Overnight, the news came through that as well as continuing conflict in the Lebanon, Britain's Armed Forces suffered losses in Iraq and Afghanistan. It brings home yet again the extraordinary courage and commitment of our armed forces who risk their lives and in some cases tragically lose them, defending our country's security and that of the wider world. These are people of whom we should be very proud.

I know the US has suffered heavy losses too in Iraq and in Afghanistan. We should never forget how much we owe these people, how great their bravery, and their sacrifice.

I planned the basis of this speech several weeks ago. The crisis in the Lebanon has not changed its thesis. It has brought it into sharp relief.

The purpose of the provocation that began the conflict was clear. It was to create chaos, division and bloodshed, to provoke retaliation by Israel that would lead to Arab and Muslim opinion being inflamed, not against those who started the aggression but against those who responded to it.

It is still possible even now to come out of this crisis with a better long-term prospect for the cause of moderation in the Middle East succeeding. But it would be absurd not to face up to the immediate damage to that cause which has been done.

We will continue to do all we can to halt the hostilities. But once that has happened, we must commit ourselves to a complete renaissance of our strategy
to defeat those that threaten us. There is an arc of extremism now stretching across the Middle East and touching, with increasing definition, countries far outside that region. To defeat it will need an alliance of moderation, that paints a different future in which Muslim, Jew and Christian; Arab and Western; wealthy and developing nations can make progress in peace and harmony with each other. My argument to you today is this: we will not win the battle against this global extremism unless we win it at the level of values as much as force, unless we show we are even-handed, fair and just in our application of those values to the world.

The point is this. This is war, but of a completely unconventional kind.

9/11 in the US, 7/7 in the UK, 11/3 in Madrid, the countless terrorist attacks in countries as disparate as Indonesia or Algeria, what is now happening in Afghanistan and in Indonesia, the continuing conflict in Lebanon and Palestine, it is all part of the same thing. What are the values that govern the future of the world? Are they those of tolerance, freedom, respect for difference and diversity or those of reaction, division and hatred? My point is that this war can't be won in a conventional way. It can only be won by showing that our values are stronger, better and more just, more fair than the alternative. Doing this, however, requires us to change dramatically the focus of our policy.

Unless we re-appraise our strategy, unless we revitalise the broader global agenda on poverty, climate change, trade, and in respect of the Middle East, bend every sinew of our will to making peace between Israel and Palestine, we will not win. And this is a battle we must win.

What is happening today out in the Middle East, in Afghanistan and beyond is an elemental struggle about the values that will shape our future.

It is in part a struggle between what I will call Reactionary Islam and Moderate, Mainstream Islam. But its implications go far wider. We are fighting a war, but not
just against terrorism but about how the world should govern itself in the early 21st century, about global values.

The root causes of the current crisis are supremely indicative of this. Ever since September 11th, the US has embarked on a policy of intervention in order to protect its and our future security. Hence Afghanistan. Hence Iraq. Hence the broader Middle East initiative in support of moves towards democracy in the Arab world.

The point about these interventions, however, military and otherwise, is that they were not just about changing regimes but changing the values systems governing the nations concerned. The banner was not actually "regime change" it was "values change".

What we have done therefore in intervening in this way, is far more momentous than possibly we appreciated at the time.

Of course the fanatics, attached to a completely wrong and reactionary view of Islam, had been engaging in terrorism for years before September 11th. In Chechnya, in India and Pakistan, in Algeria, in many other Muslim countries, atrocities were occurring. But we did not feel the impact directly. So we were not bending our eye or our will to it as we should have. We had barely heard of the Taleban. We rather inclined to the view that where there was terrorism, perhaps it was partly the fault of the governments of the countries concerned.

We were in error. In fact, these acts of terrorism were not isolated incidents. They were part of a growing movement. A movement that believed Muslims had departed from their proper faith, were being taken over by Western culture, were being governed treacherously by Muslims complicit in this take-over, whereas the true way to recover not just the true faith, but Muslim confidence and self esteem, was to take on the West and all its works.
Sometimes political strategy comes deliberatively, sometimes by instinct. For this movement, it was probably by instinct. It has an ideology, a world-view, it has deep convictions and the determination of the fanatic. It resembles in many ways early revolutionary Communism. It doesn't always need structures and command centres or even explicit communication. It knows what it thinks.

Its strategy in the late 1990s became clear. If they were merely fighting with Islam, they ran the risk that fellow Muslims - being as decent and fair-minded as anyone else - would choose to reject their fanaticism. A battle about Islam was just Muslim versus Muslim. They realised they had to create a completely different battle in Muslim minds: Muslim versus Western.

This is what September 11th did. Still now, I am amazed at how many people will say, in effect, there is increased terrorism today because we invaded Afghanistan and Iraq. They seem to forget entirely that September 11th predated either. The West didn't attack this movement. We were attacked. Until then we had largely ignored it.

The reason I say our response was even more momentous than it seemed at the time, is this. We could have chosen security as the battleground. But we didn't. We chose values. We said we didn't want another Taleban or a different Saddam. Rightly, in my view, we realised that you can't defeat a fanatical ideology just by imprisoning or killing its leaders; you have to defeat its ideas.

There is a host of analysis written about mistakes made in Iraq or Afghanistan, much of it with hindsight but some of it with justification. But it all misses one vital point. The moment we decided not to change regime but to change the value system, we made both Iraq and Afghanistan into existential battles for Reactionary Islam. We posed a threat not to their activities simply: but to their values, to the roots of their existence.
We committed ourselves to supporting Moderate, Mainstream Islam. In almost pristine form, the battles in Iraq or Afghanistan became battles between the majority of Muslims in either country who wanted democracy and the minority who realise that this rings the death-knell of their ideology.

What is more, in doing this, we widened the definition of Reactionary Islam. It is not just Al-Qaeda who felt threatened by the prospect of two brutal dictatorships - one secular, one religious - becoming tolerant democracies. Any other country who could see that change in those countries might result in change in theirs, immediately also felt under threat. Syria and Iran, for example. No matter that previously, in what was effectively another political age, many of those under threat hated each other. Suddenly new alliances became formed under the impulsion of the common threat.

So in Iraq, Syria allowed Al-Qaeda operatives to cross the border. Iran has supported extremist Shia there. The purpose of the terrorism in Iraq is absolutely simple: carnage, causing sectarian hatred, leading to civil war.

However, there was one cause which, the world over, unites Islam, one issue that even the most westernised Muslims find unjust and, perhaps worse, humiliating: Palestine. Here a moderate leadership was squeezed between its own inability to control the radical elements and the political stagnation of the peace process. When Prime Minister Sharon took the brave step of disengagement from Gaza, it could have been and should have been the opportunity to re-start the process. But the squeeze was too great and as ever because these processes never stay still, instead of moving forward, it fell back. Hamas won the election. Even then, had moderate elements in Hamas been able to show progress, the situation might have been saved. But they couldn't.

So the opportunity passed to Reactionary Islam and they seized it: first in Gaza, then in Lebanon. They knew what would happen. Their terrorism would provoke massive retaliation by Israel. Within days, the world would forget the original
provocation and be shocked by the retaliation. They want to trap the Moderates between support for America and an Arab street furious at what they see nightly on their television. This is what has happened.

For them, what is vital is that the struggle is defined in their terms: Islam versus the West; that instead of Muslims seeing this as about democracy versus dictatorship, they see only the bombs and the brutality of war, and sent from Israel.

In this way, they hope that the arc of extremism that now stretches across the region, will sweep away the fledgling but faltering steps Modern Islam wants to take into the future.

To turn all of this around requires us first to perceive the nature of the struggle we are fighting and secondly to have a realistic strategy to win it. At present we are challenged on both fronts.

As to the first, it is almost incredible to me that so much of Western opinion appears to buy the idea that the emergence of this global terrorism is somehow our fault. For a start, it is indeed global. No-one who ever half bothers to look at the spread and range of activity related to this terrorism can fail to see its presence in virtually every major nation in the world. It is directed at the United States and its allies, of course. But it is also directed at nations who could not conceivably be said to be allies of the West. It is also rubbish to suggest that it is the product of poverty. It is true it will use the cause of poverty. But its fanatics are hardly the champions of economic development. It is based on religious extremism. That is the fact. And not any religious extremism; but a specifically Muslim version.

What it is doing in Iraq and Afghanistan is not about those countries' liberation from US occupation. It is actually the only reason for the continuing presence of
our troops. And it is they not us who are doing the slaughter of the innocent and doing it deliberately.

Its purpose is explicitly to prevent those countries becoming democracies and not "Western style" democracies, any sort of democracy. It is to prevent Palestine living side by side with Israel; not to fight for the coming into being of a Palestinian State, but for the going out of being, of an Israeli State. It is not wanting Muslim countries to modernise but to retreat into governance by a semi-feudal religious oligarchy.

Yet despite all of this, which I consider virtually obvious, we look at the bloodshed in Iraq and say that's a reason for leaving; we listen to the propaganda that tells us its all because of our suppression of Muslims and have parts of our opinion seriously believing that if we only got out of Iraq and Afghanistan, it would all stop.

And most contemporaneously, and in some ways most perniciously, a very large and, I fear, growing part of our opinion looks at Israel, and thinks we pay too great a price for supporting it and sympathises with Muslim opinion that condemns it. Absent from so much of the coverage, is any understanding of the Israeli predicament.

I, and any halfway sentient human being, regards the loss of civilian life in Lebanon as unacceptable, grieves for that nation, is sickened by its plight and wants the war to stop now. But just for a moment, put yourself in Israel's place. It has a crisis in Gaza, sparked by the kidnap of a soldier by Hamas. Suddenly, without warning, Hizbollah who have been continuing to operate in Southern Lebanon for two years in defiance of UN Resolution 1559, cross the UN blue line, kill eight Israeli soldiers and kidnap two more. They then fire rockets indiscriminately at the civilian population in Northern Israel.
Hizbollah gets their weapons from Iran. Iran are now also financing militant elements in Hamas. Iran's President has called for Israel to be "wiped off the map". And he's trying to acquire a nuclear weapon. Just to complete the picture, Israel's main neighbour along its eastern flank is Syria who support Hizbollah and house the hardline leaders of Hamas.

It's not exactly a situation conducive to a feeling of security is it?

But the central point is this. In the end, even the issue of Israel is just part of the same, wider struggle for the soul of the region. If we recognised this struggle for what it truly is, we would be at least along the first steps of the path to winning it. But a vast part of the Western opinion is not remotely near this yet.

Whatever the outward manifestation at any one time - in Lebanon, in Gaza, in Iraq and add to that in Afghanistan, in Kashmir, in a host of other nations including now some in Africa - it is a global fight about global values; it is about modernisation, within Islam and outside of it; it is about whether our value system can be shown to be sufficiently robust, true, principled and appealing that it beats theirs. Islamist extremism's whole strategy is based on a presumed sense of grievance that can motivate people to divide against each other. Our answer has to be a set of values strong enough to unite people with each other.

This is not just about security or military tactics. It is about hearts and minds about inspiring people, persuading them, showing them what our values at their best stand for.

Just to state it in these terms, is to underline how much we have to do. Convincing our own opinion of the nature of the battle is hard enough. But we then have to empower Moderate, Mainstream Islam to defeat Reactionary Islam. And because so much focus is now, world-wide on this issue, it is becoming itself a kind of surrogate for all the other issues the rest of the world has with the West. In other words, fail on this and across the range, everything gets harder.
Why are we not yet succeeding? Because we are not being bold enough, consistent enough, thorough enough, in fighting for the values we believe in.

We start this battle with some self-evident challenges. Iraq's political process has worked in an extraordinary way. But the continued sectarian bloodshed is appalling: and threatens its progress deeply. In Afghanistan, the Taleban are making a determined effort to return and using the drugs trade a front. Years of anti-Israeli and therefore anti-American teaching and propaganda has left the Arab street often wildly divorced from the practical politics of their governments. Iran and, to a lesser extent, Syria are a constant source of de-stabilisation and reaction. The purpose of terrorism - whether in Iran, Afghanistan, Lebanon or Palestine is never just the terrorist act itself. It is to use the act to trigger a chain reaction, to expunge any willingness to negotiate or compromise. Unfortunately it frequently works, as we know from our own experience in Northern Ireland, though thankfully the huge progress made in the last decade there, shows that it can also be overcome.

So, short-term, we can't say we are winning. But, there are many reasons for long-term optimism. Across the Middle East, there is a process of modernisation as well as reaction. It is unnoticed but it is there: in the UAE; in Bahrain; in Kuwait; in Qatar. In Egypt, there is debate about the speed of change but not about its direction. In Libya and Algeria, there is both greater stability and a gradual but significant opening up.

Most of all, there is one incontrovertible truth that should give us hope. In Iraq, in Afghanistan, and of course in the Lebanon, any time that people are permitted a chance to embrace democracy, they do so. The lie - that democracy, the rule of law, human rights are Western concepts, alien to Islam - has been exposed. In countries as disparate as Turkey and Indonesia, there is an emerging strength in Moderate Islam that should greatly encourage us.
So the struggle is finely poised. The question is: how do we empower the moderates to defeat the extremists?

First, naturally, we should support, nurture, build strong alliances with all those in the Middle East who are on the modernising path.

Secondly, we need, as President Bush said on Friday, to re-energise the MEPP between Israel and Palestine; and we need to do it in a dramatic and profound manner.

I want to explain why I think this issue is so utterly fundamental to all we are trying to do. I know it can be very irritating for Israel to be told that this issue is of cardinal importance, as if it is on their shoulders that the weight of the troubles of the region should always fall. I know also their fear that in our anxiety for wider reasons to secure a settlement, we sacrifice the vital interests of Israel.

Let me make it clear. I would never put Israel's security at risk.

Instead I want, what we all now acknowledge we need: a two state solution. The Palestinian State must be independent, viable but also democratic and not threaten Israel's safety.

This is what the majority of Israelis and Palestinians want.

Its significance for the broader issue of the Middle East and for the battle within Islam, is this. The real impact of a settlement is more than correcting the plight of the Palestinians. It is that such a settlement would be the living, tangible, visible proof that the region and therefore the world can accommodate different faiths and cultures, even those who have been in vehement opposition to each other. It is, in other words, the total and complete rejection of the case of Reactionary Islam. It destroys not just their most effective rallying call, it fatally undermines their basic ideology.
And, for sure, it empowers Moderate, Mainstream Islam enormously. They are able to point to progress as demonstration that their allies, ie us, are even-handed not selective, do care about justice for Muslims as much as Christians or Jews.

But, and it is a big 'but', this progress will not happen unless we change radically our degree of focus, effort and engagement, especially with the Palestinian side. In this the active leadership of the US is essential but so also is the participation of Europe, of Russia and of the UN. We need relentlessly, vigorously, to put a viable Palestinian Government on its feet, to offer a vision of how the Roadmap to final status negotiation can happen and then pursue it, week in, week out, 'til its done. Nothing else will do. Nothing else is more important to the success of our foreign policy.

Third, we need to see Iraq through its crisis and out to the place its people want: a non-sectarian, democratic state. The Iraqi and Afghan fight for democracy is our fight. Same values. Same enemy. Victory for them is victory for us all.

Fourth, we need to make clear to Syria and Iran that there is a choice: come in to the international community and play by the same rules as the rest of us; or be confronted. Their support of terrorism, their deliberate export of instability, their desire to see wrecked the democratic prospect in Iraq, is utterly unjustifiable, dangerous and wrong. If they keep raising the stakes, they will find they have miscalculated.

From the above it is clear that from now on, we need a whole strategy for the Middle East. If we are faced with an arc of extremism, we need a corresponding arc of moderation and reconciliation. Each part is linked. Progress between Israel and Palestine affects Iraq. Progress in Iraq affects democracy in the region. Progress for Moderate, Mainstream Islam anywhere puts Reactionary Islam on the defensive everywhere. But none of it happens unless in each individual part the necessary energy and commitment is displayed not fitfully, but continuously.
I said at the outset that the result of this struggle had effects wider than the region itself. Plainly that applies to our own security. This Global Islamist terrorism began in the Middle East. Sort the Middle East and it will inexorably decline. The read-across, for example, from the region to the Muslim communities in Europe is almost instant.

But there is a less obvious sense in which the outcome determines the success of our wider world-view. For me, a victory for the moderates means an Islam that is open: open to globalisation, open to working with others of different faiths, open to alliances with other nations.

In this way, this struggle is in fact part of a far wider debate.

Though Left and Right still matter in politics, the increasing divide today is between open and closed. Is the answer to globalisation, protectionism or free trade?

Is the answer to the pressure of mass migration, managed immigration or closed borders?

Is the answer to global security threats, isolationism or engagement?

Those are very big questions for US and for Europe.

Without hesitation, I am on the open side of the argument. The way for us to handle the challenge of globalisation, is to compete better, more intelligently, more flexibly. We have to give our people confidence we can compete. See competition as a threat and we are already on the way to losing.

Immigration is the toughest issue in Europe right now and you know something of it here in California. People get scared of it for understandable reasons. It needs to be controlled. There have to be rules. Many of the Conventions dealing with it
post WWII are out of date. All that is true. But, properly managed, immigrants give a country dynamism, drive, new ideas as well as new blood.

And as for isolationism, that is a perennial risk in the US and EU policy. My point here is very simple: global terrorism means we can't opt-out even if we wanted to. The world is inter-dependent. To be engaged is only modern realpolitik.

But we only win people to these positions if our policy is not just about interests but about values, not just about what is necessary but about what is right.

Which brings me to my final reflection about US policy. My advice is: always be in the lead, always at the forefront, always engaged in building alliances, in reaching out, in showing that whereas unilateral action can never be ruled out, it is not the preference.

How we get a sensible, balanced but effective framework to tackle climate change after the Kyoto Protocol expires in 2012 should be an American priority.

America wants a low-carbon economy; it is investing heavily in clean technology; it needs China and India to grow substantially. The world is ready for a new start here. Lead it.

The same is true for the WTO talks, now precariously in the balance; or for Africa, whose poverty is shameful.

If we are championing the cause of development in Africa, it is right in itself but it is also sending the message of moral purpose, that reinforces our value system as credible in all other aspects of policy.

It serves one other objective. There is a risk that the world, after the Cold War, goes back to a global policy based on spheres of influence. Think ahead. Think China, within 20 or 30 years, surely the world’s other super-power. Think Russia and its precious energy reserves. Think India. I believe all of these great
emerging powers want a benign relationship with the West. But I also believe that the stronger and more appealing our world-view is, the more it is seen as based not just on power but on justice, the easier it will be for us to shape the future in which Europe and the US will no longer, economically or politically, be transcendant. Long before then, we want Moderate, Mainstream Islam to triumph over Reactionary Islam.

That is why I say this struggle is one about values. Our values are worth struggling for. They represent humanity's progress throughout the ages and at each point we have had to fight for them and defend them. As a new age beckons, it is time to fight for them again.

End

http://www.number10.gov.uk/output/Page9948.asp