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Introduction - Michael Kirkwood

Your Excellency Mr. Ambassador, distinguished guests, fellow members, ladies and gentlemen, and above all Mr. Mayor Giuliani, a heartfelt welcome on behalf of British American Business.

Yesterday was a bad day for me. I tried all day to find a quiet moment to think about what I would say this morning and because of the way the day went, that moment never came. And I thought, well I'm going to go home tonight and I'm going to think about how I'm going to introduce an icon to the membership of British American Business without realizing that my wife had planned a dinner to discuss, laboriously, my daughter's wedding this summer, and the planning of that was interminable, and I was getting more and more irritable and suddenly, it was quite late in the night, I had an outburst, and said, look I've got to stand up tomorrow morning in front of several hundred people and introduce Mayor Giuliani, and I haven't even started thinking yet about what I was going to say and my daughter said to me, oh come on Dad, that's easy, he did a spectacular job, everyone knows it, and that's really all that needs to be said.

I'm tempted to leave it at that, but I can't. I have other things I must say and in any event, we wouldn't the Mayor to arrive early at Buckingham Palace later this morning would we? British American Business is proud that Rudy has honored us with his first engagement outside New York city since September 11th. With over a thousand corporate members, all share our transatlantic bipolar routes, I think I can safely represent that we, collectively, as companies and as individuals, share a visceral need to recognize, to thank and to honor you, sir, for your superb leadership in transforming New York over many years of service in the Attorney-General's role and as Mayor, but particularly for your unforgettable leadership in the dark hours of September 11th and after.

In this room, we should also recognize and honor former Fire Commissioner Thomas Von Essen who is with us today and in the Mayor's party, former Police Commissioner, Bernard Carrick is also here in London as well as many guests of his from his former mayoral office in Gracie Mansion. On behalf of BABI, I would also like to extend our thanks to our great friend and supporter, the British Consul General in New York, Tom Harris, or Sir Thomas Harris as he is now. We congratulate you, Sir Thomas, we appreciate all your support and your efforts in helping to make this morning possible. I'd also like to recognize and thank the Foreign and Colonial Office and their representatives here today for their help in making today happen.

As ever, we are grateful to our friends of the United States Embassy for their support and

I'd like to extend a particular welcome to Ambassador William Farrish for being with us this morning and his eminent colleagues, Glyn Davies and David Katz. Finally and by no means least, it is my pleasure and responsibility, but more a pleasure, to thank the sponsors of this morning's breakfast - AT&T, American Management Association, the Coca-Cola company, Hays ZMB and Decision Strategies. Your support is important and it's important because it's enabled British American Business to make a further large donation to the World Trade Centre Disaster Fund which we proudly and humbly have done. Thank you, sponsors.

London and New York are inextricably bound together - arguably the world's two greatest cities with deep links in business, commerce, culture, problems and emotions. You know when you drive into towns here and in the States and on the Continent, they have signs which say the name of the town and then 'twinned with' somewhere else in France or in the States. I've never seen such a sign showing that I'm entering London or entering New York, although Mayor Giuliani assured me there are such signs, but wouldn't it be fitting if these two cities were to be officially twinned? Well, that's what I was going to say and when I suggested that to Rudy, he said well in fact they are. New York has fourteen twin cities, of which London is one, but I do feel that it would be particularly apt if we could drive into London or we could drive into New York and they said respectively 'twinned with New York' or 'twinned with London'. I think that would be right and maybe that's an idea for those who are responsible for road signs.

Ladies and gentlemen, just how does one introduce Rudy Giuliani, a man who undoubtedly found his moment and seared himself into history, I would argue. A man who arguably has surpassed the achievements of one of his heroes, Mayor LaGuardia, who steered New York during the Depression. A man who my son, who was in the World Trade Centre during the attacks, described to me on the phone when I finally got through to him, after a day or so, he said, 'Giuliani is just awesome'. I think Time magazine got it just about right, and I'm sure you have all read this, but I quote, they said 'the terrorists, Rudy Giuliani argues, were counting on our cowardice. They've learned a lot about us since then and so have we. For leading that lesson, for having more faith in us than we had in ourselves, for being brave when required and rude when appropriate and tender without being trite, for not sleeping and not quitting and not shrinking from the pain all around him, Rudy Giuliani, Mayor the world, is Time's 2001 Person of the Year.'

Ladies and gentlemen, distinguished guests, British American Business congratulates Mr. Giuliani for his knighthood and we are deeply honored to have you with us here today.

Rudolph Giuliani

I very much appreciate that very kind introduction and I also appreciate the ride on the Concorde. One of my dreams was to fly on Concorde from the first time it was launched, I used to watch it and see it and never had the opportunity to do it, so I flew here on Concorde yesterday and it really is just an absolutely magnificent airplane and great flight - three hours and ten minutes - boy, it takes me longer to go from the east side of Manhattan to the west side, largely because that dumb mayor doesn't know how to move

traffic. I will point out, I used to say that about myself also, I'm not saying this about Michael who I think is a very, very fine man.

I very much appreciate having the opportunity to address you on this very moving and emotional day for me. I'd like to begin by offering my condolences and my prayers and my support from the people of New York city to the Royal family and the people of Britain on the loss of Princess Margaret and we share that loss with you. I also want to thank Thomas Harris for all of the work that he's done in putting this together from the first moment that he told us about this and Prince Andrew came to us, until now, he's really made this into a tremendous event, for my friends that are with me, for Tom Finesson and Bertie Carrick and their families, and you're a really terrific guy, Tom, thank you very much.

And I want to thank the British government for this recognition of the people of the city of New York. I see this as a, a way of the British government recognizing that the contribution the city of New York made in dealing with this horrible attack against all of us - had the people in the city of New York reacted differently then the strength and the resolve and the unified spirit that we had might have been somewhat different, if they had reacted in a chaotic way or in a way in which they retreated so I really do believe that this honor, which is a great one, is for the people of the city of New York.

I also have to say that, because if I go back to Brooklyn and tell them have been knighted, and ever ask them to refer to me as 'sir', oh boy, something like this will happen - 'hey, what's this sir stuff, what are you, some kind of big shot?' I know my city. You can't be mayor for eight years and not know your city.

And I do believe, as was just said, that New York and London share a tremendous amount in common and are very similar places. I owe, to a trip to London, one of the major focuses of my mayoralty, which was the reduction of crime. One of the things that focused for me how desperate the situation in New York city was, in between the time that I had first run for mayor and lost in 1989, and then ran again in 1993 and won, was a trip that I took to London in 1990 and I was giving, I was a lawyer then and I was giving lectures on securities law to a large group of barristers and other people that were interested in American securities law, it was during the time of the Guinness scandal and there was a great interest in London then.

So I gave my two hour lecture, and it was over and time for questions, and there were a couple of questions about securities law, the few people that remained awake asked questions about securities law. And one guy said can I ask you a question about something else, Mr. Giuliani, and I said sure, what is it. And he said, I have this brochure here, that I got and it's ten tips of how to avoid being the victim of a crime in New York city, and are things really that bad? So I got the brochure and I looked at it and there were ten tips about how you should hold your pocket book in a certain way and you should

walk in a certain way and then one of them that really struck me was, you should not make eye contact.

And I started thinking, who would go to a place where you can't look at people? You're being told that a place is so dangerous, if you go there, you can't look at people, you can't make eye contact, and if you walk around with your head down, you're going to bang your head against something in a crowded city. So I resolved, as a result of that, that it really was necessary to do everything possible to reduce crime, within the law and within commonsense and to devote a great proportion of our budget to that, to increase the size of the police department, to try to think of every new technology we could bring to bear in doing that, and to try to grasp for maybe a new philosophy.

I believe that human movements turn on philosophy, belief is enormously important, if you can get people to believe something that's good and something that's optimistic, then good and optimistic things are going to happen, so I won't give you a long speech about this, I can take your questions.

There were two things at the core of our crime reduction - a lot of other things, but two main things that I can easily emphasize. One was the Comstat programme, which was a programme we started in 1994, we collected all the crime data from every single precinct in the city, put it in the computer, put it in a computer program and then started analyzing it daily from all different points of view. What time of day was crime taking place - we did time charts and at that time when crime was taking place, we'd map it against the geography of the city, in a certain part of the city, how many police officers did we have out.

What we found in doing this, we would have a Comstat meeting every week, which became really a management meeting, in which the people responsible for reducing crime came together in a room about half the size of this room, the maps were on the wall, all of the different graphs and analyses, the end result being that at some of these meetings, you would find out that your police officers were being assigned at the wrong time. Crime was taking place in the early evening, we always assumed that crime would take place later in the evening and we had half the number of police officers out when 60% more crime was taking place. Or we had too few police officers located in the northern part of Brooklyn, because in the northern part of Brooklyn, 27% of the crime was taking place and people from that area of Brooklyn were people who were getting arrested in other parts of the city for committing crime, more than any other way around.

So then what did that lead to? It led to a programme of moving more police officers into the northern part of Brooklyn because you don't need them equally distributed, you can reduce crime in the northern part of Brooklyn and in doing that, you're reducing it in the rest of the city.

I can give you a hundred examples like this but the core of the programme was the Comstat programme, you have to have the data first before you can make reasonable, sensible and effective decisions. And then you have to have the meeting that I talked about in order to have the management accountability so it actually gets done otherwise it just becomes data that gets collected and put in someone's desk. That's critical to the fact that last year, New York city reduced crime by 12.5% and it increased in the rest of the United States of America. And the year before that, New York city reduced crime by 5%, and it was reduced in the rest of the country by only 1% so New York city's performance is different than the rest of the country.

We went from being the city where you had those ten tips for being the victim of crime to being, for the last six years in a row, the safest large city in America. There was, per capita, less crime in New York city than in 182 other American cities. There is more crime in Peoria, Illinois than in New York city. Hard to believe, right? There is more crime in Syracuse, New York, than in New York city. There's a lot more crime in Atlanta, Georgia, in New Orleans, they're the top of the list, like 250% more crime so the Comstat programme was enormously effective in doing that.

Second thing was the broken windows theory which sometimes in England and Europe is described as zero tolerance. The broken windows theory is a little bit different than zero tolerance although you can interpret it that way. It basically says you've got to pay attention to small things because that's how you actually train people to obey the law and if you don't, then the small things become big things. The theory was developed by Professor Wilson and Professor Kelly, about twenty two years ago, right before the beginning of the Reagan administration and I became familiar with it then when I was in the Justice Department and the example they used was that if you have a building, somebody breaks a window, they don't do anything about it, then they're going to come along and say, this person doesn't really care, they're going to break another window and another and another. The first window really didn't mean much but by the time you break all the windows in the structure, you may de-stabilize the entire structure and it falls down.

The same thing is true with street level prostitution or drug dealing or fare beating, things that sometimes are regarded as minor crimes and the reaction of a police department or a community or a mayor can be, we're too busy with all these really bad crimes to worry about those small ones. We're too busy with murder, we're too busy with rape, we're too busy with serious assaults to worry about minor assaults, but they don't realize, the reason they're so busy with all those serious crimes is they're not taking care of the things they could take care of, which creates an atmosphere of lawfulness, a respect for the law.

It also does this; we had a case of a woman who was badly beaten in Central Park, a beautiful young woman, a pianist, who was badly beaten. Any crime that happens in Central Park is worldwide news - front page of all the New York newspapers, very often front page of newspapers all over the country and very often all over the world. And then this man proceeded, over the next several days, to assault three other women, beating

them very, very badly. He also made a mistake, a simple little mistake. He jumped the turnstile of a subway station, got caught.

In the old days before we had zero tolerance, if you want to call it that, or the broken windows theory, we did not fingerprint people that were arrested for fare beating, we gave them a ticket, we charged them \$150 and we sent them home, because we were too busy, we didn't hold them because we had so many other people to arrest. I changed that - everybody that doesn't pay the fare gets fingerprinted, gets arrested and is made an example of, to stop them from doing that in the future. As a result of finger-printing him, we were able to identify him as the murderer and man who had assaulted these women and who knows how many more he would have done, how many people he would have killed.

I could give you thousands of examples of how that broken windows theory also works to make certain that you'll intercept major criminals so those were the two major core programmes that we put into effect. A lot of it came out of the experience and thinking about how people in London, people in Europe, people in Asia, weren't coming to New York because it was too dangerous and if you could make the place safe, if you could make it a place in which people can come and feel a reasonable degree of safety, then the sky's the limit because it's a great city and like London, is a great capital.

Had we not done all of that, I keep wondering what the city would have been like on September 11 and 12. If we hadn't done the broken windows theory and Comstat and revived the economy and put people back to work and got them off welfare, had a city of strength, a city that people wanted to be a part of, I wonder what the reaction would have been to the attack on the World Trade Centre, I wonder if we would have been as resilient, as spirited, and I can tell you and I'll close with that and this is one of the reasons that I'm so proud to be here, and I'm sure Bernie and Tom share this, as would all of our colleagues, if they could be here, the support, the affection, the bold statements of Prime Minister Blair and just the outpouring of love and affection from the people of Britain, and we would see on television on September 11, and 12, and 13 and 14 and 15, was of immeasurable help to the people of New York city, and I imagine, to the people of America, more than you'll ever know. But if you just think about what it's like when you're in a personal crisis of your own, when a loved one of yours dies, your parents are very ill or die, and someone is particularly kind to you and understands what you're going through and maybe does nothing more than just to tell you how they understand that, hug you, embrace you, you're eternally grateful for that. That's what this nation did for my nation and for my city and for that, we will be eternally grateful. Thank you very much.

Question and Answer Session

Q: This question came from my son in an e-mail. He said when you see the Mayor, could you ask him if he agrees with General Schwarzkopf who, when asked whether the United States should forgive the terrorists, said 'it's not the responsibility of the people of the United States to forgive the terrorist, it's God's responsibility. The responsibility of the United States is to make sure that that meeting takes place'. I thought that was an all-time

great quote, I don't know whether the General said it but perhaps I could ask the Mayor if he shares the General's sentiments.

Rudy Giuliani: I don't know if the General said it, but I'm going to pretend that I said it. I think it is both sound foreign and public policy and as far as I can tell, as a once almost seminary student, it's pretty good theology.

Q: As far as Comstat and Zero Tolerance is concerned, will you be sharing that with Ken Livingstone when you're over here?

Rudy Giuliani: I've actually talked to Ken Livingstone before when he came to New York and he participated in a Comstat meeting that the Police Department has once a week, sometimes twice a week because the Comstat programme is both a computer based program, collection of information and then it's also a management tool and yes, he's seen it and yes, I will talk to him some more about it.

Q: Do you have any interest in becoming President of the United States?

Rudy Giuliani: There is a very great President of the United States, he's a good friend of mine, who I support and will hopefully support very strongly when he runs for re-election and any thoughts or any desires about that, I think every American somewhere in the back of his head thinks about that, but that's not something that right now would be timely. I intend to re-enter public life at some point in the future but I learned after the World Trade Centre that you don't plan too far into the future, you just do what you have to do and life will take care of itself.

Q: Can you share with us what you will be doing in the immediate future?

Rudy Giuliani: I'm doing a number of things, I'm running a business called Giuliani Partners, we're associated with Ernst & Young, Jim Turling is with us, the CEO of Ernst & Young, as well as my partner, Roy Bailey. We're working together and what we're doing is consulting with businesses mostly, but sometimes governments, and giving them advice about security, crisis management, protection for them and sometimes their products and using a lot of the knowledge that we've developed over the course of the years to try to make things safer. I have with me Police Commissioner Carrick and Tom Von Essen, we're all part of the same business, we do security assessments for major events. When I was Mayor of New York city we probably had more major events than most places have in a lifetime - the UN General Assembly every year, the need to provide security, so that expertise is expertise that we can share with people.

And also one other area that I think is vitally important, and I mention this because I think it's something everybody has to do more of, we developed a system in New York city called the Syndromic Surveillance System. The purpose of the system was to try to get a very good indication, of if we had been attacked by a biological weapon - anthrax, smallpox or even serin gas although you could probably pick that up pretty quickly - what we did was, we had all the cases that went to emergency rooms recorded every day,

put that into a computer system, not unlike the Comstat system but for a different purpose, and then set up formulae that would trigger a response if there were too many suspicious symptoms being reported in a particular hospital.

Let's say too many case of flu like symptoms - 50% more than last year at this time in three hospitals - it would trigger our going there, looking at the underlying reports, seeing whether they were explainable, scientifically or medically, or was something new happening to us. It was a source of enormous strength when we were hit by anthrax in October - America and New York. When NBC called me to tell me, or the FBI told me that there was anthrax in the NBC building, I was able to go up and deal with the upper management of NBC and show them these reports, point to them and say to them, we don't have an epidemic, we have a contained problem and I could show them facts to support that, not just some -----

--- we had a really good understanding of anthrax in New York, we had done drills, we had done drills where we play acted a release of anthrax at a basketball game, how would we deal with it, how would we help people, did we have enough antidote, did we have enough Ciperol, was it only Ciperol, are there other things you can use.

We had a great deal of knowledge of that, the rest of the country didn't. And it seemed to me that one of the things we have to be worried about with terrorists is that they may not necessarily always hit us at the point of our maximum preparation, but they could hit us at points of less preparation and some of those biological agents are not as easy to deal with as anthrax. Anthrax, if you catch it quickly, has an almost 100% ability to be cured. Some of the others, at least at this stage, are much more dangerous. You've got to get knowledge of it early and this system is what we're going to be trying to spread all throughout the country.

Q: You spoke earlier about the strength and vitality of New York, and a little bit about, I think you used the word 'revitalizing its economy'. Could you just bring us up to date with your view on the economic development in New York and where you think it's at now.

Rudy Giuliani: Actually I can't tell right now, I don't think anyone can, if New York city's economy is still affected by the World Trade Centre or if the effect is purely recession and whatever stage we are in of the recession. I think it's more the latter right now, than it is the World Trade Centre. With the World Trade Centre, you're talking about just the impact on the city's economy, it had a horribly negative impact and a very positive impact on the economy and they don't quite balance each other but they come close to balancing each other. The negative impact on the economy would be the loss of twenty five million square feet of office space, the loss of thousands jobs, businesses interrupted, travel, tourism interrupted in September and October, dollars you're never going to make back. September and October and November are gone, you're not going to make those dollars back, so you had that big hole in the economy.

On the other side of it, a lot of people did come to New York to show their solidarity and support, I was talking to this man who runs some of the casinos in Las Vegas and they were hit much worse than we were because we were at least the source of sympathy, we were the place that people wanted to come to, to show their patriotism, show their support, so we offset some of our tourism losses with that and the cost of re-construction keeps our construction industry strong. Billions of dollars are being poured into first the removal of the debris, then the excavation, and then eventually the re-building so the New York economy I think will boom as soon as the national economy booms. There'll be nothing that will hold it back.

The impact of the World Trade Centre is temporal, the economic impact. The emotional impact and what it says to us about our preparedness for terrorism, about the fact that we let our guard down, that we should never forget. We should never let this happen to us again. I feel very, very strongly that we have to say to ourselves, as responsible adults, we should have been able to have predicted it and we should now conduct ourselves so that we predict something like this in the future. We can't romanticize terrorists and terrorism the way we did in the '90s, this is not the place for my philosophical or political philosophy, but I'm going to tell it to you quickly anyway. The 1990s and the 1930s were very, very similar. We hid our eyes in the 1930s to Hitler, he wrote it for us, he explained it to us, he told us exactly what he was going to do, and we made believe and pretended that he didn't mean it, because we're largely good people and it's hard to believe that anybody could be that evil.

The terrorists explained it to us, told us about it, made it clear they were going to do it, our intelligence services should have been picking it up, we let Sadaam Hussein alone to develop weapons of mass destruction, biological and chemical weapons, bombed him a few times, and withdrew - never understood that - we bombed him, declared victory and then withdrew our inspectors so he could continue doing what he was doing before the bombing, afterwards and what he's doing is developing weapons of mass destruction - anthrax, serin gas, hopefully not smallpox, but maybe, and he's doing it undetected and uninterrupted by the United States or anyone else and I could give you similar examples with other terrorists. We've romanticized them, we help Yasser Arafat win the Nobel Peace Prize when he hadn't made peace, that's another one that's hard to understand. And the reality is we now have to have a much more realistic view of the world.

They're not all good people like us, they're not all liberal democracies, they're not all countries based on respect for the rights of women, respect for the rights of human beings, and we don't have to be hostile, but we have to be prepared and I guess to end with what General Schwarzkopf said, I don't see the efforts against terrorists as revenge. I think that's unworthy of a great country like America. And I don't even see it quite as justice, although the President now describes it as justice, I understand some of that but I see it from a different point of view, I see it as self-defense.

Maybe having been there and watched those buildings come down and having lost so many of my good friends I'm never going to get back, I don't want to see that happen again. I have a pretty good understanding of who's doing it and we have to stop them

before they do that to us again. That's the way I see it, it's a matter of self-defense and self-defense is morally justifiable and practically necessary.

Thank you very much.