

RELEASE IN FULL

CONFIDENTIAL

September 28, 2010

For: Hillary
From: Sid
Re: Latest political information

- I. From right-wing sources:
 1. The House Republicans are in a state of barely constrained chaos in anticipation of victory, when they will inevitably descend in a matter of a few months into pandemonium. The implosion that took the Republicans about 18 months after the 1994 takeover to produce is replicating itself on a faster schedule, proving the acceleration of history, or else that events repeat themselves the first time as tragedy, the second as farce. Nearly everybody in the House Republican Conference considers Boehner a liability. Eric Cantor privately talks of challenging him for Speaker, but undoubtedly lacks courage. Paul Ryan is in a snit, privately whining that nobody listens to his brilliant ideas, despises the "Pledge To America" platform as empty, and bears contempt for Boehner and his people. Kevin McCarthy, the other of the so-called trio of "Young Guns," is merely the happy-go-lucky greeter at the casino and wants to be the whip. The right-wing rank and file are restive, ready to revolt against Boehner at any slight sign of regular Republicanism (or reason), just as they did against Gingrich. The congressional leadership simultaneously fears the Tea Party, targeting regular Republicans, and slavers over exploiting it for short-term gain. Democrats, of course, remain clueless about the unstable internal condition of their opponents.
 2. On the Senate side of the GOP: Jim DeMint is operating entirely on his own, a party of one, undermining his fellow Republicans. He has already cost the Republicans a Senate majority by supporting whack-job Christine O'Donnell against Mike Castle. DeMint has independent sources of funding and is making preliminary plans to make a run for the presidential nomination.
 3. John Bolton is running for president. He is the candidate of the Cheney faction. He has already secured funding through Cheney's sources. The scenario is not to win the nomination but dominate the party's foreign policy, a subject about which the Tea Party and Republicans generally have almost nothing to say. If the Republican candidate were to win in 2012, Bolton and the neocons hope to have momentum to have him appointed Secretary of State.

4. Karl Rove has emerged as the kingpin of the “super-PACs” unleashed by the Citizens United decision. His group has accumulated unlimited funds for negative attacks on Democrats. The Koch brothers front-group, Americans for Job Security, the other large super-PAC, is deferring to Rove. Together they have gained cooperation from the Club for Growth. Rove has become the kingmaker of kingmakers.

II. Meanwhile:

1. A group of Democrats, including Paul Begala and David Brock, have given up on the White House, raised some money on their own, hired pollsters, drawn in Mike McCurry and others, and are plotting last minute desperate strategies. Welcome to Fort Apache. Begala says that after floating constant ideas to Rahm they are all knocked down by Obama himself.
2. Obama, as you have noticed, is on a nostalgia binge, campaigning on campuses, and sending cabinet secretaries to school gymnasiums across the country, attempting to relive the concert tour of 2008.
3. Rahm, as you know, is almost certainly leaving on Friday. Dutiful dolt (too kind a description) Jim Messina has taken over the politics. Politically, therefore, there is now no White House.
4. Stan Greenberg’s frantic gambit to get the House Democrats to take up tax cuts has collapsed, leaving them worse off than before, appearing ineffectual and divided. Nobody, it seems, anticipated this predictable outcome, not to mention that this approach wouldn’t help Democrats much and might marginally hurt them by raising tax cuts to the center of the campaign.
5. David Axelrod is whining about Rahm and Obama not following his wisdom, whining that he hates Washington, isn’t part of it, doesn’t get it, doesn’t want to get it, and yearns to leave. The inner circle loyalist turns disloyal, but in a miracle of utter obliviousness has no idea he’s damaging his principal and tarnishing the reputation (his own) he’s trying to save, unintentionally proving his larger point that he doesn’t fit in Washington—all laid out in excruciating detail in an article in The New Republic. My friend, John Judis, at TNR, tells me that Axelrod backgrounded the writer of the piece. I’ve included it below. Skip the bio parts; just read Axelrod’s Complaint. Only Philip Roth could do this tragicomic justice.

III. Tick, tick, tick...

1. Very little time left before the elections. Interesting pattern of Democrats coming back in California and parts of the West. Hispanic voters should be encouraged; they are the reason. Despite economic difficulties in the West, there is more of a sense of the future and hope there than in the Rust Belt states, which are becoming increasingly toxic. Jobs, jobs, jobs.
2. Typical Democratic consultant paint-by-numbers won’t work. Short-term policy proposals, like Greenberg’s conceit, will have no impact, or even a negative one. Obama is flailing. Off message doesn’t begin to describe his wanderings on campus.
3. Bill’s empathetic appeal to voters to give the Democrats a chance for two more years can only be done by him.
4. I have suggested to the Begala-Brock group that the message should be wholly political: Karl Rove’s dirty tricks campaign to put in their candidate John

Boehner, special interest poster child. Assemble a ten-point counter-Republican program taken from statements of their nutcase candidates, beginning with Social Security privatization, push it against their "Pledge," and have Democrats press Republicans to take stands on the real GOP extremist plan. Oh, well...

The New Republic October 14, 2010

What's Eating David Axelrod?

The disillusionment of Obama's guru.

Noam Scheiber

"I think he's not having fun," says an administration official. "On the other hand, he doesn't know how to escape the situation." He is stuck in a city he never wanted to inhabit, surrounded by people at ease with the practice of ritual sacrifice. "It's a hard town. It wants scalps. Sometimes he's very dour about it," says an administration veteran.

Among the many distinctions David Axelrod has

achieved in his career, there is one that requires special elaboration: He is, it turns out, one of the few customers to have ever run a tab at Manny's, the Chicago cafeteria and deli. This is not because the odd knish (\$4.25) or side of potato chips (\$0.75) threatened to leave him cash-poor. It is, rather, because Axelrod has long styled himself someone who accumulates wisdom at places regular people frequent, not the lacquered haunts of downtown Washington. What the Oval Room is to Beltway consultantdom, Manny's is to Axelrod.

This detail helps explain why the chief strategist always insisted he wouldn't follow his boss, Barack Obama, to the White House. Axelrod considered himself an enemy of Washington groupthink, and not just on matters of culinary preference.

There was, for example, that annoying Washington habit of carving voters into niches and plying them full of micro-spiels—more like a marketing exec surveying the cable dial than a leader bestriding history. Axe, as he is known, spent eight years at

the *Chicago Tribune* before entering politics. And although it had been decades since he'd left the ranks of scribblers, he still thought in broad narratives and stirring set pieces—"macrotrends," he'd joke. Among the deviations from the standard playbook that the Obama campaign made famous: an eight-day trip to Europe and the Middle East, a 30-minute infomercial costing millions of dollars, a nomination speech set under the Rocky Mountain sky (with no backup venue for rain!).

If the Obama landslide dragged Axelrod to Washington against his better judgment (his wife said he'd never forgive himself for staying put), the one judgment he never set aside was the inanity of D.C. custom. Even before Obama arrived at the White House, Axelrod had grand plans for scrambling protocol. Recent presidents had materialized at the Capitol like patriotic bunting. Axelrod imagined Obama traveling by train from Springfield, Illinois, gathering up ordinary folks along the way. "We wouldn't just bring their concerns to Washington, we'd bring *them* to Washington," says one inauguration official. Compared to the feats Team Obama had pulled off during the campaign, this one hardly rated as revolutionary. But you had to appreciate the symbolism. Lincoln took a similar journey to his first swearing-in. Besides, why give the Oval Room set its run of the inauguration? They could share it with the country.

At which point things got complicated. Logistics aides pointed out that there was no direct route from Springfield to Washington—the train would have to make long detours through Chicago and Pittsburgh. The Secret Service worried it might not be up to the task of securing nearly 1,000 miles of track, to say nothing of the frequent stops. When Axelrod and his colleagues realized the trip could take a week, even they became discouraged. "We couldn't hold the media's attention that long," says the inauguration official. "CNN on the fourth day of the whistlestop would be like, seriously?" Reluctantly, they abandoned the idea, settling on a day trip from Philadelphia instead.

It was the sort of annoyance that seemed to greet Axelrod regularly in his new hometown. His relations with Senate Democrats got off to a shaky start last year when he tried to move a weekly Senate luncheon that he was scheduled

to address, prompting grumbling over breached etiquette. Since then, he's faced off with congressional Democrats over everything from health care (Al Franken once demanded Axelrod tell him when the president would "apologize for his stupid idea" of airing negotiations on cspan) to general political strategy (House Democrats complained this spring that Obama's stump speech was killing them). There have been public spats with the business community and differences of opinion with the Obama economic team. (Axelrod once e-mailed White House economic adviser Larry Summers wondering if he'd be more comfortable in the "cafeteria at Goldman Sachs," though several administration officials say the ribbing is good-natured—Axelrod refers to Summers as his "brother in dishevelment"—and runs in both directions.) Axelrod rents a spare, two-bedroom apartment in the Logan Circle neighborhood and sees his family in Chicago once a month. Friends routinely describe him as homesick and bone-weary. "This is an experience that you could never, ever trade away," says his former campaign colleague Jim Margolis. "On the other hand, when he's walking up 15th Street late at night going home from the White House, he's probably wishing he was on the way to Lake Michigan." Axelrod has told reporters he also finds it achingly difficult to be apart from his adult daughter, Lauren, whose severe epilepsy has left her disabled. At a sturdy six-foot-two, Axelrod can look like a character out of a gritty police drama. He has a menacing, salt-and-pepper moustache and infrequently tamed hair. But other features betray him. scribed the nightmare that would ensue without an adequate response. "This is your 'holy shit moment,' " Romer announced, playing off a phrase Axelrod had used earlier in the day.

Less well known is the reason Axelrod had coined the phrase in the first place. Just before the larger meeting, Axelrod had huddled with the incoming economic team, including Romer and Austan Goolsbee, another senior aide, to hear their prognosis. The political team had polled the public's knowledge of the crisis, and after the economists brought him up to speed, Axelrod lamented how little the average voter grasped its seriousness. "The world hasn't had a holy shit moment, where they say, 'Holy shit, we have to do something,'" he said, according to Goolsbee.

If you want to understand the overwhelming source of Obama's political troubles, you can trace it back to this problem. The Bush and Obama administrations (and the Fed) stopped the spiral into depression. But the ordering of events most people observed—first the government intervened, then unemployment reached 26-year highs—made the response look like it had either failed or exacerbated the problem.

That Axelrod would home in on this from the outset—he told the president-elect after the meeting that his numbers would be in the toilet in twelve to 18 months and "all of us who were geniuses are going to be idiots"—is a testament to his legendary fatalism. In his recent campaign memoir, Plouffe recalls Axelrod as a brooding presence with a gift for finding the booby trap in every field of daisies. "This could be an unmitigated disaster," Axelrod announced to Plouffe and strategist Robert Gibbs as Obama trooped off to his first primary debate. Axelrod had been refining this mordant streak at least since young adulthood, when his career brought him face-to-face with the urban political machine—and its knack for crushing aspiring dogooders. After graduating from the University

of Chicago in 1976, he won a coveted internship at the *Tribune* and parlayed it into a full-time job. For several years, he covered City Hall, which was dominated by Democratic apparatchiks. He saw the local political establishment as inbred and corrupt and naturally rooted for the reformers. "David came in with a different viewpoint," says Bill Griffin, a colleague who hailed from a long line of Chicago cops and took a more sanguine view of the machine. "The independents—we would be dismissive of them. David gave them a voice in the paper." With his mournful eyes and the voice of a classical music deejay, he would never have cut it on "Homicide." There's also his gift for cringe-inducing puns, which have helped make him a beloved figure around the White House. (Axelrod on the plumbers' union endorsement: "Are they flush with cash?") Part mascot, part coach, he is known for two standbys at daily staff meetings: irritation over leaks to the media and jokes about whatever tie has become the latest casualty of his breakfast. As it happens, food mishaps are central to the Axelrod mystique. He was famous during the campaign for having disabled a BlackBerry with a stray piece of donut glaze. He once convened a meeting with a gravity-defying clump of oatmeal clinging to the frame of his glasses. Internal camaraderie notwithstanding, the last few months have been especially grueling—a streak of lousy economic data and worse political news (the Gulf oil spill, the Charlie Rangel ethics scandal, the Ground Zero Islamic center) that would have tested any White House. At times, Axelrod has mused about returning to Chicago, but there's no way out, at least not before the Democrats' day of reckoning in November. "I think he's not having fun," says an administration official. "On the other hand, he doesn't know

how to escape the situation.” He is stuck in a city he never wanted to inhabit, surrounded by people at ease with the practice of ritual sacrifice. “It’s a hard town. It wants scalps. Sometimes he’s very dour about it,” says an administration veteran. And yet it’s not as if the mores of contemporary Washington come as news to Axelrod, who has described the capital as a place where “too many people spend too much time kneecapping each other to certify their own importance.” “In terms of the short-term mentality, the unwillingness to take risks, the way every day is scored like the Super Bowl—all those things he believed, I think, have been confirmed in the extreme,” says David Plouffe, the former Axelrod partner who managed the Obama campaign. “But it’s not like he was caught by surprise. He understood that. It’s what he expected.” Which raises a question: What’s really eating David Axelrod?

Much has been written of the famous December 16, 2008, meeting in Chicago in which the president-elect and his aides debated a massive stimulus package. During the meeting, Christina Romer, whom Obama had asked to chair his Council of Economic Advisers, reviewed the data on the economy’s spectacular collapse and de-scribed the nightmare that would ensue without an adequate response. “This is your ‘holy shit moment,’ ” Romer announced, playing off a phrase Axelrod had used earlier in the day. Less well known is the reason Axelrod had coined the phrase in the first place. Just before the larger meeting, Axelrod had huddled with the incoming economic team, including Romer and Austan Goolsbee, another senior aide, to hear their prognosis. The political team had polled the public’s knowledge of the

crisis, and after the economists brought him up to speed, Axelrod lamented how little the average voter grasped its seriousness.

“The world hasn’t had a holy shit moment, where they say, ‘Holy shit, we have to do something,’ ” he said, according to Goolsbee.

If you want to understand the overwhelming source of Obama’s political troubles, you can trace it back to this problem. The Bush and Obama administrations (and the Fed) stopped the spiral into depression. But the ordering of events most people observed—first the government intervened, then unemployment reached 26-year highs—made the response look like it had either failed or exacerbated the problem.

That Axelrod would home in on this from the outset—he told the presidelect after the meeting that his numbers would be in the toilet in twelve to 18 months and “all of us who were geniuses are going to be idiots”—is a testament to his legendary fatalism. In his recent campaign memoir, Plouffe recalls Axelrod as a brooding presence with a gift for finding the booby trap in every field of daisies. “This could be an unmitigated disaster,” Axelrod announced to Plouffe and strategist Robert Gibbs as Obama trooped off to his first primary debate. Axelrod had been refining this mordant streak at least since young adulthood, when his career brought him face-to-face with the urban political machine—and its knack for crushing aspiring dogooders. After graduating from the University of Chicago in 1976, he won a coveted internship at the *Tribune* and parlayed it into a full-time job. For several years, he covered City Hall, which was dominated by Democratic apparatchiks. He saw the local political establishment as inbred and corrupt and naturally rooted for the reformers. “David came in

with a different viewpoint,” says Bill Griffin, a colleague who hailed from a long line of Chicago cops and took a more sanguine view of the machine. “The independents—we would be dismissive of them.

David gave them a voice in the paper.” By the early ’80s, the *Tribune* had promoted its chief political writer, a more conservative man named Dick Ciccone, to the position of managing editor. It replaced him with Axelrod, who used his weekly columns to flay the city’s ruling class. Axelrod observed that, on the one day of the year City Hall welcomed public testimony, the mayor had fled to a nearby hotel to finalize the party’s election slate. Another column compared campaignfunding laws in Illinois and Wisconsin.

Wisconsin, Axelrod noted, had spending limits and public financing. “[O]ur own system of ‘public financing,’ ” he wrote, “works like this: Employees, unions, lawyers, and businesses that reap tax dollars from government pour some of the money back into the campaigns of the incumbents to keep the spigot open.”

Only in his late twenties, Axelrod appeared to have landed his ideal job. But there were strains. His predecessor, Ciccone, had the title “political editor,” but management withheld it from Axelrod.

When the paper transferred a writer from its Washington bureau to supplement his coverage, Axelrod “was pissed,” as he told *Chicago* magazine in 1987. He also bristled at the way editors treated his copy. “He used to grouse, ‘They changed this, didn’t let me say that.’ It happens to everybody, but he was very sensitive,” recalls Jeff Lyon, a colleague and close friend at the time. He fumed when they buried a story showing how a leading mayoral candidate had stoked racial fears.

Axelrod’s hypersensitivity notwithstanding—he couldn’t touch coffee because it made him too jittery—it became

obvious that management was thwarting him. "It might have been his politics," Lyon says. "The *Tribune*, even though it had undergone a metamorphosis of sorts . . . was still far from liberal. David was a liberal." Whatever the reason, Axelrod grew increasingly frustrated. "He came out of a fairly affluent family in Manhattan. So it wasn't like he was devoid of any knowledge that people could do this," says Lyon. "But yeah, it affected him a lot. We've all had those kinds of experiences. They shape you."

One Saturday night in 1984, Axelrod met Lyon and a handful of colleagues for dinner at a Mexican restaurant. He announced he was leaving the *Tribune* to work as press secretary for Congressman Paul Simon, who was running for Senate. He was nervous but resolute. For years, he'd toyed with going into politics anyway. Now, he said, he was leaving because he didn't want to be kicked around anymore. His dinner companions were stunned. "I don't think anyone said it was a brilliant career move," says Lyon. But, as it happens, the decision almost perfectly distilled Axelrod's mix of fatalism and brash idealism. On the one hand, he saw that he was being stymied by forces beyond his control. On the other hand, he was willing to trade a remarkable amount of success for a job that might not last six months (Simon was a big underdog) in a line of work he had no experience in, with a wife and two small children at home. The only explanation is that something about the liberal Simon—the picture of an anti-politician, with his horn-rimmed glasses and bow tie—spoke to Axelrod. And so he jumped.

In the spring of 2009, White House officials gathered in the Roosevelt Room to discuss the direction of

health care reform. One of the looming questions was the so-called tax exclusion. Under the status quo, a worker making \$75,000 per year with no benefits would pay taxes on all his compensation. But a worker making \$50,000 plus \$25,000 in health benefits would only pay taxes on his income; the benefits would be untouched. This gave employers an incentive to provide generous insurance, which, in turn, led workers to consume too much health care. Pretty much every work in the administration believed that taxing benefits was essential. But the political team saw a problem: During the presidential campaign, Obama had criticized John McCain for a similar proposal. Axelrod was especially concerned about reversing course. The campaign had run millions of dollars in ads specifically on the issue. To underscore the point, he screened a roughly ten-minute montage of every Obama ad blasting McCain as a tax-raiser. It was to little avail. By late July, when the president held an Oval Office meeting with several prominent health economists, it was clear he intended to endorse the tax (though it ultimately fell hardest on upper-income workers). Axelrod stood off to the side and said little.

As long as Axelrod was helping Obama capture the White House, it was easy to assume both men subscribed to the same worldview—not least because Axelrod's reverence for his candidate was irrepressible.

Neera Tanden, a top Hillary Clinton campaign aide whom Obama hired for the general election, recalls Axelrod's pitch to her as follows: "Obama is a leader who tries to do the right thing.

He's running a campaign that is a teambelieves in them. It would be great for you to see that."

Back then, the details of Obama's proposals had been less important than the way they advanced the broader narrative.

Obama wouldn't just tout the benefits of health care reform. He'd point out that every Democrat since FDR had tried and failed to bring universal coverage; only a different kind of politician could succeed.

But, for all they have in common, Axelrod is a liberal with a populist streak; Obama is more of a technocrat who leans left but generally shuns ideology. When it came time to govern, the differences between the president and his top political adviser became harder to finesse.

One of the first major political questions the White House faced after the inauguration was how to handle public outrage over bonuses at bailed-out companies.

Missouri Senator Claire McCaskill offered an answer: a bill preventing any executive at a company on government life-support from making more than the president, or \$400,000 per year. "David liked that a lot," says a strategist close to the White House. But Obama ultimately sided with Treasury Secretary Timothy Geithner, who believed it would discourage firms from participating in programs designed to stabilize the financial system.

In the weeks that followed, Axelrod actually blessed the compensation plan the economic team devised. The idea was to tie pay to recovery—permitting large bonuses, but only once the companies had paid back their bailout funds. "What Axe railed against was not the idea of high compensation, but where it seemed divorced from the president's responsibility ethos," says one administration official. "Axe was fine with the initial guidance because it said you only get paid well if you bring your company back."

But, in mid-March, the press reported that AIG owed executives at its financial products division \$165 million in performance bonuses. Taxpayers struggled to understand why they owed anything to the people whose disastrous real-estate

bets required a \$170 billion government lifeline, much less tens of millions in performance incentives.

The development shattered the tentative understanding between Axelrod and the wonks. Geithner believed that you cease to be an advanced economy once the government starts dissolving contracts. Axelrod and other senior political aides, like Gibbs, felt the administration had to respond to the country's legitimate outrage. They began to worry that Geithner's principled caution, while noble, could bring the administration down. but has had trouble nudging the president beyond his comfort zone. "With David, [you're] pushing on an open door," says one person who's been in touch with the White House on these matters. Axelrod has always been harder-edged than the president, after all. "Barack would go everywhere but to negative. Rahm would cut your heart out. Axelrod is in the middle of that triangle," says Jim Cauley, who managed Obama's 2004 Senate race. But when it comes to the idea of changing Washington—of uprooting a system that gives outsize influence to special interests and rewards hyperpartisanship—Axelrod and Obama see eye to eye. For good reason. It arguably accounts for the millions of first-time voters who backed Obama by large margins in 2008. Perhaps more importantly, Obama and Axelrod both believe in changing Washington for its own sake. "It's in the president's nature, it's also in David's nature," says Stephanie Cutter, a senior White House aide. Indeed, on the level of worldview, it's probably their deepest bond. Dating back to his *Tribune* days, Axelrod has believed that the biggest problem with interest groups and party hacks is that they take for themselves what belongs to ordinary citizens. In Obama's mind, special interests and partisanship corrupt good policymaking—

both for the common man and everyone else. If it were up to Axelrod, the language of the Obama presidency might tilt a bit more populist. If left to his own devices, the president's words might be a bit wonkier. (It's hard to imagine Axelrod having written Obama's policy manifesto, *The Audacity of Hope*, for example.) The place where they completely overlap is the belief that Washington must change. And so, rhetorically at least, they won't give up on it. That helps explain why, despite the pressure from members of Congress and every Democratic wise guy in town, Axelrod and Obama keep returning to some version of the anti-Washington message, albeit one that increasingly lays blame with the GOP. "The context for the Washington-is-broken argument applies today, to the midterms," says Larry Grisolano, a top Obama campaign official who attends a weekly meeting with Axelrod and other senior consultants from the campaign. "It's different than what we had [in 2008]. . . . But he hasn't discontinued where he's coming from. He's applying it to the current context."

The problem is that, while the administration remains rhetorically committed to changing Washington, at times it has abandoned the pursuit of that goal. In late February of 2009, Obama faced a small but telling decision. Congress had larded Bush's final budget with earmarks, the spending that members can sneak into legislation without a vote, and which Obama frequently derided. According to *The Promise*, Jonathan Alter's account of Obama's first year in office, the White House legislative staff had heroically trimmed the number of earmarks from over 20,000 to 9,000 and urged the president to sign on. But Axelrod was worried about the old-

Washington stench. "Nine thousand or two—earmarks are earmarks," he complained, in Alter's telling. After some agonizing, Obama sided with his legislative aides. "We've got big stuff going on here," he said.

During the campaign and the first months of the administration, it had been possible to believe Obama wouldn't have to choose between his twin goals of passing legislation and taming Washington. But, over time, a combination of structural factors (the effective 60-vote requirement in the Senate) and circumstances (a Republican Party determined to oppose him at every turn) made the choice inescapable.

No progressive can begrudge Obama's decision to sacrifice procedural change in order to notch big wins on health care and financial reform. But the tension between the administration's rhetoric and its approach isn't costless. "The strategy Obama had [during the campaign] is a great message for getting the country angry at Washington," says an official who joined the administration early on. "But some would argue that it's not a good message for achieving legislative victory that mires you in *not* changing Washington—in using the levers that are available in Washington." If anything, Axelrod feels this tension more acutely than even Obama. "Barack is a pragmatist, Axe believes," says Cauley.

Last spring, chief of staff Rahm Emanuel began pursuing a series of deals with interest groups—insurers, pharmaceutical manufacturers, hospitals—to grease the passage of health care. When Axelrod eventually turned to the issue, he became frustrated. The deals Emanuel was negotiating were moving the legislation forward. But they risked provoking a public backlash. "During the campaign we fought against insurance

companies,” Axelrod said in discussions with Emanuel and the president. “After the deals with insurance companies, the deals with Pharma—all these—it’s possible that Axelrod was speaking strictly in his role as a communications adviser. Certainly no strategist would relish explaining how “changing Washington” had given way to co-opting special interests. But there appears to have been a deeper revulsion at work. For one thing, Axelrod had been fighting the health care–industrial complex since his *Tribune* days, when his daughter’s medical bills consumed a quarter of his salary. And while he craved the end result of health care reform, the process had a way of mocking his principles. “David has a very idealistic streak,” says the official. “He does not see politics as the art of the transaction. He sees it much more in a human context, that people are motivated by a connection to something bigger than themselves. That view is just very different from passing legislation like health care, where you have to cut deals.”

That would certainly be consistent with Axelrod’s longstanding outlook. In late 2003, while he was working for John Edwards’s presidential campaign in Iowa, Axelrod began meeting with Joe Trippi, then the campaign manager for Howard Dean. “He was one of the few people [in the party] that was interested in what we were doing,” Trippi recalls. “Most of the other campaigns, candidates, staffs, thought we were Martians from outer space.” The two men would sit for hours at the bar in the Hotel Fort Des Moines and riff about the way the Internet empowered ordinary voters and undercut special interests. Trippi sensed Axelrod had a pang of longing for what Dean was pulling off. “I’m not saying he loved my guy,” Trippi allows. “But he wanted to change politics, and here’s something

happening that's changing politics."

When Axelrod was five years old, he fell in love with John F. Kennedy after glimpsing him from atop a mailbox in New York City. The first politician he fell in love with as an adult was a Chicago Democrat named Jane Byrne. Byrne was an unlikely reformer. She'd been a protégé of the longtime mayor Richard Daley and was serving as his consumer-affairs commissioner when he died in office. But Daley's successor, a gray machine hack named Michael Bilandic, fired her in 1977 after she'd accused him of secretly negotiating a fare increase with local cab companies. The following year, Byrne announced she was likely to challenge Bilandic in the primary. "His heart is not with the people, it's with the bankers," she said, according to a story Axelrod wrote for the *Tribune*. "I'll raise money with contributions from the people. . . . I won't make any sweetheart deals." Axelrod and the younger writers at the paper were spellbound. "We cheered her on," recalls Lyon. In his story on the night of Byrne's primary victory, Axelrod called it the "upset of the century in Chicago." Within months of taking over as mayor, though, Byrne proved to be a spectacular disappointment. She began stocking agencies with friends and family, cutting deals with the machine pols she'd promised to sideline. Axelrod was more disillusioned than most. One piece of his straight reportage early in Byrne's term began, "Apparently piqued over published reports involving her husband, the normally outspoken Mayor Byrne has curtailed her exchanges with press." (It went on to include this priceless deadpan: "Mrs. Byrne, who has declined to discuss her sudden reticence . . .") As a columnist, Axelrod bemoaned Byrne's

fundraising quid pro quos. He joked that, for one contractor who'd siphoned \$1.5 million from city coffers, "it was a small sacrifice to return \$62,000 to the mayor's campaign fund."

In the end, Axelrod partly blamed himself for the fiasco. Trying to puzzle through how Byrne became "the mayor she ran against," he wrote: "[The lesson] is that voters should look at the history of a candidate in assessing the sincerity of their promises. There was little in Jane Byrne's background to suggest she would be the one who would finally clean up Chicago government."

Notwithstanding such self-reflection, the pattern of bubbling enthusiasm followed by disillusionment would recur in Axelrod's career. The campaign of Byrne's successor, Harold Washington, also inspired a certain romance in him, but soon he was grumbling about the mayor's disorganization and fecklessness. (Axelrod did later work for Washington.) As a consultant in 1990, Axelrod helped a wealthy lawyer named Dick Phelan replace George Dunne, the longtime president of the Cook County Board. Axelrod had worked for Dunne four years earlier; he eventually soured on Phelan, too.

In 1991, Axelrod signed on to work for another wealthy lawyer, who was challenging Illinois Senator Al Dixon in the Democratic primary. His commercials claimed Dixon was "Paid by the Taxpayers. Owned by the Special Interests."

Dixon had a well-deserved reputation as a Washington dealmaker, but there was an added wrinkle: He was a close friend of fellow Illinois Senator Paul Simon, the man who'd given Axelrod his break in politics. Years later, Axelrod would credit Simon's 1984 victory with launching his career. He regarded the liberal Simon as a father figure and would speak of him reverentially.

Several weeks before the primary,

Simon began vouching for Dixon's bona fides and barnstorming the state at his side. Axelrod was crestfallen. In what he assumed was an off-the-record interview with *National Journal*, he laid into Simon as "an aspiring hack trapped in a reformer's body." "I think it's safe to say we were disappointed at Simon's rather strong involvement in propping up Dixon," says John Kupper, a longtime Axelrod partner who worked on the campaign. "Clearly, Dixon was not the reform candidate in that race." (Axelrod promptly called Simon to apologize and has said the quote was one of his biggest regrets; they reconciled and remained close until Simon's death in 2003.)

Whatever his tendency to fall in and out of love with politicians, there's no evidence Axelrod has soured on Barack Obama. Quite the contrary—he is said to take enormous pride in the president's legislative accomplishments. "When Obama rejects Axe's political advice, David's attitude is not like, 'Why isn't he listening to me?'" says one administration official. "It's more like, 'This is why I love this guy. He's willing to follow his heart even when the short-term politics are not with him.'" Instead, the source of Axelrod's disillusionment these days is Washington itself.

In retrospect, Axelrod's diagnosis from 25 years ago wasn't entirely right. The lesson of Jane Byrne isn't that her background left her unprepared to clean up City Hall, though that's certainly one reason she failed. The lesson of Jane Byrne and Harold Washington and George Dunne and Dick Phelan—and even Paul Simon and Barack Obama—is that cleaning up City Hall is unspeakably hard. Much more so than it appears to an outsider.

As long as he was a civilian, Axelrod could blame the pace of change on the

flawed politicians he helped elect. He could always move on and invest his hopes in someone else. But now that he's serving in government, it's clear that the problem isn't so much flawed people—though, like anyone, Obama has his flaws—as a ferociously stubborn, possibly irredeemable system. For an idealist like David Axelrod, that may be the most terrifying thought of all.

Senior editor Noam Scheiber is a Schwartz Fellow at the New America Foundation.