly focused and secured community, it has achieved no more than compounded an already over-complex bureaucracy. The departmental leviathan which is homeland security still, in my view, lacks its essential new element. Which is a proper domestic security service. And the position of DNI has been created with two fundamental flaws: No overall control of intelligence budgets, and, two, overriding but conflicting responsibilities. One being management and coordination of the whole intelligence community without the control of the budget. And at the same time ultimate responsibility for giving analytical advice to the president. To do both jobs effectively for the world's remaining superpower is certainly, in my view, beyond the competence of a single individual, however well served and staffed he might be.

Which brings me, finally, to the nature of the current terrorist threat, and our

response to it. I see little evidence that Islamic extremism and militancy is in decline. Read today's article on page 61 of the current *Economist* which touches on many of the things that I have been talking about.

Potential recruits to Islamic fundamentalist terrorist movements are not in short supply. And there appears to be no significant change in the base conditions in the Middle East. And in the Muslim diaspora beyond the Middle East, especially Europe, where the preconditions exist that dispose mainly young males between the ages of 18 and 32 to become terrorists. The threat, therefore, remains serious and unlikely to decline.

And despite our success in disrupting it, I am sure that al Qaeda is still pressing hard to attack its main targets. And a successful attack on the U.S. mainland, or against the U.S. infrastructure elsewhere, must remain its primary objective. What I believe is also worrying is the likelihood that eventually terrorists will tire of using conventional blast technology and attempt to use unconventional weapons against us.

This could be chemical, biological, radiological or nuclear. For the moment, I believe, this risk is still low probability with a possible exception of a contamination device. That is the use of a radiological dispersal device in an urban area. Not necessarily designed to kill great numbers, but quite literally to terrorize and to disrupt life for possibly thousands by causing the evacuation of a significant part of a western major city.

Now the longer our successes against the al Qaeda phenomenon is merely tactical, and we make little strategic progress against the problem as a whole, the greater the risk of more catastrophic terrorist attacks become.

If the threat and the success of terrorists remain more or less on the same level as they are now, we can probably continue to manage the problem without it escaping our ability to retain the sense of proportion that I spoke about in dealing with it. However, we cannot be complacent of the threat on account of the possibility that it could mutate through the abuse of the technologies to which I have referred. Which presents us with far, far more serious considerations. The means that we now use to counter this problem, and in the longer term, are of huge importance. And, as I have hinted in this talk, well actually I haven't hinted, I've said it rather bluntly, I think that the U.S. has placed itself, albeit inadvertently, at a disadvantage.

Effective and sustained counter-terrorist policy requires a subtle balance of different means and instruments of which the most important is probably intelligence capability. And the least relevant, large scale military capability. Time is short to get this balance right. And it is certainly not so at the moment. And time is short, generally, for moderate Islam and us, the allies of moderate Islam to get to grips with the fundamental causes of the problem rather than exhausting our precious resources by being bound to chase after every tactical threat that we learn about. Thank you very much.

Questions & Answers Sir Richard Dearlove

RICHARD ABORN: Well, that was certainly a sobering, somber, and provocative conversation, and I greatly appreciate it. As is our custom, Sir Richard has agreed to take some questions from all of us. So, I will look to the first volunteer. They're always very shy at first.

Q. Some of us had the privilege of having dinner some time ago with Bernard Lewis, and he suggested to our group that what we were dealing with was another crusade that has nothing to do with Israel or oil. And we talked about that today. What do you think is a solution to this problem if in fact that is what we're dealing with?

A. I don't know if I really agree. What we're dealing with is a crisis — within Islam between Muslims, and if you accept that premise rather than the Lewis premise of a clash between Christianity and Islam, I think a certain logic would stem from this analysis. I mean I do spend quite a lot of time in the Middle East, and my contacts with Middle Eastern leaders and influence makers inclines me to think that their position on this issue is hardly different from mine or yours, and that they are just as worried and as threatened by it. And the difficulty I think for moderate Islam is intimidation, and the difficulty of speaking out and taking a strong position.

But I think that the longer term solutions lie in empowering our moderate Muslim allies without compromising them in the eyes of fellow Muslims. Now that is not straightforward. It's a complex and difficult

task. But I have encountered two small, but I think significant initiatives recently which I think may show the way forward.

I was recently in Singapore where they have a very— in typical Singaporean fashion—a very highly developed program for rehabilitating or reconverting radical youth who had been led astray into extremism. And they take it very seriously indeed.

Interestingly, last time I was there the head of the Saudi program doing the same thing was visiting Singapore to compare notes. And I understand that the Saudi program is beginning to show some positive results and influence.

This has been practiced also for a considerable amount of time in Egypt, and in Algeria as well. These may only be very small green shoots. But I think it does give you an indication of having a strategic approach to the problem rather than a tactical approach.

You know, the implementation of the strategy is not for intelligence and the security organizations. It's for governments. We're talking about large scale movements. But I don't agree with Bernard Lewis's rather messy and depressing idea of a major confrontation.

I much prefer the theories of Olivier Roy, the French intellectual who writes about Islam. And he characterizes the problem as Islam having come to terms with secular government. That's a great simplification of his thesis. And in a religion where there is no separation between church and state, what is the fate of that religion as a matter of private conscience only.

And I think that we're seeing this crisis. And we are dragged into this crisis. And it will take some time to resolve. And it may be that the Muslim diasporas in Europe which are having to find their place within secular states and live successfully within those states. There may be found seeds of an important solution.

Q. A lot of people began to point the finger at the firewall that had been directed to the United States between law enforcement operations on the one hand and intelligence operations on the other. They pointed to specific incidents in which law enforcement was in session and information which might have prevented the al Qaeda attacks who were unable to share this intelligence and vice versa.

Now we see the pendulum heading back in the other direction as some journalists are concerned about letters that had been issued to retrieve telephone data about Americans ostensibly for the purpose of fighting terrorism when in fact it was for other purposes. Do you have the sense that America has struck the right balance in raising or lowering the firewalls or where we should go?

A. Well, I think as I indicated, I don't think it has yet come up with the right solution. And I'm, you know surprised by some of the things that have happened. I don't want to go into technicalities. But let me just make a general point about the U.S. security structures. It is intended as compliment.

I think for someone brought up in European security traditions, this is a really important point. The United States' great achievement domestically is to create Americans, which it does very successfully. It creates, in a way that no other country is able to do.

It has never, except for one or two odd-ball incidents like Sacco and Venzetti, never had a tradition of spying on its immigrant communities. And this is a remarkable achievement. I think one of the worst aspects of 9/11 is that it threatens that concept of American identity. In Europe, let us take France for example. France has a furiously efficient security service, the DST. And it also has another rather bizarre police service called the Renseignement General. And the degree of intelligence, within a democracy collected on their own citizens, is significant. It's a tradition that goes way back in time.

And frankly, 9/11 could never have happened in France because a conspiracy of that nature, would have been detected by either the R.G. or by the DST. And similarly, even in the U.K., although we've now had to revise our ideas about the scope and breadth of what needs to be done.

And I think that there is a completely different tradition and mental attitude. The U.S. should be very pleased in many respects that it doesn't have it. It doesn't have it for obvious reasons. But then the question is if you have this dreadful terrorist problem, how do you create an infrastructure to deal with it domestically?

Actually, I don't think that the domestic threat within the U.S. is very great. It's much more likely to be an imported virus here than it is, let's say, in the U.K. I'm not saying it doesn't exist, but I mean I've dealt with your question sort of tangentially, but I think you can see what I'm driving at.

Q. I have to disagree with you in your appraisal of France. And I wouldn't say this on the street because the media being what it is today, it could be very troublesome. We Americans, in a way, need to be thankful that our illegal immigrant question has to do primarily with people who are coming here to seek jobs. And we have to deal with that issue, but they're primarily coming here to seek jobs and integrate into the country. They are not doing that in France. The reason they don't attack France is because they can get what they desire without attacking France.

The question I'd like to ask you is how is it a good outcome when we allow a group of Imams to go on an airline and then create a false case to entrap Americans?

How is it a good outcome when at will the government of Iran can kidnap anyone and we consider the freeing of these captives without any punishment for the government of Iran to be a positive outcome? How is it a positive outcome when in Britain your educators will not teach the Holocaust to their students for fear of angering Muslims who have been taught Holocaust denial in the home? We can go across Europe, and across America, across anywhere we want, unless you have one degree of civility, we're not winning this, we're losing this.

A. Well, effectively, I don't really disagree with what you're saying. And I mean all I'm saying about France is that it has a very efficient security service. And you know, whatever else you say about it, that is true.

And it's very, very active internally within France. But I don't argue with the

points you make at all about, as it were, the consequences of, let's say, intimidation, in the way that people may behave. You know, let's not get into discussion of the Iranian issue. I'm sure a lot of people would love to punish Iran, and it is being punished by the international community. It's not just being punished in terms of the specific incident. But I haven't answered that very well.

Q. A quick question about the finances of al Qaeda. What's your point about how it's being financed?

A. I don't think it's being financed by foreign governments. Al Qaeda doesn't need much money. And, you know, this isn't an organization with a massive infrastructure. Initially, there's no question that some of the money came from the production of opium in Afghanistan.

I think the Taliban originally had sources of money in the Gulf, some of which may have links back to influential families. But I think the main source of funding, to the extent that al Qaeda needs large sums of money, has been through Wahhabi charitable organizations in Saudi Arabia, and similar organizations in other Muslim countries. And there hasn't been, hitherto, significant control by governments like Saudi Arabia on the and distribution of these funds. But that is changing. I don't see the starvation of cash to al Qaeda as being a way to solve the problem because it will always have a sufficient trickle of funds still to be extremely lethal.

Q. My question is to the issue that poverty is considered to be a breeding ground for terrorism. If you look at those involved in the terrorist plots in the United Kingdom, they were solidly middle class, second generation British citizens. And I'm wondering, in terms of the war of ideas whether in fact the United States' greatest ally, Britain, has ceded its ideas of sovereignty to embracing a multiculturalism which actually encourages this type of terrorism because we don't do a very good job of saying why our ideas are better than their ideas.

A. They're certainly concerned about that in the U.K., and about the way that the government has not asserted national identity. But I think the link between poverty, deprivation, and terrorism is a tenuous one. Obviously it's easier perhaps to find foot soldiers in deprived communities.

But in essence, I think the problem is much more about cultural identity and the difficulties of second and third generation immigrants. The characteristic shape, in the U.K. and Europe, is that the parents arrive and want very little to do with where they came from. They want to be seen to be as local as possible. But at the same they never actually lose touch with the original home country.

And in the second and the third generation, they have adopted the identity of the new country in terms of language and day-to-day cultural influence. But they're still not part of it, particularly when there's a failure to be absorbed in a thorough way into their new society.

And at that point to, as it were, re-identify yourself, one of the ways to do it is to go back to your parents former origins and, re-emphasize your identity by excessive religiosity. And this is certainly one of the phenomena I think which explains what's happened both in France and in the U.K. because of the failure of both countries policies. I think you will find it has certainly been the theme in the French elections. It's certainly been a theme with Gordon Brown, that there is going to be a much more aggressive and confident set of policies about asserting British, French identity, to attempt to counter this failure, really, to absorb the immigrant particularly after two or more generations.

And, of course, the program in the U.K. to confront the problem of radicalization, is not a security and intelligence program. That's just finding out about the problem. It's about education, it's about local government, it's about integration, it's about the composition of our societies.

And one shouldn't neglect the fact that in certain areas there's a lot of success in these fields. So, one is certainly not without hope. The problem is you only have to have a handful of failures and a handful of perpetrators of terrorist events for the situation to look very different indeed.

