BOB SCHIEFFER, host:

Today on FACE THE NATION, Osama bin Laden warns of another attack and Iran presses on with its nuclear plans. What should our next move be?

Osama bin Laden said it flatly: Attacks on the United States by al Qaeda are being prepared. Where are we vulnerable? Why can't we catch this elusive terrorist, and will his taped message rally the insurgents in Iraq? And what can we do about the threat raised by Iran? Old questions for Senator Pat Roberts, Kansas Chairman of the Senate Intelligence Committee and Joe Lieberman of Connecticut, the top Democrat on the Homeland Security Committee. CBS News foreign correspondent Lara Logan joins in the questions. And I'll have a final word on whatever happened to candor in government.

But first, Osama bin Laden emerges on FACE THE NATION.


SCHIEFFER: And good morning again.

Senator Roberts and Senator Lieberman are both in the studio with us this morning, as is CBS News foreign affairs correspondent Lara Logan.

Well, let's get right to it, gentlemen. As if we needed to be told, we were certainly reminded this week that we live in a fairly dangerous world. We had Iran saying, 'No, we're not backing off from enriching uranium.' We had Osama bin Laden and this threat that he made. And let's not forget that in Iraq this morning, a young American journalist is still being held hostage.

Senator Roberts, I know you got briefed on this by the intelligence agencies. What should we make of this threat that Osama bin Laden made, saying that he was planning some new attacks inside the United States?

Senator PAT ROBERTS (Republican, Kansas; Senate Intelligence Committee): Well, Bob, I think the American people have to understand we're still at war. And I think we ought to take these statements very seriously. I know there's a lot of talk about this truce, but back in 2004, he offered a truce to Europe. And three months later, you know, he bombed them in Madrid and in London. So, I think if you take that line that he said, 'We are preparing every minute, and every minute we're ready. We're going to attack you in your homeland.' I think we have to take that very seriously. I know of no specific threat that is tied to him. But the fact that he did say that, I think is important. One thing I wonder is why he didn't do a videotape as opposed to an audiotape. So you have to wonder about his state of health and all of that. I don't think he's quite as relevant as he used to be. I think Mr. Zarqawi and Mr. Zawahiri, his top aide, I think they are more relevant in terms of actually activity.

SCHIEFFER: What, are you saying that maybe he did this for his own political reasons to try to improve his standing amongst his following?
Sen. ROBERTS: There is a school of thought that indicates that since the message was taped about three months ago and it is authentic, and since we have taken out a lot of their leadership, and since in Iraq he is not very popular because the people of Iraq now have determined that these outside insurgents who are doing great and terrible things, that it's his fault as well, so consequently this may be an effort for him to at least say, 'Hey, I'm still around. I'm still here.' But we should take that warning very seriously.

SCHIEFFER: All right. Senator Lieberman, you, of course, are the one who came up with the idea of creating the Department of Homeland Security. You were for it when President Bush said it was not a good idea, and then he came around. Do you think we're any more prepared should there be an attack on this country than we were before 9/11?

Senator JOE LIEBERMAN (Democrat, Connecticut; Committee for Homeland Security): We definitely are, Bob. And the existence of the Homeland Security Department is one of the reasons, the reforms after the recommendations of the 9/11 commission, particularly the reforms of the intelligence community are another reason. Maybe the sentence from the 9/11 report is still the best short explanation of it, 'We are safer than we were on September 11th, '01. We're still not as safe as we want to be, and therefore we've got more work to do to get there.'

SCHIEFFER: Well, I mean, you must admit we—the Department of Homeland Security didn't do all that well in the wake of Hurricane Katrina. Why are you confident that we're so prepared?

Sen. LIEBERMAN: Well, absolutely right, they did not move quickly. Senator Collins and I are beginning hearings this week to show the results of a long-term investigation we've done on what happened in the failures to prepare adequately for a response to Katrina. So that really hit and hurt America's confidence in the ability of the Homeland Security Department and the federal government to protect them.

But the fact is we've now closed some of the gaps and done some of the most important things that the 9/11 commission wanted to do: We've got a director of national intelligence, we've got a national counterterrorism Senate. We're connecting the dots. And I think you have to at least cite as part of the good news that there hasn't been another terrorist attack on our homeland, thank God, since 9/11.

Osama bin Laden in that tape said, 'Don't think that's because the Americans are better defended, and we haven't really tried.' He has tried, and we've stopped those attacks. So we should take some comfort from that.

SCHIEFFER: Well, where do you think we would be most vulnerable at this point?

Sen. LIEBERMAN: Well, Bob, we're an open society, and we're fighting—we're
not going to compromise our freedom in this case to make this a closed society to defend against bin Laden. We're an open society fighting against an enemy that plays by no rules of war, no rules of law, humanitarian, moral rules. They strike at civilians, they blow themselves up in the middle of a wedding, they capture and hold hostage an innocent journalist. So I know that we have to invest more in port security. I know that we have to ask the private sector to do more to protect the privately controlled infrastructure, and I believe we've got to give more money to the local first-responders.

SCHIEFFER: Let's go to Lara Logan, who's watched so much of this from Afghanistan and Iraq over these past couple of years.

LARA LOGAN (CBS News; Foreign Correspondent): I mean, I would say to both of you, isn't it true that as soon as an attack does happen, if one does happen, as Osama bin Laden has warned, the first thing everybody's going to be saying is, 'We've done our best, but it's not possible to prevent all attacks. As many as we've stopped, it's impossible to stop all of them.'

And the other thing is, I mean, whether it's an audiotape or a videotape, past experience has shown us that Osama bin Laden, he offers a truce--this is part of what he does as a politician--it justifies what comes later. Because after the last truce he offered Europe didn't respond. We've said we won't negotiate with Osama bin Laden, we won't negotiate with terrorists, there'll be no response, and after this tape we're not going to concede to any of his demands. And for him, that means it's justified, it's open season now.

Sen. ROBERTS: Well, he may think he gets by. He doesn't, I think, in the minds of the civilized world, more especially, you know, worldwide where we've had these attacks. I think an answer to Bob's question that their number one tactic is bombs and explosives, and they need to go down a laundry list, and I don't know how many briefings we've had in the Intel Committee on--or the National Counterterrorism Center, what is the latest threat of the month? And Joe has indicated some of those. I worry about a bio attack, I worry about agroterrorism and the safety of our food supply. But I think it's really bombs and explosives. Basically, stop and think about it, it was 1993 that the first attack was attempted on the World Trade Center; had they put that bomb on the grid, where it should have been if, in fact, he were, you know, going to be successful in that attack...

LOGAN: It would have brought it down then.

Sen. ROBERTS: ...six thousand people wouldn't have come out suffering from smoke inhalation, they wouldn't have come out. Now, that's eight years later until September 11th of '01. So that's eight long years. We're in this over the long haul, so when he says, 'Attacks are coming, hopefully with WMD,' we have to take that very seriously.

SCHIEFFER: Well, Mike O'Shoy, who headed the Osama bin Laden office at the CIA for about 10 years, I think it was, says it would be very easy for Osama bin Laden to get a nuclear weapon in Russia. He says there are a lot there that are just not being properly guarded, and somehow bring it across the
border. He says we can't stop illegal aliens from coming into this country, that we haven't made much progress, and he says that's possible. Do you think that's possible, senator?

Sen. ROBERTS: I think it's possible; I hope it isn't probable. We have what's called the Counterthreat Reduction Program, another Lieberman program, we're spending over a billion dollars increasing security in a lot of the secret cities, formerly secret cities, some still are, in regards to Russia, and to try to safeguard these facilities, regardless of whether it's a biochemical threat or whether it is some kind of a nuclear package.

But you're exactly right. If you go to the mafia, the mafia could sell it to a small terrorist group, and with the proliferation of this kind of knowledge, and as many jihadist groups as you have around the world, more especially al-Qaeda, yes it is a problem.

SCHIEFFER: Do you think we're any closer to catching Osama Bin Laden, Senator Lieberman?

Sen. LIEBERMAN: I do. I'm not going to predict a time or a place, but…

LOGAN: Why?

Sen. LIEBERMAN: …but here's what I would say.

LOGAN: Why do you think we're closer?

Sen. LIEBERMAN: I tell you, one explanation of why he put out this tape this week is that the hierarchy of al-Qaeda has suffered some real losses, most recently in the Predator attack in Pakistan. But there's reason to believe that the last three--number-three individuals in al-Qaeda who were essential the operations chiefs, beginning with Khalid Shaikh Mohammed, who planned the 9/11 attack on us. They've--all three of those have died under, shall we say, suspicious circumstances. So I wonder whether he's now beginning to feel closed in on. The tape was put out to try to reassure his people that he's still there.

Pat made an interesting point before. This is an audio, it's not a picture, video. Maybe part of the reason for that is either he's not in the same shape he was, or a video can give more clues as to where it was taken. So I…

LOGAN: Does it matter? Does it make any difference to his followers? His message still reaches them. We haven't been able to decipher the codes that are in that tape.

Sen. LIEBERMAN: Yeah.

LOGAN: There are sleeper cells all over the world. Forget just Iraq. He may be unpopular in Iraq, but he's not unpopular in Saudi Arabia, not unpopular in Pakistan, not unpopular in parts of Afghanistan, I mean, he still has huge standing amongst his followers.
Sen. LIEBERMAN: Yes, so this is the war we are in. It is not the war for a single season, or a single year. It will, unfortunately, go on a long time. Part of it will be military, part of it will be defending the homeland, part of it will be capturing and/or killing all of al-Qaeda we can. And of course part of it will be doing exactly what we're trying to do in Iraq and encouraging throughout the Islamic world: create a circumstance where we can have another model for governance in life--free, democratic, modern. Not the hatred, suicide, and primitive return to yesteryear that al-Qaeda offers.

LOGAN: But in Pakistan, in that tribal area where he and Zawahiri and Mula Oman and all the others have had refuge for the last nearly three years, they are churning out young jihadists every single day on a diet of anti-American propaganda--a country that already has nuclear weapons. Who's doing anything about that? We have air strikes there, and the people demonstrate against America and the West, what are we doing about that?

Sen. LIEBERMAN: Well we killed--I think we killed some very important people.

LOGAN: When I spoke to General Abizaid, he said the greatest danger in his area comes from Pakistan and Saudi Arabia, not Iraq and Afghanistan.

Sen. LIEBERMAN: No, it doesn't come from them. I've heard General Abizaid say that. But the greatest danger is that al-Qaeda will strike at the center of power in Pakistan, or Saudi Arabia, and essentially take over one of those countries. And of course that would be disastrous.

SCHIEFFER: We got to take a break here in just a second, but let me just ask you quickly, Senator Roberts. Do you think now, in retrospect, it would have been better had we devoted more resources and manpower to tracking down Osama Bin Laden, rather than making Iraq the target for our war on terrorism?

Sen. ROBERTS: Well, part of that is to work with Pakistan to do it in the right way. He's located in an area that is mountainous to the degree of 12 to 13,000 feet. You have at least 100 tribals up there that--you know, somebody made the comment, I think it was a little flip, that said the last Caucasian there was Alexander the Great. The Afghans don't go there, the Pakistanis don't go there. In terms of our intelligence lash-up with the Pakistanis...

SCHIEFFER: Yeah, but should we have gone there in the first place? That's what I'm saying.

Sen. ROBERTS: ...it's how you do it. I don't think you can conduct a normal military operation and you're also going into a sovereign country with American troops, which really does pose problems. And so you do it on a lash-up on intelligence with Pakistanis, and as we've indicated, where we--where we know terrorists are, we will take action against them, and that's exactly what happened in Pakistan.

SCHIEFFER: All right, well let's take a break here. We'll be back in a
SCHIEFFER: And we're back again with Senators Roberts and Lieberman.

Senator Lieberman, let me ask you and let's talk a little bit about Iran. Iran says it's not going to back off on producing enriched uranium. Most people think that means they're headed towards building a weapon. Some people, including Senator Clinton of your party, has said that we're trying to outsource the diplomacy on this. That we need to confront it headlong. She wants sanctions against Iran if they don't back off on this. What's your position?

Sen. LIEBERMAN: Well, I think the point here is that most of the civilized world has decided, one, that Iran is on a very headlong surge to get nuclear weapons, and they're going to get fairly close to the capability to manufacture some of the ingredients, or have the industrial capacity to actually make a bomb. They're close to having the ingredients and capacity, the bomb won't probably come for some period of years. And that is bad, and it's bad because of the leadership of the country. You know, if we should learn one thing from 9/11, Bob, it is that when somebody says over and over again, as Osama bin Laden did during the '90s, `I hate you and give me the chance, I will kill you,' they may mean it and decide to do it. And you've got to read the statement. It's not just of the new president of Iran, but those that have led this country for a long time.

SCHIEFFER: Well...

Sen. LIEBERMAN: Very anti-American, anti-Israel, anti-West.

SCHIEFFER: These people are saying they want to wipe Israel off the face of the earth.

Sen. LIEBERMAN: Mm-hmm.

SCHIEFFER: Would sanctions work, Senator Roberts? Because what I'm thinking is, you put sanctions on this oil-producing nation and you run up the price of oil. Just look what happened last week when they started taking their assets out of foreign banks.

Sen. ROBERTS: Well, the stock market went up about 200 points as well. Well, it's not going to work. Sanctions don't work unless you had a unified position among all trading partners with Iran. And you have, thank goodness, a situation now where there's a diplomatic front. We have France and Germany and Great Britain working with Iran. We're also working with Iran. You have the International Atomic Energy Commission saying that they were in violation back in 2003. Their board of governors will meet in February as to whether to bring it to the Security Council. Now, in the Security Council, you've got a problem because you've got China and you've got Russia who trade with Iran. And they're not going to permit any sanctions.
SCHIEFFER: So what do we do?

Sen. ROBERTS: Well, I think you try and push as hard as you can. If sanctions will work, they're going to have to be with our partners. It's a little disingenuous, it seems to me, for one senator to say we're outsourcing this. Where the same senator has said, 'For goodness sake, get more diplomatic support in regards to Iraq' or anything else that faces our country. But we are actively engaged.

Bottom line, I know what you're going to ask me. What about a military contingency? Well, that's--their whole operation is spread out much more broadly than we have in the past. I would never rule that out, but at this particular time, I just do not think that is any kind of an alternative.

SCHIEFFER: So, well, let me summarize what you just said. Military action is not going to work, sanctions are not going to work.

Sen. ROBERTS: I didn't say it wasn't going to work, I just said that it wasn't feasible at this time.

SCHIEFFER: So it comes back to my original question, what do we do? Senator Lieberman:

Sen. LIEBERMAN: Well, the fact that it's good that we're working with Britain, France and Germany now, but the pace is too slow. We've got to try to take it to the United Nations. I'm pessimistic that Russia and China will let us do what we want to do. And then I think we've got to form a coalition of the willing first to impose economic sanctions on Iran.

SCHIEFFER: Well.

Sen. LIEBERMAN: And secondly, we can never take the military option off the table. And if we feel that if Iran having nuclear weapons is that much a danger to the rest of the world, then we've got to be prepared to take military action to deter their ability to get nuclear weapons. And that's the last option, the military option.

SCHIEFFER: But it has to be on the table.

Sen. LIEBERMAN: It has to be on the table.

SCHIEFFER: Lara, do you agree with that?

LOGAN: Well, two questions, really. One for Senator Lieberman: What do you say to those who believe that we're so stretched militarily anyway we can't afford a war with Iran, and our plan is to rely on Israel who clearly is in a position to take them on?

And for you, Senator, in terms of intelligence, people I speak to within the intelligence community say that we are very, very limit on Iran. We rely
heavily on Israel. In terms of our own intelligence it’s virtually non-existant.

Sen. ROBERTS: (Unintelligible).

Sen. LIEBERMAN: Well, I’ll go first.

Sen. ROBERTS: Yeah.

Sen. LIEBERMAN: We’re a great nation. We’re a powerful nation.

Sen. ROBERTS: Yeah, you go first so I can think about it.

Sen. LIEBERMAN: Glad—glad to. We have the most powerful military in the history of the world. We are capable, if necessary, of continuing to pursue our aims militarily in Iraq and Afghanistan and elsewhere and, if necessary, conduct a military attack on Iran, hopefully with the assistance of our coalition allies in Europe. This would be primarily an air attack. It’s not going to involve massive use of ground forces.

The United States is a strong enough country that we never want to be in a position to have to essentially contract out protection of our national security, vis-a-vis Iran, to another country like Israel. And It’s not easy for the Israelis. They don’t have the same air--aircraft capacity that we do, capable of doing it.

So I want to repeat again that military option is the last option. But I want the people who lead Iran, to understand that it is on the table. We deem their pursuit of nuclear weapons to be dead serious.

SCHIEFFER: And what about our intelligence, or lack of it on—in Iraq?

Sen. ROBERTS: Well I wish we had more, I wish we had better. I know that the intelligence community does as well, and it’s been a long haul. It’s a very dangerous--a very dangerous operation. I’m not prepared to say specifically what we’re doing there, but we are really trying to boost that up, to plus that up—that’s a Washington word—in various ways that we can get better intelligence on Iran.

Speaking of that—and this is an entirely different subject, but I want to get it in anyway—I’m terribly worried about losing the capability that we have with the NSA on a terrorist threat warning capability, not domestic spying, and all of the talk and all of the misinformation and all of the debate now going on. The al-Qaeda are not stupid. We are seeing—or I really worry about losing that capability and seeing a diminished capacity for the president to act to detect a possible attack on the homeland...

SCHIEFFER: Well...

Sen. ROBERTS: …and then do something about it.
SCHIEFFER: ...let's just remind people what you're talking about here. You're talking about the president saying that he is eavesdropping on Americans without a warrant.

Sen. ROBERTS: (Unintelligible).

SCHIEFFER: Now this morning, Senator McCain said he didn't believe that the president that that authority. The president says he has it. Senator Specter, the chairman of the Judiciary Committee, is going to hold hearings.

Sen. ROBERTS: Yes.

SCHIEFFER: He says he thinks the president is on very thin ground here. So, what do you say about that, and then we'll come back to you, senator.

Sen. LIEBERMAN: I don't believe that the president has the authority. I believe that the Foreign Intelligence Surveillance Act requires him to go to the secret FISA court, which has only turned down four or five requests out of about 20,000. I want my government to be listening to phone conversations that Americans, or people here, are having with al-Qaeda, and reading their e-mails. But I want them to have to at least go to one level of clearance, through a secret foreign intelligence court before they do that.

SCHIEFFER: Let me ask you quickly, Senator Kerry said this morning he thinks there needs to be a special council appointed to investigate that. Would you go that far, Senator Lieberman?

Sen. LIEBERMAN: I don't see the need for that yet. I tell you what I feel an urgent need for. Senator Specter's beginning his hearings in a couple of weeks. Congress ought to get together with the White House in a non-partisan way and give the president the capacity to do exactly what he's done but to do it with some kind of clearance.

SCHIEFFER: All right.

Sen. LIEBERMAN: Some kind of court approval.

SCHIEFFER: I'm sorry, our--the clock has run out on us. I want to thank both of you.

Sen. LIEBERMAN: Thank you.

SCHIEFFER: I'll be back with a final word.

(Announcements)

SCHIEFFER: And finally today, let me get one thing out of the way first. Paul Bremer is a patriot who took a thankless and dangerous job. For one year, he was the top American official in Iraq, and it was his responsibility to get the country to the point that the Iraqis could at least hold an election. Now he has written a book, which is something every person who
holds such a position owes to history. And this book is his version of
history, which is what it should be.

But here's my problem. Now he tells us that early on he realized there were
not enough troops on the ground in Iraq to carry out the mission, and that he
tried to convince the secretary of Defense of that. I have no quarrel with
that, in fact I agree with him. My problem is, he never said such a thing
publicly at the time. To the contrary, when he appeared on this broadcast and
in other forums, he always took the government line that troop levels were
adequate, that at a time when Americans were dying.

More and more, that's the drill, officials say one thing at the time, but we
must wait for the book to find out what they really thought. Loyalty is to be
admired, but taking the company line when we believe it to be wrong is no
virtue for those in or out of government. In a world where spin rules, we may
have forgotten that.

Coming up next week, we're going to have an exclusive interview with President
Bush as he prepares for his State of the Union address. You'll see part one
on Friday's "CBS Evening News" and part two right here on FACE THE NATION.

That's it for us. See you.