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**AL-QAIDA AND TALIBAN STATUS CHECK:
A RESURGENT THREAT?**

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MATTHEW LEVITT: Good afternoon. I'm Matt Levitt. I direct the Washington Institute's Stein Program on Counterterrorism and Intelligence. Thank you very much for joining us this afternoon. Before we start, I will lead by example, not silencing but turning off my phone, and I'll ask you to do the same. We are recording this live, and having the cell phones on, even when they're silent, interferes and creates static, so if you could please turn them off, we'd be very grateful.

It's a pleasure to have with us here at the Washington Institute a very good friend, Richard Barrett, from the United Nations. This is part of our ongoing lecture series on senior counterterrorism officials, and Richard brings a rich and diverse set of perspectives to the issue. Richard currently serves as coordinator of the U.N.'s Al-Qaida and Taliban Sanctions Monitoring Committee and has been in that position since March 2004.

He's also a member of the secretary general's Counterterrorism Implementation Task Force, but before joining the United Nations and tackling this complicated set of issues from an international multilateral perspective, Mr. Barrett worked for many years for the British government, serving for most of his career with the secret intelligence service, MI-6, including postings to Jordan, Turkey and the U.K. mission to the U.N.

My colleague Mike Jacobson and I have benefited from a close friendship with Richard for many years now. We were just joking with him before the event started that we're heading back to the Gulf shortly, which means he must be also, since we were constantly running into each other in places like Bahrain. Thank you very much for taking time to join us, Richard thank you for taking the time to speak with us. With no further ado, Richard Barrett.

RICHARD BARRETT: Thank you very much, Matt. Thank you for asking me here today to talk to you all. I apologize if I sound a bit croaky; Matt assures me that it makes me sound authoritative, so – (laughter) – that will make up for some of the weakness in my remarks, maybe. (Laughter.)

But what I thought I'd do – I thought I would start with some general remarks about how I see al-Qaida at the moment and then talk a little bit about some of the challenges that I think al-Qaida faces at the moment, and then do a sort of quick survey of how al-Qaida's doing and its affiliates are doing in the various regions of the world, and then come back to focus on Afghanistan-Pakistan, which is a sort of key area, I think, of all our interests for the future.

I think most people would agree that over the last year or two, the pace of attacks has somewhat slackened. You probably wouldn't agree if you were living in Peshawar or in Mogadishu or in Mosul, that area, but I think overall, most people would say that al-Qaida and its affiliates have really not been able to mount the level and the quantity of attacks that they would hope to in recent months.

And one of the reasons for that, I think – though there are many reasons – I think one of the reasons is that counterterrorism has got a lot better. I think that the knowledge that counterterrorist officials have about their targets has improved considerably. I think their techniques of collecting that knowledge have improved considerably. I think there are many more human sources being run into the groups, and of course, the technical coverage has advanced as well. And indeed, the sophistication of counter-action has increased as well, and that it's no longer sort of the Whac-a-Mole philosophy of, you see somebody who looks like a terrorist, you hit him hard and hope another one doesn't pop up too soon. It seems to have developed much more sophistication.

I think, also, in many parts of the world, the actual threat of attack is less. I think the capabilities that al-Qaida and its affiliates have have also reduced. I think there are fewer really competent people engaged in terrorism, and I want to talk a little later about some of the people who have been killed recently, but also the nature of the new recruits to some of these groups. And I think also, the whole presentation of al-Qaida as an international movement with groups acting in concert all over the world – that, too, has deteriorated. They've not been able to sustain that image in the short term. And most of the targets for terrorist groups are now essentially local, and they are no longer so obviously linked to some sort of global agenda.

And within – the environment within all that is happening I think is less friendly towards al-Qaida, even in some ways hostile to al-Qaida. Public opinion seems definitely to have turned against it, and I'll talk later, perhaps, a little bit about what that means, how we measure that, because it's very difficult to conduct surveys in some of these countries. People don't really know about surveys, they tell the interviewer what they want to hear, often, or they tell the interviewer something that they think is safe.

So these surveys have to be treated with some caution, but nonetheless, I think that most people would agree that public opinion has gone against al-Qaida and, indeed, its methods, too, particularly against suicide attacks, largely, perhaps, because these attacks have effected more in the local community than in the international community.

I also think it's quite interesting that most of the studies that are coming out recently – and I include Mike Jacobson's own study of terrorist dropouts in that – seem to look at people who are leaving the movement. They seem to be focusing on rehabilitation issues or de-radicalization issues, and stuff like that.

And although it's maybe wrong to draw an inference from that, as I remember a story that was told to me in Canada of an Indian who was asked how he judged whether the winter was going to be severe or not. And he said, he drove around in his truck and looked to see how high the white man's woodpiles were. And I think that's the same sort of thing, you know, maybe we're making a mistake in extrapolating from the work being done on terrorists giving up to think that many are giving up, but nonetheless, there maybe something there.

Of course, I'm not saying that the picture is completely clear. There are indications the other way – we just had the arrest here of Najibullah Zazi, for example, very interesting case, and we saw last month the attack on Prince Mohammed bin Nayef in Saudi Arabia, which is also, I

think, a very significant issue indeed. I'll touch on it a little later. And I think that there's a reliable audience for al-Qaida still out there. It's like a sort of failing baseball team – (laughter) – you know, they still have a lot of supporters even if they keep on losing.

But essentially, there are three main issues that al-Qaida has to cover in order to be able to maintain and grow their support and to become more effective, and the first is all about credibility. Terrorism is about terrorizing. It's about creating fear; it's not just about attacking. But you have to mount enough attacks to make your threat seem credible. You have to show an ability and the capability and the capacity to mount attacks. You just need enough to make people worried that you might do it again.

And there have been attacks, of course, and there have been even more thwarted attacks, which comes back to my earlier point about the competence of the counterterrorist world. But all of these attacks, and even some of the – most of the thwarted attacks have failed to meet that very, very high standard that was set by the attacks in September 2001.

And even if you look at the Mumbai attacks, which was the last TV spectacular we had from an al-Qaida affiliated group, it was truly horrible and very dramatic and extremely brutal, a horrible attack, but somehow, it wasn't as awe-inspiring, I don't think, as the 9/11 attacks, nothing like.

And I think it was also slightly chaotic. I remember talking last week, or the week before, to the person from Mumbai police who's in charge of the investigation, and he gave a picture of these people who got there, they knew that they were going to go out and shoot a lot of people and kill a lot of people with grenades and stuff like that. I don't really – and they knew what their targets were, but they didn't really have much sort of cohesion or thought beyond that.

For example, the two guys at the Mumbai train station, you remember, one of whom is now on trial, the only survivor, they were meant to get up on a gantry which overlooked the main concourse of the station. So they walked past the entrance and then they couldn't find it, and they couldn't go back, so they wandered out, they got in the cab, they left the bomb in the cab, which was also part – (unintelligible) – wandered around, got out of the cab, hid behind some bushes, then saw a police car coming, shot that up – amazing that there were six Indian policemen in that police car, and you know what Indian cars were like – so I don't think they had much opportunity to pull their guns in reply. And then they wandered back to the train station, and so on and so forth. It was all a little bit chaotic, and, unfortunately, as successful as it was, largely because of the response time that was required by the Indians.

And anyway, something like Mumbai we see on TV, and we see so much violence on TV, I think that even since September 2001, we're far more inured to violence. And I think that the bar is always being set higher and higher, whether that balance is fictional or non-fictional. So al-Qaida have this credibility problem, they have to do something that's really quite dramatic to regain their position.

And the second thing, I think, is relevance. How relevant now is al-Qaida to people's lives, to the lives of the people who it seeks to recruit? And the nature of the appeal made by the

leadership I think hasn't changed enough to match its new audience. It hasn't been able to move to the next generation of supporters, the people who are much more into interactive communication, even in their use of computer and the Internet and so on. It's a different world than the world that produced the supporters of the mujahedeen who were fighting the Soviet Union, as it then was, in Afghanistan. It's a very different group of people.

And on the key issues, like the occupied territories, PalestinIAN-Israeli-Palestine [redundant] issue, yes, al-Qaida has always talked of that as being the main reason for its violence, for its tactics. But its involvement has been minimal, and even now in its messages, in recent messages, even after the January incursion in Gaza, its messages have been, you're not going to fight this problem in Gaza, in the occupied territories, in the West Bank, in Israel. You must come over here to Pakistan and fight it here; this is where we can fight it. We can't fight it over there. Sort of defeatism there which I think has tended to undermine its claim to relevance.

And I think we maybe could look a little bit more about the significance of the fact that the audience that it speaks to is younger than it has been. Their fighters that are being recruited to al-Qaida in many areas of the world, particularly in Africa and in the Middle East, are between, sort of – well, late teens, late teens I'd say to mid-twenties, we'll say from about 17 through to about 25, something like that. That seems to be the majority of people who are being drawn into these groups.

Now, these people, when 9/11 happened, you know, they were almost too young for it to have an impact. They themselves were either pre-teen or in their early teens, so it means that that 9/11 thing, although, yeah, it's great, it was a big attack and it was fantastically successful and all that, it didn't hit them at the time like it hit most of us.

You know, speaking for myself, I couldn't stop watching the television for replays of that to try and be able to absorb what had actually happened. It was very difficult. They didn't have that experience. And Najibullah Zazi, for example, the guy I mentioned earlier, he just turned 16 on 9/11, just a month – the month before, maybe too young for that really to have had an impression on him, but nonetheless, of course, he may be interested in doing things that are similar.

And the younger supporters, I think, also have other problems for al-Qaida, who is seeking to make themselves relevant to the lives of these people. The younger supporters are not so knowledgeable or even so interested in religion certainly not going to be swayed by arguments over interpretation of verses in the Quran or the meaning of some hadith.

Similarly, I think that they are less into the broad issues – socioeconomic issues or the big-picture political issues that al-Qaida puts forward. They have their own problems, their own local issues which really tend to make al-Qaida's rhetoric less relevant to them than it might be.

And young people are less patient with training and instruction of any kind, and maybe less determined. There was the story some of you may have seen the other day about a group who had managed to get into Waziristan for training and then walked out. And they left because they said, well, you know, it's all about sitting there, having religious instruction, then maybe

you get a bit of time playing with a Kalashnikov or something, then you hang around forever. And we all got sick and they took all our money, you know, and we got bored and fed up, so we left. You know, those aren't people who are going to be committed enough to do hours and hours of training and really plan a suicide attack.

And I think the al-Qaida message, although they're very aware of some of the issues that they need to address to try and promote themselves and to regain some ground, are still very much in the sort of wagging-finger mode. You know, I think it's incredibly boring to watch Zawahiri wagging his finger, and now they've all started wagging their finger. Even the bin Laden still, when he gave his message the other day, he was – the picture was of him with his finger up. I don't know what this is about this wagging finger that they think is so great – (laughter) – but I don't think it works.

And the third thing, apart from the credibility and relevance, I think the third issue that al-Qaida needs to address and has failed to address is the whole issue of legitimacy or the justification for its acts. And I asked myself, if attacks on Muslims are so detrimental to the cause of al-Qaida, why do they go on happening? I think that's a real weakness for them in their legitimacy.

You know, we saw way back in 2005, you remember that famous letter from Zawahiri to Abu Musab al-Zarqawi where he urged them not to be so brutal, not to attack Muslims, to focus on the enemy. And of course, Zarqawi didn't take any notice, and as a result, he lost a great deal of support. But if they knew that, if the leadership knew that in 2005, then why haven't they been able to impose that on their groups, on their people like the al-Qaida in the Islamic Maghreb or the Abu Sayyaf group and other people like that who support them?

And I think also, they have a problem, too, with the whole business of the religious argument that they give. It's not clear where that religious argument is going. Their views on the restoration of the caliphate, for example, and stuff like that, yeah, that's all very well, but they don't have any policy beyond that. They don't say and they can't say what they're going to do the day after the foundation of the caliphate nor even what that would look like – how limited a territory the caliphate would need for reestablishment.

So it's all very vague and not very appealing, and undermines, I think, the legitimacy of their message and of their goals. They need to offer something more strategic, they need to offer something more realizable and they need to offer something which is more appealing.

And I don't – you know, I'm not saying they need a position on health care – (laughter) – but they do need some practical sort of proposals to put forward to a public which may not vote for them – but they are seeking to act on their behalf.

And you can see the concerns of al-Qaida reflected in some of the messages that they give out. They were very concerned since June about the election here of President Obama, and you remember his speech in Cairo in June, there was even a preemptive strike against that in a message put out by al-Qaida.

And they are concerned about what this means, having Obama here, what it means to the message they're trying to put out about America being essentially hostile to the Muslim world. There was a message on the 22nd of September, this is just a week ago, when Zawahiri said, America has come in a new hypocritical face, smiling at us but stabbing us with the same dagger that Bush used, and this very, very conscious effort to undermine Obama and to link him to Bush.

And then, rather paradoxically, he said in another effort that in fact, Obama has no power at all, that the White House is controlled by people who come from the Israeli military, banker's sort of lobby, you know, the sort of amorphous group that exists somewhere out there. I haven't met them yet, but I hope to. (Laughter.)

So there's some slight confusion about the message, which again, I think undermines the legitimacy of what they're doing. And the other concern they have apart from Obama being elected here is the fact that they haven't managed to connect with a lot of people. They can't get a lot of people either into Waziristan, wherever they are, to train and to send out again, and they can't inspire people to join groups in other areas of the world.

And this, I think, is what lies behind this constant refrain you hear in the message, is that, if you can't fight, send money. It's not just because they want your money or the money of people, but it's because they want that buy-in. If you send money to something, you're much more likely to support it. It's easier to do than if you trudge over to Waziristan and get sick, lose your money and have to come out again.

But having said all that, I think we'd all also agree that if you look at all those FBI sting cases in the United States over the last months, it shows just how easy it is to wind people up and get them really, you know, almost determined to do something.

We had those two cases that were reported in the New York Times in detail a couple of days ago – I don't remember the day, maybe it was Sunday or Monday. You know, two people who are really pretty ordinary, one a Jordanian and one an American who had converted to Islam who both parked a truck full of explosives at the target and kept on dialing the telephone, expecting it to explode. You know, they were really – they were convinced that they were doing something that was right – in their own communities against people maybe they would even know.

And that is a real worry, that there are all these potential recruits still out there. But I think an awful lot of them need the thought being planted in their mind; they need the idea of action being given of them, and they're not initiators themselves.

And therefore, I think, in this age of leaderless jihad, as been famously referred to by Marc Sageman, there's a great need of leadership for leaders. And it's those leaders which have been really critical to the success of al-Qaida in various parts of the world.

Another point I wanted to just mention in relation to the improved techniques of counterterrorism was al-Qaida's obsession, almost, with their own security, which has also produced a weakness in the movement. T

They are very, very wary indeed of meeting anybody that they don't know – this was the leadership I'm talking about; that they will do almost anything to do deal with people at two or three removes, rather than directly. And this makes it very difficult for them to give out a coherent message, an accurate message, and also to use whatever charisma they may have to try and recruit and inspire people.

So anyway, that is sort of the few remarks I wanted to do about the general weakness of al-Qaida and the problems they face, and now I'd like, if I may, just to give a quick swing around the world to look at how al-Qaida's doing in various places. And I'm going to start in Southeast Asia and then I'm going to sort of move around and then loop back to the subcontinent.

I think in Southeast Asia, Jemaah Islamiyah, which is the main sort of militant group there – which was born of previous militant groups, but nonetheless, became the most effective militant group in the sort of '80s and '90s – really did inspire a whole load of people and really brought an awful lot of people to believe that violence was a possible way forward in breaking the mold, in establishing good government and in reducing Western influences.

And alongside Bashir – Abu Bakar Bashir – who is one of the key leaders of Jemaah Islamiyah, there was a guy called Hambali who is now in Guantanamo Bay who was a very, very important person in trying to unite militants and inspire people who were not only in Indonesia but also in Malaysia, in the Philippines and Singapore and so on into a unit. And he was in very close touch with al-Qaida leadership – he'd been up to Afghanistan, he'd even fought in Afghanistan. But in 2003, he was captured.

And I think after that you can see the al-Qaida involvement and even interest in Southeast Asia really decline. There'd been the Bali attacks in 2002, the first Bali attacks, which had reduced public support to a large extent because the reality of terrorism on their own community came home – not just fellow Muslims being killed, but also the effect on the tourist trade and various other economic consequences.

And then, I mean, it carried on, of course, the militancy in Southeast Asia, but a guy called Azahari Husin was killed in 2005, and he was a really key bomb maker. A very important man, very close to Noordin Top, and the two of them together had actually managed to keep attacks alive through much of the area, but with his death it became harder.

And then of course, on the 17th of this month, Top himself was topped, as we say, or was killed with three other people. That was lucky – I know the police in Indonesia had been spending a lot of time looking for him, particularly after the attacks on the Ritz-Carlton and the Marriott Hotel in July, and I think they almost got him at that earlier attack on a house you remember they did where they killed the guy who brought the bomb into the Marriott Hotel, the florist.

But on the 17th of September, they were led to his house, very fortunately, because an alert policeman saw somebody in a market, in the local market, who was behaving rather suspiciously and tailed him back to the house and then, by getting in touch with his superiors, they put two and two together, fortunately, and reckoned that it might be some significant person there, and they did find, indeed, that it was Noordin Top.

And he was a very, very charismatic guy. He was able to raise money; he raised money locally, but also significantly from the Middle East and from Pakistan. And he was very effective, also, in marrying people in order to be able to get family alliances and places to hide and to stay. It's quite a good technique for a short time, probably. But even so, even despite his success and his success in attacks, although he declared that he was head of al-Qaida in the Malaysian archipelago, al-Qaida didn't recognize that, and they never formally sanctioned the title that he used. And it suggests to me that they weren't really in close touch with him, nor particularly interested in what he was doing.

Since he's died, of course, there are other people there, other people out there in his group who are still alive who may be able to revive his movement and be able to commit some attacks, but I think the steam has gone out of it considerably, and the death of Top has been perhaps the last straw on the back of the Southeast Asian terrorist groups allied with al-Qaida.

Though I do want to mention in the Philippines that you have this area of Mindanao, which is an area where there are still quite a lot of people who are known to be effective terrorists, some of them are well-trained bombers, and so on, and we mustn't forget that they could come back.

But as a question there, who would they join, because if Top is gone, then you are left with Abu Sayyaf group, which has become much more of a criminal movement, I think, than a terrorist movement. They typically take people – they kidnap people for ransom, and you remember they kidnapped American missionaries and even three Red Cross workers, now fortunately released.

But Abu Sayyaf group has also suffered major losses in their leadership, both in 2006 and 2007, when they lost Khadaffy Janjalani, who was a brother to the founder of Abu Sayyaf group. And in 2007 they lost another guy called Abu Sulaiman, who was the likely successor to Janjalani. And then they were run, rather ironically, by a one-armed man in his '70s, which didn't seem to me to be likely to inspire a younger group to join. (Laughter.)

And indeed, they haven't been able to get a lot of local support, and it's interesting that one of the people who was killed with Noordin Top the other day, his village refused to have him buried there because they thought that it would be a disgrace for them.

And then beyond that, there's the Rajah Solaiman movement in that area, which is a very interesting movement because it was largely comprised of Christians who converted to Muslims who wanted to – if I can use the wrong phrase, be more Catholic than the Pope – (laughter) – in mounting attacks. And they were very effective because they could move into Christian areas very easily without suspicion. But in late August, their leader, Khalil Pareja, was captured by the

police, and he was the brother-in-law, in fact, of the founder of the Rajah Solaiman movement, a guy called Hilarion Santos. And so that seems to have really put an end to that.

And then of course you saw the other day, in April, that Mas Selamat Kastari, who famously squeezed through a window in a Singapore jail and escaped, was recaptured in Malaysia, and so on. So there's nobody out there, in my view, in Southeast Asia who is really capable of, in the short term, restarting a successful and worrying terrorist group. So let's hope I'm right.

If you would move onto the Middle East, I'd like to look at Saudi Arabia and Yemen, because I think they're really the key areas in the Middle East. And in Saudi Arabia, they've been hugely successful, of course, in capturing terrorists and hounding other and rehabilitating a few more. But they still have a list of 85 most wanted. One or two of them have given themselves up, one or two of them have been caught, but still, most of them are out there. And indeed, they announced last month that they just arrested 44 more people to show that there are still problems in Saudi Arabia.

But generally speaking, most of the Saudi Arabian al-Qaida supporters, if they're active, have moved to Yemen. And it's in Yemen that I think that everybody is most worried about the situation, because you have the Houthi rebellion in the north, you have a separatist movement in the south, so the government is very busy in trying to deal with those problems. And of course, it's very close to Somalia, as well, and a lot of spill-off from Somalia into Yemen, and indeed, in Yemen there is an armed population, in that there are apparently more weapons in Yemen than there are people.

But you have 22 million people there and you have deep poverty, a worsening economy and a 35 percent unemployment rate; a 50 percent literacy rate; population growing at more than 3 percent annually. Oil production dropped by 40 percent over the last year and the income of the country depends on oil to about 70 percent of government revenues. And of course you have almost a majority of people – I should think a good majority of people – who are under 25.

So it's a bit of a powder keg, Yemen, and I think that the determination of al-Qaida in the Arabian Peninsula, which is now based in Yemen, is very evident. I mean, they make a lot of slick videos; that doesn't necessarily mean a lot, but they still can make them and they can still put out a magazine every month with a lot of stories and articles about what they've been doing, so they're not bad on that front.

And the attack on Prince Mohammed bin Nayef in August, on the 27th of August, I think was an enormously significant attack and very, very good propaganda, although it didn't actually kill the prince. Prince Mohammed is an important figure, not only because he is Prince Nayef's son, and therefore, in some way, in line to succession to the throne – and I think he would be a popular choice if he took over from his father, if his father became king after the current King Abdullah.

But not only is Prince Mohamed a very senior royal, but he's also, of course, in charge of the counterterrorism program; he's in charge of the rehabilitation program; he has taken a

personal interest in the families of terrorists, and so on. He is very, very high profile, and he's also quite a modest man, and he lives relatively simply for a Saudi prince. And therefore, he's a popular figure in the country.

So an attack on him would not only show the reach of al-Qaida, but also remove from Saudi Arabia one of the key people who are opposed to al-Qaida. And that bomb, which appears to have been actually swallowed, rather than inserted in any other way into the body of the bomber, and then set off when he was sitting next to Prince Mohamed in the room – because of course, he'd offered to give himself up.

So Prince Mohamed had sent a plane to get him from the Yemeni-Saudi border, had flown him to Jeddah – I believe they were at that time. And taken him in for this audience at Iftar, after the breaking of the fast, and been sitting with him and then this guy Assiri said, oh you need to speak to my friends because they also want to give themselves, and if they hear from you, they'll certainly come.

And the prince was on the telephone to those people in Yemen when the signal was sent to detonate the bomb that was concealed inside Assiri. And it was really very fortunate for the prince that all he did was hurt his finger, because the blast blew downwards and blew upwards, and not across towards the prince. And if you've seen the film, as some of you may have done, you see the guy's left arm embedded in the ceiling, so the blast must have been quite considerable and bits of him scattered all over the room – it's a really revolting film; I wouldn't recommend it at all.

But what does this mean? Here is a guy who got on a plane, he went through at least two security checks, he would have passed a metal detector. So he could get on any plane. That technique would work on any airline anywhere, regardless of what sort of security measures there are in the airport. And this is likely to have some severe consequences: What can you do? How much protection can you provide when this is possible?

All right, you say, okay, you couldn't ignite a bomb like that with a mobile telephone if the plane was out of range – if it was high enough up, it wouldn't get a mobile signal. But it would get a Bluetooth signal and so it could be done easily by the person who is concealing the bomb and wanted to set it off himself. There must be other means as well, of sending a short-range radio signal to something inside a body.

And I think that al-Qaida in the Arabian Peninsula, although they will be – I don't know if sad is the right word – maybe disappointed that they didn't get Prince Mohamed, they will feel that they have got a device now which will really scare us all, and perhaps they're right. And beyond the VIP targets that they'll go for, I think they'll also go for oil targets. They made that very clear in previous statements that they want to attack economic targets. And of course, by attacking economic targets, they really do attack the regime as well. And they can persuade people that attacking oil targets is attacking Western targets, is not attacking locals.

Well, elsewhere in the Middle East – I'll just mention Kuwait. I think Kuwait is very important. There were two arrests there, I think, just last week and before that, there were other

arrests of people who were planning to attack the U.S. military base and an oil refinery and the state security service headquarters in Kuwait in August. But these arrests are of people who don't necessarily seem to have a great deal of capability.

More importantly, I think, was the stopping of two cash couriers a few months back who had tens of thousands of dollars on them, and they were trying to go through Iran to al-Qaida. I think that's more significant because that gave further evidence that you can get money in the Gulf. You can raise money for these people relatively easily, because I'm sure that that wasn't the only, nor the first, consignment of money that people were trying to take through.

But generally speaking, I think in the Middle East there, again, the regimes have got it more or less under control, except in Yemen. And the UAE – I think the UAE is a good example of that, because in the Emirates, there seems to be a clear message to Taliban/al-Qaida, that okay, you may come here, you may have your meetings here, you may raise money here, but we draw a very, very firm line.

And if you overstep that line, we're going to hit you very hard. And they have done operations, so they have done disruptions there and things like that. And of course, the UAE has troops in Afghanistan – we mustn't forget that. But they've managed to strike a balance – I think quite a successful balance – with al-Qaida and Taliban in the Emirates.

Iraq/Iran, I'll touch on very, very briefly, because in Iraq, of course, we saw the decline of al-Qaida there; it's become a sectarian group, a local group. Al-Qaida itself is not going to have any influence on the political solutions in Iraq, and has no influence there now, really, apart from the exercise of violence, particularly around Mosul. But they're trying to stir ethnic violence, trying to make people fight about resources. It's not, I think, anything that's exclusive to al-Qaida.

And in Iran, you have Jundullah – it's a Baluch movement, it's a separatist movement – and it's right over on the border with Afghanistan and there are stories of Jundullah and al-Qaida working together. But Iran takes an interesting view on al-Qaida. It sees that al-Qaida is a threat to Iran, sees the Taliban as a threat to Iran, but at the moment, not so much of a threat that they have to worry about it considerably. They're more worried, of course, about the drugs coming through; they're more worried about what U.S. intentions may be.

And therefore, being able to supply or support insurgent elements in Afghanistan may, for them, appear an opportunity just to keep the United States occupied and busy there. But I don't think that they would ever want to support them to the extent they might face them as neighbors. And there, they have to think about that, of course, because Taliban are getting stronger. And we can talk about that, too, if you'd like.

In Egypt – I think Egypt is, again, another POWDER KEG[part of the cake]. I don't know what's going to happen in Egypt; I don't think the Egyptians know what's going to happen in Egypt, either. I think it's a very, very difficult country to govern: huge poverty, vast population and indeed, a relatively educated middle class, which could provide leadership and

indeed, does provide leadership, of course, in the terms of the Muslim Brotherhood. But it could provide leadership to a more extreme group.

And then, if you look across to Gaza and Palestinian territories, of course, you see Hamas being absolutely determined that al-Qaida will have not a square inch to exploit there. And you saw the attack on Mousa Abu Marzook in his mosque not very long ago, which showed the completely ruthless attitude of Hamas towards anyone who looked at all like supporting al-Qaida. And I think that Hamas will continue to try to exercise that control.

And in Lebanon, you had you a couple of Katyusha rockets fired into Israel from southern Lebanon earlier in this month. You know, things like that will happen; that was claimed by a group called Ziad al-Jarrah, a division of the Abdullah Azzam Brigade. It sounds very grand – probably no more than two or three people – but nonetheless Ziad Al-Jarrah, of course, was one of the 9/11 hijackers. He was the only one from Lebanon, and Abdullah Azzam was a great mentor of Osama bin Laden, and indeed of the al-Qaida movement – many people in the al-Qaida movement, generally, before his death in Pakistan.

And so it does suggest that there is some sort of al-Qaida link there, and indeed, you remember FATAH [Fattah] al-Islam, who managed to gain quite a lot of support until it was completely destroyed – or more or less completely destroyed – by the Lebanese army last year. So the Middle East, to patch a sort of picture – Yemen is the area to worry about. The rest of it, probably, pretty much under control, though there are roots that could flourish in most of the countries there.

Moving to North Africa, al-Qaida in Islamic Maghreb is the most active of al-Qaida's branches at the moment. But it has made some failures, too: It has failed to ignite support within Europe – and I think that's one of its key objectives, and it failed. It gets people sending money, it gets people sending some equipment, but it doesn't get people mounting attacks.

And that must make al-Qaida in Islamic Maghreb ask some questions, because Abdelmalek Droukdel, the leader of al-Qaida [is] IN Islamic Maghreb, has made a great effort to internationalize his struggle there. And although he has a close alliance with al-Qaida, and he has a close alliance with al-Shabaab, he hasn't actually managed to attract many people from Europe to support him, either in Algeria or outside Algeria.

He's been able to get Mauritians; he was able to get one or two Tunisians, one or two Moroccans, Libyans, people from Mali; but he hasn't been able to get people, so far, from Europe. And in fact, Ramadan – the last Ramadan in Algeria – was the quietest Ramadan they'd had for 15 years.

And the al-Qaida in the Islamic Maghreb has been under tremendous pressure from the Algerian authorities and it's even quite likely, now, that Abdelmalek Droukdel will move his northern group down to the South, where it's much easier for them to exist. If you remember, in the South you have this guy Mokhtar Belmokhtar, who has been very successful, particularly in raising money for al-Qaida, but he was becoming independent. He was a difficult man to control

and he was, in fact, opposing some of the things that the leadership of al-Qaida in Islamic Maghreb were proposing.

So they sent down somebody called Yahia Djouadi to take over in the southern group, but Djouadi – yeah, he’s managed to exert control, but he has not managed to solve the disputes between the two groups. And they are successful there, or they remain there only because that area of Mali, Niger, Mauritania, Algeria is very, very empty, very difficult to police.

But apart from the Algerian authorities, another key thing that’s happened against al-Qaida in Islamic Maghreb is the attitude of Mali, because Mali had an understanding with al-Qaida in Islamic Maghreb, until relatively recently, that they wouldn’t hit them hard if al-Qaida in Islamic Maghreb didn’t hit Mali hard, and they could hang around in Northern Mali. But now the Malians have changed their view, and they’ve joined with the other states of the region to attack al-Qaida in Islamic Maghreb. And they may, between them all, be able to succeed.

And I’d like just to talk here a little about terrorism and organized crime, because the southern group of al-Qaida in Islamic Maghreb is very much involved with drug smuggling, smuggling cars, smuggling weapons, all sorts of other money-making schemes, which brings them into very close contact with traditional smugglers who have no interest in terrorism. This is true, too, in Afghanistan – for example, in Pakistan, where there’s a big drug trade and a little overlap between insurgents and criminals, and in other parts of the world as well – Somalia, to a certain extent.

And this is a very interesting development because to a certain extent, drug smugglers will say to terrorists, okay, yeah, sure, we can share routes, we can do things together, we’ll pay you off if you do this, and so on. But criminals don’t like terrorists; they are no different from anybody else. Terrorists bring bad things: They bring lots of official scrutiny, they bring lots of police activity – much more than the criminals themselves do – and they disrupt things.

They’re not secure enough; they don’t know how to operate; and they’ve got weird ideas. And the terrorists also don’t trust the criminals, because they reckon that the criminals get penetrated by the police, they can sell the terrorists out because they have different ideals and different objectives. So it’s not an easy relationship, mind you, between terrorists and criminals.

And I think that in that area of Mali and Niger, Algeria, we’re seeing some of these problems arise. The fact that al-Qaida in Islamic Maghreb has continued so long and has been so successful, I think, is also a factor – that has been fighting since 1992, since the cancellation of the Algerian elections. That’s quite a long time. It’s become mature.

In Libya, I don’t think very much is happening. The Libyan Islamic Fighting Group is just about to produce a 400-page book on why terrorism is wrong. I hope people will read it. But they’ve been persuaded effectively to give up. And the rump of the Libyan Islamic Fighting Group, which is still out there, is allied to al-Qaida but it’s not doing very much.

And turning to Somalia, in the General Assembly last week, I heard the Ethiopian foreign minister say it’s time that we abandon the fiction that this is a war just among Somalians. It is

not. And he said Sudan could be the next domino. And he said Somalia is being hijacked by foreign fighters who have no inhibition in proclaiming that their agenda has nothing to do with Somalia.

Well, okay, but I know the al-Shabaab has declared its allegiance to al-Qaida and to Osama bin Laden in particular. That was a very nice video in August of everyone dancing and chanting, at your service, Osama. Sounds like something advertised in the Hyatt Regency, or something. (Laughter.) But anyway, I'm sure that they do support Osama bin Laden. But there's no formal alliance between the two.

And I think that the Somali battle still remains a very local one. Somalia's a very tribal place. And although there are Americans there – and we've seen, now, I think, two of them kill themselves in attacks – one, in fact, in the attack on the African Union peacekeepers the other day – they were of Somali origin, and all the people in Somalia who are fighting who are from elsewhere are either from neighboring countries, the vast majority are from neighboring countries, or some from Somali communities overseas.

And although, yes, people are being found to be going back from Somalia into Europe, I don't know yet whether there are people going back into Europe because they're fed up with being in Somalia, or whether they're going back with an idea to mount attacks. And I think and I hope that it's the former. We saw the plot in Australia that was disrupted, where they'd been in touch with an imam in Somalia for advice. They were Somali-origin people in Australia. And there was some suggestion that it was being directed from Somalia. But I'm not sure that that was true.

And when we think that Saleh Ali Saleh Nabhan, a guy who was involved in the attacks in Mombasa, Kenya, in 2002 against the Paradise Hotel there, who was killed in September by that helicopter attack by U.S. forces in Southern Somalia – he was also, I think, partly responsible for the '98 bombings at the U.S. embassies in Kenya and Tanzania. He's been taken out. And other leaders of al-Shabaab have been taken out, like Ayro, the leader of the movement who was killed in May of last year.

I don't think there are very strong leaders left to try and not only keep the fighting going in Somalia, but also to have a plan for mounting attacks elsewhere. And I think it remains quite a local problem. Having said that, though, I don't think we can ignore the threats that al-Shabaab have made against Kenya. And, indeed, I think it was this month, even, that the Kenyan police disrupted a five-member cell in Nairobi, which was planning attacks on two hotels and a bus station during Hillary Clinton's visit there, including the hotel that she was scheduled to stay in. And the attackers were meant to be coming in from Somalia to join them. So that, at least, showed some capability, perhaps.

And you have to think, in Europe, of course, there's a great many Somalis living there. I think there are 250,000 in the U.K., for example. And so you don't need very many to form a group, and there's a possibility that they could do something. But I don't think – as I say, again – that it's directed from Somalia.

Turning to Europe more generally, in Germany we've seen now, I think, three videos in very short succession threatening Germany – two by the Islamic Jihad Union and one by Osama bin Laden. And I guess they have to be taken seriously, but I think this is like Madrid in 2004 – there was some attempt to influence the elections. Well, the elections didn't go al-Qaida's way because Angela Merkel is going to remain as chancellor, and therefore, I guess that German troops will remain in Afghanistan.

And so al-Qaida really are on the plate – they've got to perform; they've got to commit an attack. They've said they will, so they've got to do it. If they don't, then I think they lose even more credibility. And they have, certainly, operatives who are capable of mounting attacks, like this guy we've all seen on the videos recently – that Bekkay Harrach, the ali Talha al-Almani guy.

But I don't know, the Germans are divided. Some of them think yes, there's a risk but probably no more than there was a couple of months ago. So I don't know. And they just disrupted a group, I think, just yesterday, if I remember rightly, that were possibly going to plan some attacks. So they may get some intelligence from that.

Well, Turkey – yes, a good friend of mine from Turkey is here, and I'd just like to mention Turkey because part of the appeal to Germany has also been in Turkish – to Turkish people working in Germany. And some of that may spin off into Turkey. Turkey, of course, has been quite successful at disrupting groups, but it's close to Syria; it's close to Iraq; it's close to Iran – has borders with all of those.

And it has had its share of people who have been radicalized and been arrested. In Diyarbakır, for example, there was a small group arrested not so very long ago. And we don't forget so readily the bombings in Istanbul in 2003 and the general fear in Turkey that there could be more terrorism erupt because of the situation in the neighborhood.

And certainly, I've heard stories of more Turks now going to the Caucasus. And the Caucasus are an area where al-Qaida may be engaging more. There was a death recently of Dr. Muhammad, an Algerian who was a very significant militant there with Chechens. He was killed at the end of August. But since then, there have been more stories about both Arabs going in there, Turks going in there, and more money going in there as well, so it'd be something to watch.

Well, that brings me back to briefly touch the U.S., and we talked about Najibullah Zazi – a very interesting case. It really does look like a serious case but I don't know as much as probably some of you do. And I think if he isn't anything to do with terrorism, as it turns out, it'll be a big propaganda coup for the terrorists, because it looks to many as if he will, and many people won't believe it if the story is that he's not. And so in the U.S., it's still clear that there is a risk. Of how big that risk is, what people should do about it, is harder to say, I think, at this stage.

I'm going to go to South Asia because I think I've taken quite a long time to get this far. If I could just talk a little bit about Afghanistan and al-Qaida, the link between al-Qaida and the

Afghan Taliban is a historic one but not a very strong one, in my view. The Afghan Taliban have their own objectives. And their objectives are to take power in Afghanistan. Essentially, it's a local issue for them.

Al-Qaida can join the party; fine, they can help them, but to a certain extent, al-Qaida doesn't help them because if – and I think Mullah Omar's made this very clear – if they take over in Afghanistan, they want to consolidate their power. They don't want to be kicked out again like they were in 2001. And to consolidate their power, they don't want al-Qaida hanging around. They want to be able to say we are a responsible government; we're not going to support anybody who meddles in the business of our neighbors or in other international countries or partners.

Well, you might say well, they'd say that anyway; why wouldn't they – why shouldn't they say that? But I don't think they lose a lot if they don't say that. They don't gain a lot by saying it and they don't lose a lot by not saying it. So I think that we could possibly think that we might take them at the face value – that they would not automatically allow Afghanistan to become a base for al-Qaida.

And it's very interesting to compare the Afghan Taliban with the Pakistan Taliban. The Afghan Taliban and the Pakistan Taliban have a completely different attitude towards al-Qaida and towards, indeed, of course, the Pakistan government. Although they both may see American and other international forces in Afghanistan as a target, the Afghan Taliban has always had a very close[r] relationship with the Pakistan government, and they don't like the way that the Pakistan Taliban has been fighting the Pakistan government and causing a whole load of problems there.

And I think that the Pakistan government would look at the Afghan Taliban as a way to try to control the Pakistan Taliban. They would say, look, they all look up to Mullah Omar; they all call Mullah Omar "the great leader," and all that sort of thing. Well, why doesn't Mullah Omar then tell them to keep quiet and just stay in their tribal areas where we're not so bothered about them? And I think the Afghan Taliban probably responds to that – responds to the contact, I'm sure, going on between the Pakistan government and them about trying to contain the Pakistan Taliban.

But in Pakistan, you have also the Haqqani group, which I think is a very significant group because it's also very close to al-Qaida, as well as to the Afghan Taliban. And I think the Haqqani group is one to watch because it's not quite clear what their long-term objectives are – whether they just want some local power and authority or whether they want to pursue a bigger agenda, which will bring them into conflict either with the Afghan Taliban or with the Pakistan government. At the moment, the Pakistan government is not doing anything against them, particularly.

So I think that that area of Afghan-Pakistan is one that has to be watched, of course, extremely closely not just because of the Taliban, not just because of al-Qaida, which is trying to solidify its alliance with the Pakistan Taliban so that it has a proper base there, it doesn't have to rely on Afghanistan for its base, it has a base in Pakistan from which it can plan and operate.

And that means that it has to leverage its sophistication, its ability to plan attacks, and so on, with the Pakistan Taliban.

But also because of the Punjab groups there – Lashkar-e-Taiba in particular, responsible for the Mumbai bombings – and other groups that have been active in the Punjab. They draw their strength from the tribal areas – the Northwest Frontier Province – but their objectives are much more focused on Islamabad and the future of Pakistan.

And I think that they have gotten very, very strong. And I know that the Pakistan government still thinks that they can contain them somewhere. I noticed that Hafiz Saeed, who's the head of the Lashkar-e-Taiba, was just recently at a function at the headquarters of the army's 10th corps in Rawalpindi. And the 10th corps, of course, is the army corps responsible for Kashmir.

And so the attitude towards Lashkar-e-Taiba is still that it's possibly friendly, possibly an asset. And we can't say that what the 10th corps does, the rest of the army or the ISI wouldn't do. The Pakistan army is a very disciplined body, and that includes the ISI. So I think that that is something that we have to watch out for very carefully, indeed – the influence of the Punjab groups.

I'm going to finish there to allow some time for questions. But I'd just like to go back to say that all in all, I think al-Qaida is weaker. I think a lot of its future depends on what happens in Pakistan. I think its local groups will continue, but they are very dependent on leadership. And I think that there's still a big, big problem for al-Qaida in its loss of credibility, its loss of relevance, its loss of legitimacy, and, indeed, in its loss of operational capability. Thank you. (Applause.)

(Break.)

MR. LEVITT: (In progress) – both, as Richard does.

I'll take the moderator's prerogative to ask the first question, but before I do we'll ask – we have a little over a half an hour for questions. Please just raise your hand in a little Al-Zawahiri finger waving kind of way – (laughter) – and we'll make eye contact and I'll see you and we'll get to as many people as possible. And we'll try and keep the questions short – shorter than mine is already – and maybe the answers as well.

Richard, I'll ask you a two-part question, first because I and some others here at the institute are finishing a study on the groups in the Gaza Strip in particular that claim al-Qaida affiliation, none of which really have actually al-Qaida affiliation, what they are and what they are not.

And as part of that, one of the things that we've been looking at is this delta that you describe between the prominence that the Israeli-Palestine conflict holds in al-Qaida's rhetoric, its fund-raising propaganda compared to the almost complete lack of attacks against Israeli targets – there are a few – and how do we explain that? What's your perspective on that?

The other half of the question is that with this incredible geographic review that we just did, the one country we didn't really focus on in the Middle East is Syria.

And I'd suggest that maybe there is a tie in to the terrorism organized crime issue that you mentioned in that, again, according to a study we did here not so long ago, many of the foreign fighter smuggling networks that exist, especially on the border area of Eastern Syria, are relying on preexisting smuggling networks – they are not terrorist smuggling primarily – and what type of options perhaps does that put on the table when you look at this from your perch at the U.N. in terms of our ability to make headway, especially after the recent attack in which the Iraqi foreign minister pointed a finger, again, Zawahiri style, at Syria?

MR. BARRETT: Thank you. On the Israel-Palestine issue, yes, it has been a central theme for al-Qaida from the very start, and that's understandable that it would be. It would be ridiculous for them to ignore that. But I think the lack of capability there is the result of attitudes within the occupied territories and within Gaza in particular.

I think that there is a possibility that al-Qaida could outdo Hamas, you know, and could be more militant perhaps than Hamas if Hamas started to really negotiate and sit down with partners, whether they were other Palestine partners or through the Egyptians perhaps as the Israelis.

But I think that until Hamas looks sort of more moderate or looks as though it's failing to local Palestinians, then al-Qaida will find it hard, and I think the lessons learned by the destruction of the mosque the other day are pretty clear to anybody who tries. It's not to say there aren't groups there but they're not very strong.

And in Syria, yes, I saw the Iraqi accusations towards Syria about helping people in particular to do those two big truck bombs in Baghdad that – I think generally people don't think that that was necessarily the group that's based in Syria because I think that the Iraqi government was trying to point the finger at Ba'athists, ex-Ba'athists rather than at al-Qaida.

But I think the Syrians – I mean, a lot of people are coming through Syria but the Syrians, again, I think will be careful not to allow too much support for al-Qaida to grow within Syria itself. Again, we want very close control over it. And they didn't make a big fuss, of course, when the American Special Forces went in to knock out that cell of smugglers. Was it already last year?

MR. : Yeah. That happened when you and I were both in the Gulf.

Q: The actions of the Pakistani army seem so counterproductive in supporting the Taliban – (inaudible, off mike).

MR. LEVITT: Can you speak into the microphone?

Q: Sorry.

MR. LEVITT: Thanks.

Q: I understand the Pakistani army's support for the Taliban to keep the Indians out of Afghanistan and so forth, but it seems so counterproductive at this point. I'm wondering if there's just like a man tightening the noose around his own neck.

I was just wondering if there are any elements within the Pakistani military or elsewhere in the government that are trying to change that situation or if you see any signs of change coming.

MR. BARRETT: (Off mike.)

MR. LEVITT: Whatever you're more comfortable with. Maybe from here.

MR. BARRETT: I think that's a very good question. I think that there is undoubtedly an obsession in Pakistan about India – and it goes back a long, long way; it goes back 60 years of course – and an obsession also about Kashmir. All the water consumed in Pakistan comes from Kashmir so they're particularly interested in Kashmir. But also there is sort of an obsessional feeling about it.

And I think the Pakistan army look at Afghanistan and say, okay, yeah, the Americans are still there but already we hear this talk in Washington about possible withdrawals, or maybe they'll increase the troop numbers; maybe they'll reduce the troop numbers. It's all uncertain.

And I think they must reckon that it's not going to go on forever, the American presence there, and therefore they have to prepare for a future without the American forces, which means they prepare for a future with the Taliban.

So it's very important they keep the Taliban and they stop India becoming an opportunity for – sorry, India finding an opportunity in Afghanistan or, more worrying for them in Balochistan, where there's, first of all, people who are opposed to the Pakistan government, and also a great many unexploited natural resources – a very important area to Pakistan.

So they look at all those factors and they think, okay, we've got some inconvenience here with the Pakistan Taliban, with the Haqqani group maybe, with Lashkar-e-Taiba and other groups like that. But essentially we're all looking at the same thing. None of us wants India being dominant in this area, and essentially we all want the foreigners to go so we can sort it out between us.

So I think there – I think you can detect consistency within the Indian army position. I know there are people in this room who know a lot more about the – sorry, Pakistani army than I do. But I think it's consistent that they not only want to believe but they need to believe that they can control the Haqqani group, they can control the Punjabi groups, that ultimately the Pakistan Taliban can just sit in their areas and they can do whatever they like so long as they don't come any closer.

There is absolutely no way, in my view, that the Pakistan army was ever going to go into Waziristan. It won't go into Waziristan and it never was going to go into Waziristan. It will go into Swat and try to recover areas of that, but even that is proving very, very difficult. You know, beyond Malik Khan (ph) I don't think they've managed to really make a lot of – well, you know, up in the north of Swat they haven't made a lot of progress.

So I think that the – you know, they – I mean, this very, very senior general said to me not very long ago, said, well, it's all very well your saying we've got to take on all these people; what happens if we lose? And I thought that that was a very interesting comment that he made.

I think the possibility for them of taking on people in their own countries – so sort of almost a civil war – and not coming out clearly victorious, which they couldn't because of the nature of the terrain, I think that would be a real worry for them and they would then reckon that they look to India as even weaker.

MR. LEVITT: Josh?

Q: Josh MYERS, LA TIMES– [(inaudible, off mike)]. You said that the Zazi case was very interesting, and I wanted to just get some more of your thoughts on that, including what the pipeline is that you – what you know of the pipeline if any, from the United States and, to a lesser degree Europe, into the camps. I mean, do they have any facilitators here that are sort of helping nudge people in that direction or are these people that are just going on their own? How many people are there?

The affidavit said that Zazi went with others. So I'm just curious as to if you can enlighten us with anything about that. Thanks.

MR. BARRETT: Well, I wish I could give you some detail. It would be really interesting to know the answer to those. But we do know that the people are trying to go into Waziristan and to other areas on the Afghanistan-Pakistan border for training, and many are succeeding in doing that. And the exact numbers I don't know.

The Pakistanis picked up a group of seven the other day. There were some Swedes and some Turks and some – and a Russian, and even a Pakistani ex-military officer, I think, in that group that they had been looking for since 2001.

So you know, there are groups moving in and out, and probably I'm sure from here indeed Zazi is a case in point. And from the U.K. – I don't know if Rob can tell us how many people from the U.K. go and visit relatives in Pakistan every year but it's probably hundreds of thousands. You know, it may be 400,000 I think was the figure I had, but 400,000 people.

So within 400,000 people going into that area from one country – admittedly U.K. is a special case – you're bound to have lots of opportunity for people peeling off to do training and stuff like that.

But I think that the key success of the security services generally has been to break the link or make it very hard for supporters to link up with the leadership, even if they do go to Waziristan. So they come back again; yeah, they've got some training. Maybe they've got a little more motivation, but there isn't that linkage which can turn them into an effective cell.

And if you think back to the London bombers of 2005, who were a very effective cell, very normal, very effective, and I think the likelihood of that happening again is less because of the security concerns of the leadership in the Afghanistan-Pakistan area and the difficulties of making contact by their supporters. I hope that's true.

MR. LEVITT: Can you come to the microphone right here in the middle? Yeah.

Q: Hi. Mary Louise Kelly, NPR [(Inaudible, off mike)] – that in the last year counterterrorism analysts have gotten much more knowledgeable about al-Qaida, that the intelligence is better.

Given that this has been a top priority for Western intelligence agencies for years and years, why; why has it gotten better in the last year? What's changed?

MR. BARRETT: Well, I think we all learn from mistakes, whether you're al-Qaida or whether you're counterterrorists. And I think certainly the understanding of – well, it takes time to develop human sources anyway. It takes a long time. And that I think has now begun to produce good results.

And I think also as the technical coverage has improved, al-Qaida have tried to stop using mobiles and tried to, you know, shut down mobile transmission towers in Afghanistan and Pakistan and so on, but nonetheless they have to communicate and it still remains a great weakness.

MR. LEVITT: Yes?

Q: Is this working? Okay. Indira Lakshmanan. I'm from Bloomberg News. I'd like to ask you about the terrorist financing part of this, and if you could give us an update on specifically which sanctions that you've focused against al-Qaida and the Taliban have worked and which haven't, and do you have any new sanctions or plans coming down the pike?

And also, with this report that just came out over the weekend from the Washington Post saying that most of the Taliban's financing is coming from overseas donations and not from opium, as had been reported a year ago by UNODC, could you comment on that? How is it possible to cut off the sources of financing for al-Qaida and Taliban? Thanks.

MR. BARRETT: Well, it's a very important issue. And I did think that they were having a lot more from drugs than they are getting. But I told you in Afghanistan and Pakistan that about 20 to 30 percent of their income is coming from drugs. Now, that's still a lot of money. That's still going to be maybe around 60 (million dollars), \$70 million. It's a lot of money.

But the Gulf donors are increasingly important to them again and that means that there are effective ways not only of raising money there but also of transporting it. And some of that money – I don't necessarily discount the possibility that some of that money may be coming from drug dealers who are based in the Gulf, and so it's still drug money in a sense, but it sounds less likely.

So I think that the sanctions have worked to a certain extent but obviously not to the extent of being able to cut off all the funds that are going there.

Q: (Off mike.)

MR. BARRETT: Well, I think the new sanctions are not so much new sanctions as getting the right people sanctioned, so that identifying the people in the Gulf, either who are channeling the money, who are providing the money, and sanctioning them, that's the sensible thing to do, people who have visible assets.

Q: The debate here in Washington about whether to have more troops or fewer troops or the same number of troops in Afghanistan – one of the issues that has come up is the argument of whether – if the United States reduces its number of troops it would allow al-Qaida to reenter Afghanistan, and particularly the cities, and set up their training camps once again, and that would be very bad.

On the other hand, as you pointed out, there are training camps already there in Pakistan and there are opportunities in places – in Yemen and Somalia, among other places. So what is your view about how important it is to keep the Taliban from controlling Afghanistan?

I note that you've mentioned that there are two Talibans and the one that could take power might not be so friendly, but I'd like to hear your comments on that argument that it's important that the al-Qaida not be given an opportunity to return to Afghanistan.

MR. BARRETT: Well, as I say, I'm not sure that if the Taliban took over in Afghanistan that they would necessarily welcome al-Qaida back in great forces, particularly if al-Qaida was going back there to set up camps to train people to mount attacks against other countries.

I think the Taliban must calculate that had it not been for 9/11 they'd still be empowering Kabul now today, that no one would have come to kick them out. It was only 9/11 that caused them to lose power. So you know, they lost all that time, and if they get back they perhaps don't want to make that same mistake again.

And al-Qaida I think has made the calculation that if they're to place their chips on the table, they're not going to put it on the Afghan Taliban; they're going to put it on the Pakistan Taliban because the Pakistan Taliban – you know, first of all, the American troops aren't going to move in there, they assume. Yes, they face the problem of drones and stuff like that, but they can live there; they can establish there. They've been there for 20 years and more and they know the ground and they know the people.

So I think that if more troops are going to go into Afghanistan, then it has to be very clear what they're there to do. And if the objective of the American administration is to defeat al-Qaida by having troops in Afghanistan, then that correlation between working in Afghanistan and dealing with al-Qaida, which is essentially outside Afghanistan, you know, there has to be some understanding of how those two issues affect one another.

MR. LEVITT: I'll get to both of you.

Q: I thought that was fascinating, Richard, and I just wanted to ask you, in Pakistan the assassination of Baitullah Mehsud recently, what difference do you think that's made to the Pakistani Taliban?

And the other question that I had for you was related to Britain, where we've obviously had a lot of plots that have been foiled. I know you talked about being able to reduce or cut the linkages between people going from Britain, being trained, and then linkages with their leaders, but is any headway being made in actually stopping recruitment of people in the first place?

MR. BARRETT: On the death of Baitullah Mehsud I think it has a great effect. He was killed on the 5th of August, I think, and had managed to bring together some 17 different groups under one flag of Tehrik Taliban, of Pakistan Taliban. It was very, very successful, very unusual for anyone to bring all the tribes together. And the Mehsud tribe is not necessarily the most dominant in that area, so it was able to spread its influence quite far.

And we have seen, since the death of Baitullah Mehsud, that there has been a great deal of infighting among the Taliban, even among the Mehsud tribe itself. Most of Mehsud's in-laws are being killed now because – partly because they thought they had given up Baitullah Mehsud, they tipped off Pakistani military intelligence as to where he was, which resulted in the attack, but partly also as a power play, you know, sort of some Shakespearean tragedy here with all – well, not particularly tragic in my view – (laughter) – but with all these people being killed.

And Hakimullah Mehsud, who may be in charge now – you know, he is reported to be in charge but mainly by himself – he is a complete hothead. He's a nut case. And he's not a Baitullah Mehsud. I don't think he's going to be careful in the way that he moves the Taliban forward in attacks.

And is it Maluvya (ph) Raman Mehsud? If that's his name – you know, the sort of – the co-leader of the Pakistan Taliban is much cooler and he's much more sensible and much more dangerous, but he's much less close to al-Qaida. So al-Qaida was stepping in trying to promote Hakimullah Mehsud as their man, but Hakimullah Mehsud is not Baitullah Mehsud. So I think it has created a problem, and there's lots of differences there which will continue to bubble.

And on the U.K. thing just very briefly because I don't know a lot about it, but I think that the U.K. does seem to have broken these linkages. It reduced the threat level you saw last month, I think, or the month before, from the top level to the second top level.

It's still very high, of course, but nonetheless they were able to draw it down because I think they saw that there were a lot of wannabes but they haven't been able to make these connections, and therefore they work in the community within the U.K. Work in Pakistan had shown that there was – you know, people were trying; they weren't succeeding.

Q: Given that Mullah Omar's shurah is located in Baluchistan, I'm wondering if there is any nexus or connection between Mullah Omar's Taliban or even al-Qaida and some of the Baloch separatist groups. I mean, are they able to co-opt any of the Baloch separatist groups that are operating there?

MR. BARRETT: Well, I haven't seen that. Others here may have seen that but – and of course Mullah Omar is in Balochistan; Quetta is in Balochistan. The Baloch groups, though – the Pakistan authorities don't like the Baloch groups, and I think that therefore the idea of Mullah Omar supporting the Baloch groups against the wishes of the Pakistani authorities suggests to me that probably he wouldn't do it; he wouldn't see an advantage in that.

You know, Balochistan spreads through Afghanistan into Iran as well, but I think the Pakistanis Baloch groups are rarely looking at their area, at the Pakistani area of Baloch for independence, so it wouldn't be in Mullah Omar's interest to support them.

MR. LEVITT: Mike?

Q: Thanks very much for your overview. I'm Mike Kraft [correct] (sp), a counterterrorism specialist. We've talked before with Alistair Miller's (ph) [correct] group. I'm curious – you gave a good overview. You didn't really talk much about the U.N.'s activities. And I'm wondering what your current priorities are.

How would you assess the U.N.'s efforts, especially getting other countries to strengthen their laws and capabilities? Where do you think your greatest progress has been in improving counterterrorism capabilities, where the weaknesses are?

And finally, just a point of history. I think al-Qaida's emphasis really was primarily on getting Americans and Westerners out of Saudi Arabia, and so the Iraq invasion, and then we withdrew our air force after we needed it. But anyway, I'm primarily interested in your assessment of the U.N. efforts right now.

MR. BARRETT: It's very important, the U.N.'s involvement in counterterrorism. There is no agreement at the U.N. of course what terrorism is. There is no definition of terrorism, but there is an agreement that al-Qaida and its affiliates are, A, terrorists, and, B, beyond support. They can't – no nation supports them.

And therefore, we have in the U.N. a regime directed against al-Qaida and its affiliates, including the Taliban, which is supported by all countries and to a certain extent is effective, even if only in a symbolic way of announcing that condemnation, that international condemnation of al-Qaida and the Taliban.

In a practical sense, we have the sanctions that were mentioned earlier, and the sanctions can work. The fact that people challenge the sanctions suggest that they are being hurt by the sanctions, and so, you know, they're not negligible if people have their assets frozen and can't travel and so on.

But it does depend on the active cooperation of all countries, and countries have different priorities. Some of them see al-Qaida as extremely important. Others may say it's very remote from us; it's much more a Western issue or a Northern issues, perhaps if they're from the global South, and not one that we have actually the resources to devote to it.

And so the U.N., I think it's important to go around to all those countries and explain that an attack on one country does lead to consequences for another. And, indeed, if you have – I noticed, incidentally, that when they killed Noordin Top, Moody's index for Indonesia rose considerably.

There are real economic consequences of attacks and of counterterrorist activity as well, and the U.N. can explain that to countries. And I think the U.N. has managed to build a good consensus against al-Qaida-related terrorism and, as you referred to earlier yourself in your question, has also managed to encourage countries to introduce their own legislation, which helps them to counter terrorism.

MR. LEVITT: Yes?

Q: Yes, my name is Herusa (ph). I am an Iranian with Kurdish origin. You briefly touched the Iran side and the Jund Allah connection with Taliban and other insurgents groups there, the possibility, but also Iran's relationship with other insurgent groups in Afghanistan and Pakistan, despite the ideological differences between the Shiites and Sunnis.

My question is that recently there has been a lot of assassinations in Iran and Kurdistan, and Iran in particular, and these assassinations have to do with the religious figures affiliated with the groups. I don't know how aware you are of these recent events in Iran but apparently there are Sunni groups related to Wahhabi or Salafi groups who are active in the Sunni areas of Iran and Kurdistan and they have been engaging in these terrorist activities, or assassinations of government officials, especially religious officials.

And I just want to know, like, do you think that probably the recent events in Iran and especially the volatility of the regime following the elections and the unrest that has happened in Iran has to do with these surges or increases in activities of Sunni groups, or is it something that probably the government of Iran is staging itself and trying to show that it's fighting, you know, its own war on terror and so on, on its own turf.

So I just want some clarification in that regard if you have any information. Thank you.

MR. BARRETT: Well, I won't presume to answer all of that because I don't know enough about it, but of course Iran is a very big player in the region and very scary for countries like Saudi Arabia and other countries which have resources and are powerful too.

And Iran – a nuclear Iran would of course be even more scary for those countries. And everyone in those countries is used to sort of trying to muck about in some way with their neighbors. It's a tradition that goes back a long way. And I think that the possibilities of what you say may exist but I couldn't possibly say whether they are fact or not.

And I think that – you know, I think Iran is a fascinating country and a very admirable country in many ways – of course for its culture, its people and so on – and I think that the Iranian – the way the Iranians play things in the region is extremely sophisticated and one shouldn't underestimate the degree of sophistication but also the possibility of making a complete muck-up, the same as all countries.

Q: Aaron Patterson, Black Watch Global. I enjoyed hearing you paint the picture. It's very rosy. Given this rosiness, what do you think is the best strategy forward, and what will be – what tools will be our best friends?

MR. LEVITT: (Off mike.)

Q: What tools will be our best friends going forward to counter al-Qaida?

MR. LEVITT: Will be our best friends.

Q: What tools will be our best friends?

MR. BARRETT: What tools will be our best friends? Well, I think that – yeah, the tools that have proved to be the best friends so far I think are the intelligence tools. I think that the understanding of the problem and being able to deal with it in a richer context than just sending military in has been enormously important for the success that's been had.

But also, of course, public opinion is incredibly important too, and the more that we do things to undermine the messaging of al-Qaida, the better. You know, the more we can undermine its sort of credibility and relevance and legitimacy, which the three pillars I see it resting on, the better. And one can do that through actions, political actions, also by propaganda, of course, but lots of other ways.

But those two things: Understanding the issue and finding ways to increase or decrease support for al-Qaida, increase the support for countermeasures I think is very important.

And I just want to say on that, if I may very briefly, that all these surveys which show that al-Qaida's popularity is dropping in Muslim majority countries don't show any comparable drop necessarily in anti-Americanism.

Anti-Americanism and support for al-Qaida do not go hand in hand. You can still be very anti-American and not support al-Qaida, or possibly the other way too; I don't know. But we shouldn't overlook that importance of public opinion.

MR. LEVITT: Okay, we only have a few minutes left and I see three questions left, so, Richard, if it's okay with you, let's take all three questions and we can jot them down and answer them all together. Simon and Ali, and right up here. And we'll do these in succession, please.

Q: Simon Henderson, the Washington Institute. You started off talking to Mumbai about Mumbai and saying it didn't have much impact. Well, of course it didn't have much impact because it wasn't in Europe or the United States and turned out not to involve very many Europeans or Americans, and it was about the curious issue of Kashmir, a word which you didn't mention until the last two minutes of your appraisal.

I was wondering if you think – you went around the world and it would seem to me that the issues aren't key issues; they are parochial issues of different countries, and therefore I was also going to ask you whether there's a validity in this and whether also what used to be the key aspect of Osama bin Laden versus the world, which was his view of Islam, was more correct than anybody else's and in particular the custodian of the Two Holy Places, AKA the king of Saudi Arabia – whether that issue over the leadership of Islam has faded completely as well.

MR. LEVITT: And right here.

Q: In Afghanistan and Pakistan, in addition to cooperating with groups such as the Haqqanis, LET, do you see direct action from al-Qaida? There has been some in the past; do you see more in the future, or more as a facilitator, introducer of techniques, similar support rather than participation?

MR. BARRETT: Ali?

Q: Yes, Ali Al-Ahmed from the Gulf Institute. Richard Holbrooke refused to name countries that are the prime source of Taliban funding. I assume he was talking about primarily Saudi Arabia, which, eight years after September 11th, continues to produce a lot of terrorists and as a source of funding for al-Qaida from Saudi and Pakistani and Afghan expatriates in Saudi Arabia.

What has – why is that? Why has not the United Nations put sanctions? We don't – I reviewed recently U.N. sanctions – very few Saudis on the list who are still giving money or recruitment to produce thousands of al-Qaida members in Iraq. That was after September 11th.

So why haven't we seen a decline? We see al-Qaida actually, you know, become less military and more political in Saudi Arabia and, in my opinion, much more powerful than before. So why has that failed – what did the U.N. do or not do in that aspect?

MR. BARRETT: Okay, the question about Mumbai, yeah, it certainly was done outside Europe but it got a great deal of coverage and it was very deliberately done to generate coverage, I think you would agree, you know, with the attacks on the hotels where Westerners liked to stay on the Jewish Center there and so on. It was also done for TV. I don't think one should ignore that.

And the parochial issues are absolutely right. You know, that is the problem for them, that all the issues have become parochial again. This is what – the great thing that al-Qaida did was say, forget about all your near enemy issues; we're all going to get together and fight the far enemy because that's really what lies behind all these parochial issues. That's the real problem.

And they managed to do that and now it's broken down again so that the groups are saying, well, that didn't work; we've still got our local problems and now we need to get back to fighting our local problems. And so it's become again parochial.

And as for the leadership of Islam, this thing, yes, you know, we are the true – we are the leaders who will take you on the true path. Well, again, you know, I think not many people have endorsed that legitimacy that they claim. That's their problem, that they haven't been able to persuade people that this is the right way. There are lots of people who say that it's not the right way.

And in the way – you know in the way the Muslim societies generally are quite hierarchical. You know, they will take – they will listen to the person who's preaching on Friday, or whatever, or the authorities that have been recognized by the state as being the authorities on religion and they will take that message, and the messaging from the state has become, I think, better calibrated to undermine that claim that al-Qaida was trying to make. I mean, I don't think it's working anymore.

On the al-Qaida influences and attacks in Afghanistan and Pakistan, well, there has been – yeah, we've seen some training and some sophistication and some of the development of the IEDs, for example, in Afghanistan I think have been seen earlier in other theaters, but I'm not sure how much al-Qaida had to do with that.

And also, al-Qaida hasn't been able to introduce the really sophisticated stuff. I think most of the IEDs in Afghanistan are still being made locally, with a bit of training, and they sometimes, fortunately, make mistakes and they don't make them properly.

There was an al-Qaida's cell near Bagram the other – not so long ago that was caught that had bomb-makers, so they are obviously interested in helping to influence attacks but – and I'm sure that they helped too in Pakistan with some of the attacks. In fact, it's quite clear that they did, but in a tactical sense, not in the strategic sense.

And Saudi Arabia – well, Saudi Arabians have a great tradition of giving and they may not know where their money is going to. You know, I think people collect money for causes which aren't quite clear. And it's not, as you know, very much in the culture to ask too many questions about what this charity is about. You give money to charity and that's it. And it's a low-key issue, giving money to charity.

And I think that Saudi Arabia has this – still this sort of slight paradoxical attitude towards this sort of violence because for a long time, remember, they said, okay, fine, you can go and fight but you don't do it here. You know, you go and fight in Iraq. They essentially said, fine, go and fight anywhere you like but don't fight in Saudi Arabia.

And now they're beginning to come off that a little bit because you see a lot of people come back from Iraq and then what are they going to do? I've seen people come back from Guantanamo. You know, what are they going to do? The rehabilitation program, as you know, is very sophisticated and advanced but it's also very expensive; very resource-intensive. It depends very much on one-to-one involving the families and so on.

And so I think Saudi Arabia is still trying to find its way, how to not only minimize violence in the Kingdom – and, as I say, there's still these 85 wanted people; there are still a lot of people out there; we've still got the problems of Yemen – but not only to minimize the violence in the Kingdom but also to stop Saudis being violent elsewhere and coming back and making the society more violent.

And I don't think they – they rarely understand what's going on to make the Saudis violent. There's lots of social issues of course, employment issues and youth issues, but I think that's still a work in progress.

MR. LEVITT: Richard, thank you very much. Please join me in thanking Richard for taking the time to come and speak with us today. (Applause.) He's coming down from New York. We really appreciate it, and thanks for sharing your expertise. Thank you all for coming. Have a good afternoon.

(END)