In November, 1984, President Ronald Reagan was reëlected in a landslide victory over Walter Mondale, taking forty-nine states and fifty-nine percent of the popular vote. The Reagan revolution was powerfully reaffirmed. Soon after, Donald Regan, the new chief of staff, sent word to a small group of trusted friends and Administration
officials seeking advice on how Reagan should approach his last four years in office. It was an unusual moment in the history of the Presidency, and the experience of recent incumbents offered no guidance. No President since Dwight D. Eisenhower had served two full terms. John F. Kennedy was assassinated. Lyndon Johnson, overwhelmed by the war in Vietnam, had declined to run for reëlection in 1968. Richard Nixon resigned less than seventeen months into his second term. Gerald Ford (who was never elected) and Jimmy Carter were defeated. By the nineteen-eighties, it had become popular to talk about the crisis of the Presidency; a bipartisan group of Washington leaders, with Carter’s support, launched the National Committee for a Single Six-Year Presidential Term.

Regan’s effort to foresee a successful second term is documented in a series of memos at the Reagan Library. President Obama, who in November could face one of the tightest bids for reëlection in history, has periodically spoken of his admiration for Reagan. “Ronald Reagan changed the trajectory for America,” he told a Reno, Nevada, newspaper in early 2008. “He just tapped into what people were already feeling, which was we want clarity, we want optimism.” From the inception of his Presidential bid, Obama has sought to present himself as a leader with far-reaching ideas, and has prided himself on his ability to look past the politics of the moment. To the degree that he is able to ponder his strategy for the next four years, it’s natural to think he might steal a glance at the Reagan playbook. Responding to Regan’s confidential memo, Tom Korologos, an adviser to every Republican President from Nixon to George W. Bush, told the Reagan White House that the second term should be viewed from the standpoint of the President’s intended legacy.

“It seems to me that the President needs to decide what his legacy is going to be,” Korologos wrote on January 24, 1985, a few days after Reagan’s second inaugural. “What is he going to be the most proud of when he’s sitting at the ranch with Nancy four and five years after his Presidency? Is it going to be an arms control agreement? Is it going to be a balanced budget? Is it going to be world-wide economic recovery? Is it going to be a combination of all of this: peace and prosperity? . . . Every speech; every appearance; every foreign trip; every congressional phone call and every act involving the President should be made with the long-range goal in mind.”
Every President running for reëlection begins to think about his second term well before victory is assured. In early 2009, Rahm Emanuel, Obama’s first chief of staff, told me that the White House was already contemplating the Presidency in terms of eight years. He said that it was folly to try to accomplish everything in the first term. “I don’t buy into everybody’s theory about the final years of a Presidency,” Emanuel said. “There’s an accepted wisdom that in the final years you’re kind of done. Ronald Reagan, in the final years, got arms control, immigration reform, and created a separate new department,” that of Veterans Affairs.

Obama’s campaign is well aware that he may end up like Jimmy Carter or George H. W. Bush, the two most recent one-term Presidents, who were both defeated despite some notable—even historic—accomplishments, including the Camp David Accords, under Carter, and the Gulf War, under Bush. The country remains closely divided, and the economy is teetering again. After several months of relatively positive news, the employment report released in June was gloomy. Barring a disastrous revelation or blunder, Mitt Romney will be a more formidable opponent than many assumed during his rightward lurch to secure the Republican nomination.

Many White House officials were reluctant to discuss a second term; they are focussed more on the campaign than on what comes after. But the ostensible purpose of a political campaign is to articulate for the public what a candidate will do if he prevails. “It’s a tension,” David Axelrod, Obama’s longtime political adviser, said. “On the one hand, you don’t want to be presumptuous in assuming a second term. But campaigns are about the future, and there is an imperative to spell out where we’re going.”

Obama has an ambitious second-term agenda, which, at least in broad ways, his campaign is beginning to highlight. The President has said that the most important policy he could address in his second term is climate change, one of the few issues that he thinks could fundamentally improve the world decades from now. He also is concerned with containing nuclear proliferation. In April, 2009, in one of the most notable speeches of his Presidency, he said, in Prague, “I state clearly and with conviction America’s commitment to seek the peace and security of a world without nuclear weapons.” He conceded that the goal might not be achieved in his lifetime but promised to take “concrete steps,” including a new treaty with Russia to reduce nuclear weapons and ratification of the 1996 Comprehensive Nuclear Test-Ban Treaty.
In 2010, Obama negotiated a new Strategic Arms Reduction Treaty with the Russians and won its passage in the Senate. But, despite his promise to “immediately and aggressively” ratify the C.N.T.B.T., he never submitted it for ratification. As James Mann writes in “The Obamians,” his forthcoming book on Obama’s foreign policy, “The Obama administration crouched, unwilling to risk controversy and a Senate fight for a cause that the President, in his Prague speech, had endorsed and had promised to push quickly and vigorously.” As with climate change, Obama’s early rhetoric and idealism met the reality of Washington politics and his reluctance to confront Congress.

VIDEO FROM THE NEW YORKER

The Cohen Hearing in Three Minutes

Obama’s advisers say it is more likely that the President would champion an issue with greater bipartisan support, such as immigration reform. Obama has also said that he hopes to have the time and the attention to address a more robust aid agenda for developing countries than he was able to muster in his first term. These issues will loom over his potential second term, awaiting a push from the President. So, too, will the
lingering question of who Obama “really” is: an aspiring compromiser, a lawyerly strategist, or a bold visionary willing to gamble to secure his legacy.

Whatever goal Obama decides on, his opportunities for effecting change are slight. Term limits are cruel to Presidents. If he wins, Obama will have less than eighteen months to pass a second wave of his domestic agenda, which has been stalled since late 2010 and has no chance of moving this year. His best opportunity for a breakthrough on energy policy, immigration, or tax reform would come in 2013. By the middle of 2014, congressional elections will force another hiatus in Washington policymaking. Since Franklin Roosevelt, Presidents have lost an average of thirty House seats and seven Senate seats in their second midterm election. By early 2015, the press will begin to focus on the next Presidential campaign, which will eclipse a great deal of coverage of the White House. The last two years of Obama’s Presidency will likely be spent attending more assiduously to foreign policy and shoring up the major reforms of his early years, such as health care and financial regulation.

As William Daley, who served for a year as Obama’s chief of staff, put it, “After 2014, nobody cares what he does.”

II

Sooner or later, every reëlected President confronts the frustration lurking in a second term: reëlection to power does not necessarily grant more of it. Richard Nixon and his aides were obsessed with using a second term to take command of a federal government that they believed was hostile to the President and his agenda. “Faced with a bureaucracy we did not control, was not staffed with our people, and with which we did not know how to communicate, we created our own bureaucracy,” White House aides wrote in a 1972 memo found in the files of H. R. Haldeman, who later went to prison for covering up Watergate crimes.

Nixon gave his aides detailed directions about how to flush unsympathetic bureaucrats from the government after he won reëlection. Early in the 1972 campaign, he wrote his aides with instructions for a “housecleaning” at the C.I.A.:

I want a study made immediately
as to how many people in CIA
could be removed by presidential
action. . . . Of course, the reduction in force should be accomplished solely on the ground of its being necessary for budget reasons, but you will both know the real reason. . . . I want you to quit recruiting from any of the Ivy League schools or any other universities where either the university president or the university faculties have taken action condemning our efforts to bring the war in Vietnam to an end.

Nixon’s paranoid theory was that none of his second-term priorities—from his China policy to his health-care plan—could be addressed until the White House controlled the rest of his government. The housecleaning efforts were not technically a part of Watergate, but they were a harbinger of his second-term self-immolation.

The Reagan Administration quickly grasped that whatever power it had gained through reëlection had to be spent judiciously. As part of Regan’s brainstorming exercise about the President’s second term, Alfred Kingon, then the Assistant Treasury Secretary, urged the President to choose his top priorities with care. The best that Reagan could hope for was victory on a few big initiatives. “Please remember that there are about 50 or 60 issues going at once,” Kingon wrote. “We can only keep track of 20 or 25, concentrate on a mere handful and hope to have legislative success in a fraction of that.”

James Baker, Reagan’s chief of staff preceding Regan, wrote to the President after the election and made a similar point. “Unlike the campaign in 1980, you have campaigned with little specificity,” he told the President. (Reagan’s “Morning in America” theme had not been burdened with detailed policy proposals.) “There are very many items that any right-thinking president would want to achieve,” Baker wrote. “But frankly, there are too many. You must set priorities.”

A key challenge for a second-term President lies in managing the delicate balance between what he wants (his priorities) and what he thinks the public wants (his
perceived mandate)—and taking care not to confuse the two. George W. Bush was less adept at this than Reagan. Bush approached his second term with two broad goals. In foreign policy, he attempted to steer his White House away from the radicalism of the first four years. During the 2004 campaign, Bush came close to jettisoning the two people—Vice-President Dick Cheney and Defense Secretary Donald Rumsfeld—most associated with extreme views of how to handle post-9/11 foreign affairs. After the election, Cheney saw the influence of his principal ideological opponents—Stephen Hadley, the new national-security adviser, and Condoleezza Rice, the new Secretary of State—rise, especially on issues such as Syria, North Korea, and the Administration’s policy on torture. Cheney’s recent memoir boils with his indignation at being sidelined. At a National Security Council meeting in 2007, Cheney made the case for bombing a Syrian nuclear reactor. “After I finished,” he writes, “the President asked, ‘Does anyone here agree with the Vice President?’ Not a single hand went up around the room.”

Domestically, however, Bush miscalculated his position. Early in his second term, he made a strong play for Social Security reform; it failed miserably, for lack of Democratic backing. “If I had it to do over again, I would have pushed for immigration reform, rather than Social Security, as the first major initiative of my second term,” Bush lamented in his memoir. “Unlike Social Security, immigration reform had bipartisan support.”

In 2005, Bush won approval of an energy bill, a trade agreement, and a bankruptcy-reform bill. But the remainder of his Presidency was consumed by scandal (the Valerie Plame case, the N.S.A.’s warrantless wiretapping program, the firing of eight U.S. Attorneys for political reasons) and by badly managed catastrophes (Katrina, deterioration in Iraq, the crash of financial markets). The Democrats took over Congress in 2006, and on Election Day in 2008 Bush’s Gallup approval rating stood at twenty-five per cent.

There is an argument, common on the right, that if Obama is reëlected he will pursue a more ideological, even radical, agenda because he will be unbound by the moderating influence of another election. As Dick Morris, of Fox News, put it in March, “A second term for Obama would bring on a socialist nightmare hellscape as he moves further to the left.” This argument is often bolstered by noting that Obama recently told the Russian Prime Minister, Dmitry Medvedev, that he would have “more
flexibility” to pursue negotiations on missile defense “after my election.” Ed Morrissey, of the conservative blog Hot Air, warned that the comment should cause voters “to fear an Obama second term.”

But a President who has won reëlection can also feel less tied to his political base and more free to shift toward the political center. At the start of Reagan’s second term, Kingon advised the White House that the victory had allowed him to pursue policies that would advance only with bipartisan support—a precondition for success, given that Democrats controlled the House. Kingon noted that only twenty per cent of Americans agreed with Reagan’s anti-abortion policy and that many Americans voted for Reagan “knowing that he believes in these things but understanding that he would not push for them.” He argued that this was the implicit promise of the Reagan reëlection campaign. Aggressively pursuing social issues, Kingon wrote, would substantially diminish the President’s political support, and would risk failure in other key areas. “I think it is important to remember that there is a point beyond which popular Presidential support erodes, and he can do nothing, e.g., Jimmy Carter,” Kingon warned.

Reagan largely heeded this advice, and he had one of the most successful second terms in American history. He passed immigration reform, a major reform of the tax code, and an arms-control treaty with the Soviets. He also appointed two conservative Supreme Court Justices, Antonin Scalia and Anthony Kennedy. He ended his Presidency with an approval rating of more than fifty-five per cent.

Obama entered office with what many considered a mandate. Taking advantage of large majorities in Congress, he spent the first two years passing major Democratic legislation: financial regulation and health-care reform. But the second two years were devoted to managing the gridlock created by the backlash against the first two, with a resurgent Republican Party intent on Obama’s defeat.

Axelrod told me that Obama has learned from recent history. “President Bush claimed a mandate after the last election and took steps that he never ran on,” Axelrod said, pointing to Bush’s miscalculation on Social Security. “You have to govern boldly, but with the humility of knowing that you can’t assume that people embrace your case—you have to make it, even after the election. The thing that trips you up, and certainly tripped up Bush, is the assumption that, if you win, somehow you can then embark on an agenda that is wholly different from the one you campaigned on.”
If Obama aims to leave a legislative mark in his second term, he’ll need two things: a sense of humility, and a revitalized faction of Republican lawmakers willing to make deals with the President. Given the polarized environment and the likelihood of a closely divided Congress, it seems more implausible to suppose that Obama would turn radical in his second term than that he would cool to his Democratic base.

III

After every Presidential election, the winner likes to declare why he won, often in terms that set the tone for the following year. “I earned capital in the campaign, political capital, and now I intend to spend it,” Bush said at his first post-election press conference on November 4, 2004. Cheney went further: “President Bush ran forthrightly on a clear agenda for this nation’s future. And the nation responded by giving him a mandate.” But, as his defeat on Social Security soon made clear, Bush had no mandate.

The idea of a mandate from the people defies the intentions of the Founders and is contrary to the way that most early Presidents viewed their role, according to Robert Dahl, the Yale political scientist. Early Presidents argued on behalf of their policies with appeals to the Constitution rather than to the people. Even Abraham Lincoln and Theodore Roosevelt, who asked for sweeping new executive powers, did so with strictly constitutional arguments rather than with populist ones.

The concept of a mandate was essentially invented by Andrew Jackson, who first popularized the notion that the President “is the direct representative of the American people,” and it was later institutionalized by Woodrow Wilson, who explicitly wanted the American government to be like the more responsive parliamentary system of the United Kingdom. Like Jackson, he argued that the President was the “one national voice in the country.” Every President since Wilson has at least implicitly adopted this theory, and the Presidential mandate has become enshrined in our national politics.

But the idea is mostly a myth. The President and Congress are equal, and when Presidents misinterpret election results—especially in reëlections—they get into trouble. In a 2006 book, “Mandate Politics,” the political scientists Lawrence J. Grossback, David A. M. Peterson, and James A. Stimson apply some fancy methodological techniques to congressional voting patterns and find only two modern
cases in which Presidents had true mandates, which they define as elections that push members of the opposition party in Congress toward the President’s positions on key issues. This occurred in 1965, when Johnson passed the Voting Rights Act, and in early 1981, when sixty-three Democrats helped Reagan pass his first budget in the House. The media interpreted those elections as representing tectonic changes in politics, and members of Congress followed along. The changes in congressional behavior didn’t last long, but they enabled both Presidents to achieve major legislative victories in their first year.****

But in 1965 and 1981 the two parties were still ideologically mixed. Liberal Northern Republicans voted with Johnson, and Reagan, even though the Democrats controlled the House, could rely on dozens of conservative Democrats to support his agenda. Unlike those periods when some members of Congress feared crossing the President, in 2009 almost all Republicans were willing to bet that Obama’s popularity was temporary. Instead of fearing a new Democratic tide and helping a popular President pass his agenda, almost all Republicans united in opposition, and in 2010 they took over the House and gained seats in the Senate. Obama’s aides speak of a victory in November not in sweeping terms of realignment but simply as an opportunity to nudge Republicans away from a policy of pure obstructionism and toward some limited compromise around a few key issues.

“The hope is that some of the moderate Republicans—if there are any left—are like, ‘Look, we tried it your way, we lost the election,’” a senior Obama adviser said. “You have to compromise in American politics and divided government. But it depends on whether the interpretation, if Obama wins, is that Republicans didn’t coöperate enough or that they coöperated too much.”

One thing is nearly certain: if Obama wins in November, his margin of victory will be among the narrowest in history. Since 1916, seven Presidents have won a second term, and all of them exceeded the percentage of the popular vote that they received in their first election. With each reëlection since Nixon’s, the President’s margin of victory over his opponent has steadily declined. In 1972, Nixon won another term by a popular-vote margin of twenty-three points. In 1984, Reagan won his reëlection by eighteen points. In 1996, Clinton won his by nine points.* In 2004, Bush beat John Kerry by just 2.5 points, the smallest margin of victory for the reëlection of a President since the
nineteenth century. Obama won in 2008 by seven points. If he manages to win this year, it is likely to be by less than that, which would make him the first President in a hundred and twenty-four years to win a second term by a smaller margin than in his initial election. Whatever a mandate is, Obama won’t have one.

IV

Reëlected Presidents often enjoy a brief respite after their second campaign. The new Congress isn’t sworn in until January, and the interregnum is used to hire new members of the Administration and plot out a fifth-year agenda. But the aftermath of the 2012 election will be unlike any other transition in memory. Election Day is November 6th. Fifty-five days later, on New Year’s Eve, the size and the scope of the federal government are scheduled to be radically altered. Federal tax rates for every income group will shoot up to levels not seen since 2001. Payroll taxes for employees will jump by two percentage points. Unemployment benefits for some three million Americans will be cut off. The Pentagon will start the new year with a fifty-five-billion-dollar budget cut. The budget allocated to everything from the F.B.I. to the Park Service to meat inspections will be slashed by the same amount. Soon after, federal payments to doctors who treat patients using Medicare, the federal health program for the elderly, will be slashed by about a third.

The huge increase in taxes and the precipitate drop in government spending would equal an economic contraction of more than five hundred billion dollars, more than three per cent of G.D.P. The impact could send a fragile economy back into a recession. “It’s two to three times bigger in negative terms than even the biggest year of the stimulus was in positive terms,” Austan Goolsbee, Obama’s former chairman of the Council of Economic Advisers, said. It is this frightening confluence of fiscal time bombs, starting on December 31, 2012, that has earned the name Taxmageddon.

What’s more, sometime in mid-February the government will reach the limit of its authority to borrow money. If Congress doesn’t raise the debt ceiling, the United States will default on its loans and will no longer be able to pay all its bills—to doctors, defense contractors, Social Security pensioners, Chinese bondholders, and almost anyone else who receives funds from the federal government.
Although the Presidential campaign seems to be dominated by absurd minutiae, such as Romney’s and Obama’s respective treatment of canines and Donald Trump’s theories about the President’s ancestry, at some point this year the debate will focus on the looming fiscal crash. When that happens, the election may end up being a referendum on what to do about it. Obama will need to beat back Romney’s charges that he’s a hapless economic steward, and somehow make the case—unpopular thus far—that the economy’s woes are best treated by raising taxes and spending. Yet, in a quirk of history, a reëlected Obama could suddenly find his best historical opportunity thrust upon him.

Here the arc of Obama’s Presidency begins to resemble that of Bill Clinton’s. Both pursued bold domestic agendas in their first two years before Republicans made large midterm gains in Congress, which led to repeated clashes over fiscal issues. The outcomes of Clinton’s battles, including the government shutdown of 1995, weren’t sorted out until after the 1996 Presidential election. An Obama Administration official told me, “The first year of Clinton’s second term was the resolution of the climactic moments of his third year. I suspect a similar opportunity will open up here.”

Clinton’s reëlection victory made possible a breakthrough on the budgetary issues that had divided him and Republicans for two years. “The ideal conditions for both sides to come together and get something done are when you have a President who is at the peak of his power but is not going to benefit politically from it,” the official said. Solving Taxmageddon would be a major policy achievement, and Obama could argue that he had fulfilled his promise from the 2008 campaign: that he would bring the two major parties together to forge bipartisan agreements.

Last year, though, offered a painful reminder of how simplistic that campaign theme was. By the end of 2011, five groups of bipartisan leaders had tried to negotiate a settlement on all the major tax, entitlement, spending, and deficit issues. Each one failed. First there was the Simpson-Bowles commission, created by the White House. Its report appeared in December, 2010, with a tough series of proposals of exactly the kind that Obama had asked for. But, as it turned out, the President was not about to trim Social Security benefits and end popular tax deductions without Republicans in Congress agreeing to do the same.

In May, 2011, shortly after a government shutdown was averted, Vice-President Joseph Biden and the House Majority Leader, Eric Cantor, two politicians opposed in
ideology and temperament, held talks exploring whether a deficit deal was possible. This time, they had a major incentive to reach an agreement: the debt ceiling had to be raised by the end of the summer. The Cantor-Biden talks ended two months later, and Obama and Speaker John Boehner worked until July to reach a “grand bargain” of modest tax hikes, entitlement reforms, and spending cuts. A fourth group, consisting of three Republicans and three Democrats in the Senate, dubbed the Gang of Six, ended up torpedoing the Obama-Boehner negotiations when it came to light that they were negotiating a plan to raise far more revenue than the deal that Obama was ready to strike with Boehner.

Instead of a grand bargain, in late July the White House and Republicans agreed to raise the debt ceiling enough for about eighteen more months of government borrowing, and they created yet another bipartisan group to address the long-term fiscal issues. This group was called the Super Committee, and Obama and Congress agreed: if the committee could not find a solution, government spending in 2013 would automatically be reduced by a hundred and ten billion dollars, a cut known in Washington budgetese as “the sequester.” The Super Committee failed.

If Obama wins, his immediate task will be to settle more than a decade’s worth of deferred arguments about how big the government should be and who should pay for it. By this spring, the gamesmanship had begun. “It’s a discouraging day to talk to me,” a top White House official fumed. That afternoon, May 15th, Boehner had delivered a speech in which he insisted that Republicans would not raise the debt ceiling next year unless a dollar in government spending was cut for every dollar of new borrowing. “I just can’t believe somebody, even him, would say something that irresponsible again,” the official said.

Notwithstanding Boehner’s antics, there is a possibility that a second Obama term could begin with major deficit reduction and serious reform of taxes and entitlements. A similar opportunity arose in the second terms of Reagan (who in 1986 signed into law a historic tax-reform bill) and Clinton (who in 1997 reached a significant budget deal with Republicans). Although both victories occurred when the two parties were less polarized, many White House officials regard the successes as encouraging precedents. Several senior Clinton officials involved in the 1997 deal now work for
Obama, including Jacob Lew, Obama’s chief of staff, and Gene Sperling, the head of the National Economic Council.

“You have a dynamic that is similar to the nineteen-nineties,” one White House official said. “There are a number of areas where a Republican Congress and a Democratic Administration sat down, couldn’t get an agreement, and eventually said, ‘No, we’re going to have to take this to the country. We’ll see how the country resolves that.’” He added, “Who knows what the new landscape will be? It really depends on who controls Congress.”

Almost every permutation of government control is possible after November. There are plausible scenarios in which either party could be in charge of the House, the Senate, or the White House. If the election were held today, the Democrats likely would gain some seats in the House and lose some seats in the Senate, and Obama would be narrowly reëlected. Under these conditions, the White House is cautiously optimistic that a compromise could be reached.

“If both chambers are more evenly divided, it could be a recipe for actually getting some things done,” David Plouffe, Obama’s senior adviser, said. “Because of the closeness, neither party’s going to be able to do anything on its own, so either zero gets done for two years or there is kind of a center.” He argued that, despite the failures of the five bipartisan groups that had tried to negotiate a budget deal last year, there was movement on the toughest issues. For Democrats, the most painful decision is how far to go in making changes to entitlements like Medicare and Social Security. For Republicans, the biggest hurdle is agreeing to higher government revenues. “By the end,
more Republicans said they’re open to revenue than at the beginning,” Plouffe said. “And at the beginning Democrats were very cool to any entitlement reform. By the end, they were willing to do something. That’s what we learned.”

Clearly that’s an optimistic spin, given Boehner’s recent remarks. Yet Plouffe and other Obama officials who were involved in the talks insist that the G.O.P. caucus in the House is not as monolithically opposed to a deal as one might think. Last year’s talks taught the White House that there are divisions between the hard-right Tea Party faction that is unilaterally opposed to any tax hikes and more traditional Republicans who are so concerned about the long-term deficit that under some circumstances they would vote for higher taxes. Plouffe said that the key will be whether Boehner is prepared to alienate the Tea Party bloc.

“All the paperwork’s done!” he said. “We know what the options are. It’s all been done! It’s not like they’re starting from scratch.”

Over in the Senate, there is a hint that the ice could thaw if Obama wins. Several senators from both parties have begun to meet behind closed doors to address the looming fiscal crisis, with the aim of delivering a tax-and-budget package by September. “Everyone is kind of holding their cards, because we realize that it’s not game time yet,” the Tennessee Republican Bob Corker told Politico last week. In late May, Mitch McConnell, an architect of the G.O.P. strategy of non-coöperation since 2009, also told Politico, “I think we have plenty of members in the Senate on both sides of the aisle who fully understand that we weren’t sent here just to make a point—that we were sent here to make a difference.”

Several White House officials I talked to made it clear that if a deal, or at least the framework for a deal, is not reached before December 31st Obama would allow all the Bush tax cuts to expire—a tactic that would achieve huge deficit reduction, but in a particularly painful and ill-conceived fashion. The Administration is preparing for that outcome, and Republicans may not be willing to budge without the threat of this cataclysm. Plouffe said, “I think we’re going to have the ability to tell the American people, ‘Hey, your taxes may go up on January 1st because these guys refuse to ask the wealthy to do anything. Hey, there are going to be cuts in spending that aren’t done as smartly as they could because these guys won’t agree to ask anything from the wealthy.’ ”
The White House believes that Obama needs to change the psychology of the congressional Republicans and that, if his reëlection won’t do it, perhaps Taxmageddon will. “To get anything done in the second term,” another White House official said, “the President has to convince the Republican Party that obstructionism is a losing strategy.”****

V

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Increasingly, hints of Obama’s second-term vision are becoming evident on the campaign trail. On June 1st, Obama spoke before a luncheon crowd at a farm-to-table restaurant in a converted warehouse in the North Loop of Minneapolis, just yards from the Mississippi River. The restaurant, the Bachelor Farmer, is owned by two sons of the Minnesota governor, Mark Dayton. They had designed a special menu, which highlighted fresh produce grown on the restaurant’s roof, and the staff wore matching ties made to commemorate the President’s visit. A hundred people who each gave five thousand dollars to the President’s campaign dined on a salad of house-smoked pork and a choice of roasted chicken or Copper River sockeye salmon (a vegetarian menu was also available), as Obama spoke about the politics of his potential second term.

He noted, as he does with some frequency these days, that his original vision of a bipartisan Washington was a mirage. “My hope, when I came into office, was that we would have Republicans and Democrats coming together because the nation was facing extraordinary challenges,” he said. “It turns out that wasn’t their approach—to put it mildly.” He insisted that the G.O.P. had moved too far to the right to make bipartisanship possible. He and John McCain had agreed on issues like immigration, climate change, and campaign finance. “The center of gravity for their party has shifted.”

But maybe, Obama said, his reëlection would halt that trend. “I believe that if we’re successful in this election—we’re successful in this election—that the fever may break,” he said, “because there’s a tradition in the Republican Party of more common sense than that.” He noted a few areas of possible compromise: deficit reduction, a highway bill, immigration, and energy policy. He repeated the phrase that is becoming a mantra for his campaign: “If we can break this fever.”
If President Obama can indeed guide the parties toward an agreement that puts the federal government on a sustainable fiscal path, it would be a substantial achievement and would vindicate his early promise as a bipartisan leader. After that, he might have just one more chance to achieve a major domestic accomplishment before the next round of elections, in 2014. Gene Sperling noted that first-time Presidents are quickly confronted by the reality of whatever situation they’ve inherited. “President Clinton used to say to us, ‘Look, this is what every Presidency is like—you come in with your agenda and vision, and the fact is, whether you want it or not, ultimately a lot of the legacy for Presidents is how they handle the hand they were dealt as opposed to what they might have thought their agenda was going to be,’” Sperling said. “To me, in many ways, health care was President Obama making a decision that he was going to hold on to part of the vision that he had set for the country.” A second term, Sperling continued, could put Obama “back to where he might have wanted to have started his Presidency.” The big question that Obama will face is: “What are the things we’re doing to make ourselves compete so that globalization is working for the middle class, as opposed to what happened the previous decade?”

The President’s list of options will be short. Obama has been a national politician since 2004, and the priorities he’s discussed haven’t changed much since then. Depending on the makeup of Congress, he might first have to consider whether he needs to play offense or defense. If the President gets past the grand bargain, “it would be a legacy achievement,” Goolsbee, who has known Obama since 2004, said. “Then he would have to decide: Is the next issue protecting and establishing the health plan, or moving on to something new? Because it seems clear that the President’s opponents are going to try to take apart the law.”

There are hints that the Supreme Court could simply strike down the Affordable Care Act. It also might strike down the health-care mandate but leave the remainder of the law intact. In that case, it is likely that several provisions regulating insurance markets would send insurance premiums soaring. Insurance companies would be forced to take on expensive new patients regardless of pre-existing conditions, yet without the anticipated new revenue from young and less expensive patients who would have been forced to buy insurance. Obama would face a choice: replace the mandate with a new policy or remove the remaining market reforms.
One option for replacing the mandate is to push the uninsured into the new system by requiring them to sign up for insurance when applying for other government services, such as food stamps or school loans. But the prospects for this sort of legislation are bleak. “We looked at this,” a former Obama aide said. “We thought it was less constitutional than the mandate. Among the moderate Democrats, the idea that you would pass a bill like this is unimaginable.”

Whether the Supreme Court overturns the law in part or in full, the White House will need to respond publicly. “The strategy is to just go on the offensive and say, ‘Look at Citizens United, look at the health-care decision, look at Bush v. Gore,” the former aide said. “We have an out-of-control activist court, and Romney will make it worse. That’s Plan A. Plan B is nothing.”

Even if the Court leaves the law alone, Obama may find himself fighting Republican attempts to defund it or to remove the mandate legislatively. If the House is still in Republican hands, even if he were to successfully navigate Taxmageddon he could easily find himself back in a situation like 2011 and 2012, when almost no bills moved forward.

But it seems plausible that Obama could have time for one more big policy change. What would it be? Several of his advisers talked about pursuing housing reform; the economy is still being dragged down by the seven hundred billion dollars in negative equity from homeowners who are stuck in houses worth less than their mortgages. The problem has bedevilled the White House since 2009, because any of the truly effective solutions requires a version of the awful politics of a bailout: people or institutions that acted irresponsibly will be rewarded.

“ Somebody has to eat the seven hundred billion dollars,” Goolsbee said. “There’s no way to cover up the fact. Either the banks and mortgage holders have to take seven hundred billion dollars of losses or the government has to come up with seven hundred billion dollars of subsidies to cover these costs. Or you can try to split it. But every significant policy that anyone can come up with has a really big price tag.”

Another major initiative under discussion is energy policy, but the politics of energy are almost as fraught as those of housing. As a candidate, Obama talked in stirring terms about the threat from global warming. In June, 2008, on the night he won the
Democratic nomination, he declared that his victory marked “the moment when the rise of the oceans began to slow and our planet began to heal.” But climate change will remain a divisive issue after the election. Among Obama’s conservative critics, his call to halt the rise of the oceans is a frequently mocked piece of oratory. And one of the biggest failures of his first term was the Administration’s inability to win a deal on cap and trade—originally a Republican idea.

Obama talks about energy in most of his speeches, but, in contrast with 2009, when the centerpiece of his program was a cap-and-trade approach to reducing carbon emissions, his goal today is unclear. Early discussions on Capitol Hill suggest that, in a wide-ranging deal, a carbon tax might be part of a grand bargain to settle Taxmageddon. The proposition is not as absurd as it sounds. In 1997, the budget deal struck by Clinton and the Republicans was not so much a meeting in the middle as a swap of major priorities. “That was a deal of trades,” one former Clinton official said. Clinton won policies such as a new children’s-health program, a higher-education tax cut, and some progressive changes to the welfare bill that he signed into law in 1996. “We won those things and then we just gave the Republicans big Medicare savings, and we let them cut the capital-gains tax for rich people.”

Obama’s 2010 fiscal deal with the G.O.P. was similar: he swapped an extension of all the Bush tax cuts for more stimulus. In a situation where many favored policies of both parties are on the table, a carbon tax—a heretical idea during the past few years, given the weak economy and high fuel prices—could be resurrected. Still, the Administration seems uncertain what its energy policy is; many of the stated goals are contradictory. Independence? Low energy prices? Reduction of carbon emissions? Job creation? Environmental protection? Unless Obama’s energy policy regains its clarity, a legislative breakthrough in a second term is unlikely.

Several White House officials said that the issue that Obama seems most passionate about is infrastructure. (One insider Democrat joked that Obama’s passion for infrastructure is matched only by that of the Vice-President, who loves trains.) Obama wants to spend an extra hundred and fifty billion dollars on infrastructure during the next six years and reform the process by which projects are awarded, so that it’s more about merit than about patronage. In 2009, he was aggravated when he was told that none of the money from the stimulus would be spent on a signature project, a modern-
day Hoover Dam or Interstate Highway System. A bold infrastructure package has all the hallmarks of a major Obama policy: it would create jobs, it has a government-reform component, and it could establish a legacy in the form of an upgraded power grid or a high-speed train, with which Obama might forever be associated.

But if, as seems likely, Obama will have just one chance of achieving a major piece of domestic legislation in his second term, the most promising focus, according to current and former aides, would be on immigration. “When you look at the whole second term, the biggest issue I think is fiscal soundness, which is the predicate for real economic improvement and growth,” Bill Daley, Obama’s former chief of staff, said. “And then the second big issue I see would be immigration reform.” The dream Act, which would legalize undocumented aliens who had come to America as children if they enrolled in college or joined the U.S. military, would be an obvious place to start.

Obama’s advisers believe that the politics of immigration may be the only chance for bipartisanship after Taxmageddon. After a party loses, it goes through a period of self-examination. If, despite the lacklustre economy and a general dissatisfaction with the direction of the country, Obama manages to defeat Mitt Romney, the explanation may be a simple matter of demographics: the Republican Party can no longer win the Presidency without increased support from nonwhite voters.

“If we win, Latino voters will play a big role in that,” David Plouffe said. “The Republican Party is going to have to make a decision. I don’t think it’s much of a decision, actually. They’re going to have to moderate.” The White House is so convinced of the centrality of Hispanics to the current election and its aftermath that Plouffe told me he has been preparing for months for an onslaught of advertisements from a pro-Romney group attacking Obama from the left on immigration, arguing that Obama’s deportation and border-security policies have been too Draconian.

One of the lessons from “Mandate Politics” is that the magnitude of a victory is not as important as defying expectations. Republicans won’t coöperate with Obama simply because he’s won, just as Bush’s 2004 reëlection did nothing to move Democrats. But if the 2012 results reveal that the G.O.P.’s weakness among minority voters, especially Hispanics, is dire, political opportunities that seem unlikely today could quickly become conventional wisdom after November. Romney understands this. “We have to get Hispanic voters to vote for our party,” he recently said at a private fund-raiser, unaware
that reporters could hear him. Failure to do so “spells doom for us,” Romney said. A rule that holds up quite well in American politics is that the longer a party remains out of power the more moderate it becomes.

VI

On a recent Friday at the White House, Plouffe stood in front of a map of America, talking about swing states. In some elections, he said, two candidates may try to hide their differences as they woo moderate voters. But this year the Obama campaign would insure that the competing ideologies of the two major parties are not blurred. “Everything we do has to be with that in mind,” Plouffe said.

He named some recent examples. In 1992, Clinton and Bush agreed on certain aspects of free trade and welfare reform. In 2000, Bush ran on a more progressive education platform than his Republican colleagues. McCain once supported a cap-and-trade system and a version of immigration reform now condemned by almost all Republicans. There would be no such “zones of commonality” this time around. “On every major issue, every one, there are stark differences,” he said. “It’s much more ideological.”

This tone is a sharp change. Obama campaigned from 2004 through 2010 as a bridge between competing orthodoxies—a view of the world that flowed directly from his unique biography. In “Barack Obama: The Story,” by David Maraniss, Obama says, “What I retained in my politics is a sense that the only way I could have a sturdy sense of identity of who I was depended on digging beneath the surface differences of people. The only way my life makes sense is if, regardless of culture, race, religion, tribe, there is this commonality . . . and that we can reach out beyond our differences.”

Now Obama is emphasizing the ideological divide, not the bridge across it. “A lot of the tussles that we’ve had over the last three and a half years have had to do with this difference in vision,” he told the audience in Minneapolis, “and it will be coming to a head in this election.”

Much of the talk of bold contrasts is a strategic necessity. Obama wants voters to cast their ballots based on the platforms of the two candidates, not on the record of his first term. The tactic comes with risks, but it helps divert attention from a seeming inability to promote his successes thus far, such as health care (so long as it lasts), financial
regulation, and a soft landing after the economic crisis. Never mind that this strategy defies the judgment of most academic studies of voting behavior: that voters largely decide on incumbents based on a retrospective judgment of the economic situation during the last year or so in office.

As he spoke, Plouffe, a math whiz who has been compared to Dustin Hoffman’s character in “Rain Man,” sometimes wrote down the numbers as he spoke them: two hundred and forty-one, the number of Republicans in the House of Representatives last year when he was negotiating with them; 11/6, the date of the election. He had no illusions that 2012 would look like 2008, and pointed to the tiny group of states that would decide the contest. “We’ve been preparing all along for a kind of race where we have to win it fifty to forty-nine in seven states,” he said. “We’re facing, Grind it out in Virginia and Colorado and Ohio.”

It took considerable arm-twisting to get Plouffe to think past the details of the daily campaign and consider the long view. “If we win,” he said finally, “January of 2017, what do we want to look back and be able to say? One, we’ve recovered from the recession. Second, our economic and tax policies in this country are more centered on the middle class and on people trying to get in the middle class. Third, the big unmet challenges—health care, education reform, energy, immigration, and reducing the deficit in the right way—we met them.

“We’ve also ended a period of war while taking out our leading terrorist enemies,” he added. “Think about that! That’s a pretty important book of business, and I think that’s the legacy he’d like to leave.”

VII

After I talked with Plouffe, I wandered down to the basement of the White House to meet with Ben Rhodes, Obama’s deputy national-security adviser. That day, Obama was meeting with François Hollande, the new French President; the building was filled with foreign-policy luminaries. Secretary of State Hillary Clinton was climbing up the staircase alone as I descended.

Rhodes’s windowless office has a large printer marked with a sign that says “Classified.” On his desk was a thick briefing book, “The President’s Trip to Camp David for the
G8 Summit.” (“It would be shockingly boring to you, I think,” Rhodes said.) Rhodes is also a speechwriter, and part of his job is to help transform the untidy, sometimes contradictory business of the Administration’s foreign policy into a coherent world view. When I asked him what his favorite speech-writing resources were, he pulled a few books from a shelf: “American Speeches: Political Oratory from the Revolution to the Civil War,” William Safire’s “Lend Me Your Ears,” and a collection of Lincoln’s speeches and writings. “You can actually lose yourself for an hour or two in that stuff,” he said.

The final two years of a second term need not be a loss for a President. All but exiled from domestic affairs, Presidents inevitably focus more attention on foreign policy, where many leave a lasting mark. Rhodes said that he is just beginning to research in a more formal way how foreign policy was conducted in the second terms of recent Presidents, but he knows how important it could be to Obama’s legacy. “I’m aware of the fact that Presidents in the last couple of years just kind of go into that,” he said. Next year, Obama will have more flexibility to make foreign visits. “We didn’t travel much this year, and just after an election year we’ll have a lot more time to travel,” Rhodes said.

The Obama project of the first four years was to end the two wars it had inherited and move the U.S. away from defining itself globally in terms of a multigenerational struggle against terrorism. (The ten-year defense budget that Obama announced earlier this year shifts the Pentagon away from planning for the types of multiyear nation-building exercises that America undertook in Iraq and Afghanistan.) Instead of conducting massive land wars, Obama’s terrorism policy became defined by targeted assassination of Al Qaeda leaders by teams of Navy SEALs and Predator drones. In coöperating closely with Israel to develop Stuxnet, a computer virus aimed at Iran’s nuclear program, the U.S. engaged in the first known act of pure cyberwarfare against another country. Obama has revealed himself to be more hawkish than either his supporters or his opponents expected.

Only recently has Obama begun to implement a post-post-9/11 foreign-policy vision. Its most significant aspect is the so-called “pivot” toward the Pacific, where the U.S. has spent a great deal of diplomatic energy strengthening economic and military relationships with Burma, Vietnam, the Philippines, Thailand, and other Southeast
Asian nations in an effort to counterbalance China’s rise. (In November, Obama also announced that U.S. marines will now be stationed in Australia.) The rebalancing of American power from the Middle East to Asia will continue if Obama wins reëlection.

“When we went to Asia last November, it was the first trip that we’d taken where everything we were talking about and doing was affirmative initiatives that had begun under our Administration,” Rhodes said. “It felt like, Boy, this is what American foreign policy could look like if we weren’t anchored in these wars.” He added, “We want the U.S. to be able to essentially help set the agenda in the Asia-Pacific region.”

Foreign policy is often determined by unanticipated events, but the U.S. relationship with China could end up being a defining issue in a second Obama term. China currently faces the prospect of a major financial and political crisis. In “Confront and Conceal,” a new book about Obama’s foreign policy, David Sanger notes that China is also about to experience a dramatic transformation in its leadership; many have observed that the next generation of Chinese officials is likely to be more nationalistic than its predecessors and more alarmed by Obama’s policies in the Pacific. Sanger points out that “roughly 70 percent of China’s leadership jobs will be turning over in 2012,” a change that could be the foreign-policy equivalent of Taxmageddon. One of Obama’s “most senior diplomats” tells Sanger, “If we get China wrong, in thirty years that’s the only thing anyone will remember.”

Obama’s other second-term foreign-policy priorities include a renewed push for peace between the Israelis and the Palestinians. But the President would not get personally involved, as his two predecessors did, unless he was certain that Israel’s Prime Minister, Benjamin Netanyahu, wanted a deal. (The White House assumes that Netanyahu is hoping for a Romney victory.) In an Obama second term, containing Iran might take precedence over a Middle East peace agreement, even as the Administration continued to try to manage the post-revolution transitions across the region and North Africa. Obama doesn’t believe that there is much he can do to change the status quo in North Korea. Meanwhile, the situation in Syria threatens to become a focal point in the November election. Romney has begun to attack Obama’s wait-and-see policy and has called for arming the Syrian opposition. Soon, Obama may have to decide if he wants to push harder to topple President Bashar al-Assad, possibly by force.
When I asked Rhodes about a historical analogy to Obama on foreign policy, he replied, “I think Reagan is actually the best recent model, because he laid down some very ambitious rhetorical markers and he reoriented foreign policy from his predecessor in many respects, and a lot of the dividend on that started to come on line the second term.” He went on, “A lot of the threads of stories that we’ve begun—from Asia to the Arab Spring, to even Africa, to Middle East peace—the ability to complete the story in the second term will go a long way toward defining the legacy of the President.”

Rhodes reminded me of a story told in David Halberstam’s book “War in a Time of Peace,” which covers foreign policy during the Presidencies of Clinton and George H. W. Bush. Lee Hamilton, the former chairman of the House Foreign Affairs Committee and Rhodes’s former boss, met with Clinton shortly after the 1992 election and tried to interest him in a long list of foreign-policy challenges. “Lee, I just went through the whole campaign,” Clinton said, “and no one talked about foreign policy at all, except for a few members of the press.” Hamilton responded that Clinton was wrong, and noted that all Presidents eventually realize their legacy in foreign policy. He recited a list of recent examples: Johnson and Vietnam, Carter and Iran, Bush and the Gulf War. Years later, when Clinton was consumed with war in the former Yugoslavia, air strikes in Iraq, and a late effort to reach a Middle East peace accord, Hamilton knew that he had been vindicated. Rhodes said, “The President can make a huge mark on the world, and often that’s what people remember.”

There is a symmetry to Obama’s experience on foreign and domestic policy which may shed light on what a second term would offer. Early in his first term, the President opened negotiations with Iran and failed to speak out as the regime began killing protesters in the Green Revolution. “It turned out that what we intended as caution, the Iranians saw as weakness,” a senior national-security adviser to Obama told Sanger. Obama’s first efforts to engage China were rebuffed for similar reasons. Obama hardened his approach to both countries. He attacked Iran’s nuclear program through cyberwarfare, built a coalition to punish the country with U.N. sanctions, and warned that he would use military force to keep Iran from obtaining nuclear weapons. On China, he began to reach out to its neighbors to make the U.S. a counterweight in the region. Afghanistan presented an equal challenge: Obama spent his first years fighting his generals, who sought to maneuver him into sending more troops and prolonging
the nation’s commitment there. He eventually gained the upper hand and won the policy he wanted: withdrawal.

Congressional Republicans aren’t Iranian mullahs or five-star generals, but Obama’s approach to them is beginning to look familiar, as coöperative idealism gives way to hard-nosed realism. As his first term ebbs and threatens to take him with it, Obama seems to be learning how to be a forceful President. Whether he’ll be remembered as a great one depends on his reëlection. ♦

*EDITOR’S NOTE: Clinton won his second term in 1996, not in 1992, as originally stated.