

RELEASE IN PART B6

From: Fuchs, Michael H <FuchsMH@state.gov>
Sent: Wednesday, February 17, 2010 8:17 PM
To: H
Cc: Mills, Cheryl D; Sullivan, Jacob J
Subject: Financial Times interview with Podesta

Madam Secretary,

Jake mentioned that you would like to see a copy of John Podesta's recent interview with the Financial Times. A transcript of the interview has not been posted yet, but I have included here the Financial Times article about the interview. Please just let me know if you would like any further information on this.

Best,
Mike

Former aide urges Obama to regain 'political narrative'
By Edward Luce in Washington

Published: February 15 2010

Barack Obama, US president, has lost control of the political narrative and needs to make more use of his cabinet in order to regain it, says John Podesta, the man who headed the president's transition team.

"My friends in the White House would agree with this, that they lost the narrative," Mr Podesta said in an interview for View from DC, the Financial Times' video series from Washington. "Clearly that needs not one speech once in a while: it needs, I think, to be constantly reinforced. And not just by the president, but by his entire team . . . He's got a terrific cabinet. Use it. Get out into the country and use it."

Mr Podesta, who was also a chief of staff to Bill Clinton, drew parallels with the former president's difficulties in his first two years, which culminated in the 1994 Republican takeover of Congress following the failure of healthcare reform.

When asked whether the failure of this latest attempt at healthcare reform would result in a similar electoral "massacre" for the Democratic party at the mid-term elections in November, he said: "I subscribe to that view."

Mr Podesta founded the Centre for American Progress, Washington's largest liberal think-tank, which was often described as a "government-in-exile" during the years George W. Bush was in the White House. He said Mr Obama had three options with healthcare reform. First, try to enact the whole thing by using the budget reconciliation process, which would enable it to pass with 51 votes. The Democrats lost their controlling 60-seat super-majority last month in an election defeat in Massachusetts.

The second would be to pass a watered down bill with Republican support. The third would be to abandon the attempt, as Mr Clinton did in 1993.

Mr Podesta, whom Mr Obama still regularly consults, said there was still a better than 50:50 chance of getting reform through. "The worst option among the three is doing nothing, and so they're going to have to figure out which track is viable," he said. "It may mean doing it with only Democratic votes. But if that is such, then so be it."

He painted a fairly bleak view of the overall health of US politics. "It sucks," he said. Pointing to a strategy of obstructionism by Republican lawmakers, he said: "I think the president is trying to re-engage with Republicans, but, quite frankly, he's not dealing with the party of [Abraham] Lincoln. He's dealing with the party of [Sarah] Palin."

The growth of partisanship and the increasing difficulty in getting any big reforms through the Senate were threatening to turn the US into, "in essence, a parliamentary system without majority rule", where the opposition automatically opposes any serious initiatives.

The political stasis in California provided the writing on the wall for the US as a whole, he said. Since the 1978 passage of Proposition 13 in the state, all budget changes had required a two-thirds majority. "And so nothing gets done."

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