

RELEASE IN FULL

CONFIDENTIAL

October 9, 2010

For: Hillary
From: Sid
Re: Yes, some things:

1. Richard Wolff told me that one of the reasons Jones was summarily executed was payback for dumping Mark Lippert (whom he called "Thing Two," from Dr. Seuss' Cat in the Hat), McDonough's sidekick (whom Jones calls "Thing One"). Of course, Jones had to go to Obama himself to dispose of Lippert. The true cause was that Thing One and Thing Two were leaking negative stories about Jones. McDonough, naturally, has assumed Donilon's post. Obladi, oblada, as John Lennon (who would have been 70) might say.

2. Shaun Woodward is in the Labour shadow cabinet in his former position as Secretary of State for Northern Ireland. Gordon Brown's hatchetman, Charlie Whelan, whose job was to undercut Tony, had worked the unions to vote for Ed Miliband rather than Ed Balls (the one closest to Gordon) in order to beat David--the last scene in the revenge tragedy of Gordon v. Tony. Only 19 percent of the union people voted, but were credited with the full one-third of Labour votes for leader selection, so a minority of a minority threw the election by 1.3 percent to Ed. Then Balls, his wife Yvette Cooper (an MP and former cabinet secretary), and other Brownites ran as a slate for shadow cabinet--the first time the shadow cabinet was to be elected by the constituency. That succeeded to electing them all and shutting out Peter Hain, the former deputy PM, as well as Shaun. Ed was effectively rendered impotent as leader and isolated within his shadow cabinet. He reached out and inserted Shaun. He had told Shaun before the leadership contest he wanted him as chancellor!!! Then Ed named Alan Johnson, a bland Blairite as chancellor, not Balls, who expected it and was appointed home secretary, or his wife Cooper, who was made foreign secretary. (Hains was given a shadow cabinet post and put in charge of policy rebuilding.) La lutte continue.

3. Jonathan Powell has just published a new book of revelations entitled "The New Machiavelli," story and excerpt from Guardian below:

<http://www.guardian.co.uk/politics/2010/oct/08/jonathan-powell-memoirs-brown-blair>

Brown accused Blair of backing Cameron, claims Jonathan Powell

Vivid account of New Labour years reveals the highs and lows – and the time Blair felt physically threatened by Brown

- Nicholas Watt, chief political correspondent
- guardian.co.uk, Friday 8 October 2010 20.27 BST

Gordon Brown blamed Tony Blair for the election of David Cameron as leader of the Conservative party in 2005, according to an unvarnished account of tensions between the two architects of New Labour published in the Guardian tomorrow.

Jonathan Powell, who served as Blair's chief of staff during his entire decade in Downing Street, writes that Brown accused the former prime minister of being "behind" Cameron and of renegeing on a promise that David Davis would be elected as Conservative leader.

In his memoirs, which are serialised in the Guardian and Observer this weekend, Powell gives a vivid and sometimes humorous account of the battles between Blair and Brown throughout their 10 years in government.

Powell goes further than Blair and Lord Mandelson, who were highly critical of Brown in their recent memoirs, to give a blow-by-blow account of what became known as the "TB/GBs". Powell recounts in *The New Machiavelli* how:

- Brown reacted furiously when Blair suggested they discuss over dinner how to deal with Cameron after his election as Conservative leader in December 2005. Powell writes: "Gordon blurted out: 'But you are behind Cameron' and declined the invitation ... Gordon was extremely unhappy about Cameron's election. He complained that Tony had promised him in July 2005 that David Davis would win, and he even accused Tony of backing Cameron."
- Blair felt physically threatened when Brown demanded that he give a date for his departure after the summer break in 2001. "In the aftershock of the meeting, Tony told me that he had felt physically threatened when Gordon got up and leaned over his desk."
- Brown, who repeated his demands for Blair to go in the immediate aftermath of the 9/11 attacks, cheered up when there was a terrorist threat to the life of the prime minister. "The only time I saw him appear to cheer up during that period was when the war cabinet was told there was a specific terrorist threat to Tony's life. Tony told me in 2001 that he believed that Gordon's strategy was to wear him down and to make his life so unbearable that he would finally quit."
- In March 2004 Brown threatened to bring down the government unless Blair agreed to leave immediately after the next election. A year earlier Blair had told Brown, who said the prime

minister could not call himself a Christian if he failed to honour his word to resign, would be sacked if the government were defeated in a Commons vote to establish foundation hospitals.

Powell balances his account with humorous details of Blair's battles with Brown. He writes that during Brown's final, and successful, coup in 2006 to remove Blair, the former prime minister would walk round Downing Street singing "que sera sera".

"Tony's attitude throughout the coup attempt was literally 'que sera sera'," Powell writes. "He would start singing the Doris Day song at the slightest provocation."

The former prime minister's chief of staff, who uses his book to draw lessons about leadership, says Blair's singing was wise.

"That is the appropriate attitude for a wise leader in these circumstances. To hold on to power successfully, a leader must not mind losing it. Some politicians have what Denis Healey called a hinterland. Others don't."

Powell's book, which also covers Blair's struggle to reform public services and his difficult relations with EU leaders, is designed to test Machiavelli's maxims in *The Prince* and *The Discourse*. "If the media want to insult politicians or advisers they will describe them as 'machiavellian'," Powell writes. "In fact, what Machiavelli wanted to do in *The Prince* was to advise a ruler on how to acquire a principedom and hang on to it. He described the different sorts of principedoms and the best ways to govern them. He listed the qualities required of a prince and offered advice on how to exercise power.

"In this book I have sought to establish whether Machiavelli's morality of tough choices still applies in modern politics. I have tested his maxims against my experience of Tony Blair's time in government and my personal knowledge of the Clinton and Bush administrations.

"The world has changed dramatically in the intervening 500 years since Machiavelli, but many of the qualities required of leaders and the methods of governing for good or ill are remarkably similar."

<http://www.guardian.co.uk/politics/2010/oct/09/the-enemy-within-gordon-brown-tony-blair>

The enemy within: how Machiavelli would have dealt with Gordon Brown

In an extract from his book, Jonathan Powell, Tony Blair's closest adviser, reveals the darkest moments of the Blair-Brown era – and why Blair should have sacked Brown early on

- Jonathan Powell

- o The Guardian, Saturday 9 October 2010

Tony Blair and Gordon Brown came into the Commons together in 1983. Tony told me that their relationship during the 1980s was extraordinarily intense. They shared an office, and Gordon used to call him first thing in the morning and last thing at night as part of an endless circular conversation. It sounded more like a romance than a traditional political partnership.

When Gordon moved to a new office in the early 1990s, Tony declined to move with him. He said that Gordon divided the world into those who were for him and those who were against him, and drove everyone around him mad in the process. Tony felt he had to break out as he too was becoming increasingly paranoid.

They had already begun to drift apart by 1994, but Tony's decision to run for the leadership that year tipped Gordon into an outright hostility from which he never emerged. I did not think Gordon would ever accept his former junior partner as his boss. Machiavelli's warning about what happens in these circumstances is clear: you have to deal with those who do not accept the new status quo severely and straight away.

If only Gordon had been content to co-operate with Tony on his reform programme and wait patiently for his turn, he would have been able to succeed to the job of leader peacefully and the New Labour government would have enjoyed much greater political success. It wasn't that he prevented Tony getting his way on policy; it just slowed him down. And it was not a matter of weakness on Tony's part, just an unwillingness to deal harshly with an old friend. After a brief attempt by Gordon to woo me when I first came to work for Tony, I got my first taste of his modus operandi in 1995 when Paul Hamlyn, the publisher and philanthropist, donated money to set up Tony's office as leader of the opposition. Gordon got to hear of it, summoned me to his office in Millbank and sat me down in front of his desk. He told me in stern terms that he had Tony's agreement that all income was to be shared half and half with his office.

I knew there was no such understanding and could not stop myself bursting out laughing. It must have been very irritating, and Gordon never forgave me.

A good deal of the angst between Tony and Gordon revolved around Peter Mandelson, the third corner of the triangle that had existed since the early 1980s. Tony told me that before 1994 Gordon used to speak to Peter at least twice every day before 9am, and Tony lamented that now he didn't speak to him at all. The friendship had been turned into intense hatred, but Gordon remained obsessed by him. He saved a particular intonation of voice for ringing Tony to complain about what "Mendelssohn", as he called him, had been briefing the papers.

Although Andrew Turnbull, who was his permanent secretary at the Treasury, may have been unkind to describe Gordon as "Macavity", it is true that in No 10 we used to joke that we could always tell when a crisis was over because Gordon would reappear.

Robin Cook took me out to lunch in February 2000. As he plied me with wine, it became clear he was trying to find out how Gordon was seen in No 10. I hadn't realised he had known Gordon since he was a teenager. He told me Gordon had wanted to stand in the Hamilton byelection in

1978 but had been told by his father, a local minister, that he couldn't because he and his wife were Tories and his mother had a weak heart. He didn't want to kill his mother, did he? Instead, he had to spend the campaign travelling around with Robin campaigning for George Robertson. An awful lot of wasted effort has been put into cod psychology concerning Gordon's personality, but Robin's analysis seemed convincing to me. Gordon's parents were very strict, and Gordon simply could not admit to doing anything wrong or making mistakes. That meant he had to eschew any responsibility. If he was accused of anything, he would simply deny it was him and point the finger at someone else. It made it difficult for him to make decisions.

Not that we were without blame. It takes two sides to keep a fight going, and I am sure Tony's staff and supporters allowed their irritation to reflect itself in their conversations with the press, and it may well have seemed to Gordon, sensitive as he was to any slight, that he was under attack. We certainly came to think of him as the enemy. When Alastair Campbell and I were sitting next to each other at a 9/11 memorial service in St Paul's, he nudged me in the ribs and pointed to figures seated two rows ahead of us. Gordon was sitting alongside Iain Duncan Smith and William Hague. Alastair whispered in my ear, "Look, the leaders of the opposition."

At root, the difficulty was that what Gordon really yearned for was Tony's undivided attention and his unlimited time, on the same basis as in the early years of opposition. That just wasn't possible when Tony was prime minister.

From the beginning, the real issue at stake between Tony and Gordon was Gordon's demand that Tony set a date for his departure. Following the 2001 election, Gordon repeatedly tried to lever Tony into resigning. At their first meeting after the summer break in September 2001, Gordon clearly thought Tony was going to name a date. He arrived in our office looking pleased, but left an hour later looking sour. He demanded that Tony agree to go, but Tony refused. Gordon began to shout that it was "a moral question": Tony owed it to him. In the aftershock of the meeting, Tony told me that he had felt physically threatened when Gordon got up and leaned over his desk.

The rows were out of all proportion to events. In the aftermath of 9/11, Tony rang Gordon for his advice. Instead of responding, Gordon used the call to demand to know when Tony was going to resign. Tony slammed the phone down in a rage. The only time I saw him appear to cheer up during that period was when the war cabinet was told there was a specific terrorist threat to Tony's life. Tony told me in 2001 that he believed that Gordon's strategy was to wear him down and to make his life so unbearable he would finally quit.

By 2003, Tony had had enough. When Gordon refused to return from Scotland for a planned meeting on the euro and other issues, Tony sent him a message saying that if we were defeated on the parliamentary vote on foundation hospitals, which Gordon's supporters were opposing, he would be sacked. That got his attention. He started turning up for meetings. We won the vote.

Tony made repeated efforts to mollify Gordon. He saw him regularly, and, unlike most other ministers, alone. He would often spend hours on the phone talking to him at weekends. I would sometimes listen in. My wife Sarah, who once overheard a snippet of one of the regular Sunday evening calls, couldn't believe the tone of the argument. She compared it to a jilted girlfriend,

complete with high emotion, threats of blackmail and tears. On another occasion, Tony called me on a Sunday evening to say he had just completed a three-hour meeting with Gordon. I asked what on earth they could have to talk about for three hours. In response, he asked if I had ever been in love. "Not with a man," I replied.

The war resumed in 2004 as a new election loomed. In March, Gordon threatened to bring down the government unless Tony agreed to leave immediately after the next election. Tony defied him to do so. In December, Gordon lost his temper and called Tony a liar, a cheat and a fraud. He said: "You can't talk about yourself as a Christian if you don't honour your word." Tony threw him out of the office.

A truce was called in March 2005, but lasted just 12 hours after polling day. Gordon was back pressing Tony to set a date for his departure the very next day. A week later, he said to Tony, "So you are going to stand for a fourth term after all." Tony laughed.

Gordon kept coming back, and at the end of June he said to Tony, "You completely shafted me last year by ratting on our deal. You have to set a date." In October, he told Tony once again he had "a moral duty to go" and demanded that Tony set a date, but added that, even if he did, he would not believe him. Tony suggested they have dinner to discuss how to deal with the new Tory leader, David Cameron. Gordon blurted out: "But you are behind Cameron" and declined the invitation.

Gordon's first attempted coup took place after the 2006 local elections. We knew the results would be bad, and we stacked the post-election media interviews with loyalists as far as we could. Luckily the results were not quite as bad as we had feared, but Gordon's hit-and-run tactics were taking their toll.

When Gordon learned in July that Tony was addressing the annual News Corp conference in Los Angeles, he demanded to know what he was going to say. Tony said lightheartedly: "Oh, I guess I will talk about the need to jump a generation in the Labour party so you don't become leader." Gordon didn't appear to see the funny side.

Tony's attitude throughout was literally *que sera sera*. His insouciance continued into his last conference in Manchester. I attended Gordon's speech. He tried to shed his driller-killer personality and to play with some light and shade; but, as a result, his speech was unusually flat and boring. Events were livened up by a journalist claiming to have overheard a cheeky aside from Cherie [Blair] while touring the conference centre during Gordon's speech, suggesting he was lying when he said how much he liked and admired Tony. We thought it rather amusing, but Gordon didn't and we had to deny it.

The speechwriting process was easier than usual that year and, while we were waiting, Phil Collins told me the old Les Dawson joke about the man who comes home and discovers his wife has run off with the man next door. A friend commiserates, and the bloke says, "Yes, I'll really miss him." We thought we should work this into the speech, and David Bradshaw, ghost author of so many of Tony's newspaper articles, started to play around with the idea. Eventually, in light of Cherie's reported comment, he came up with a very funny line for the speech: at least Tony

could be sure his own wife wouldn't run away with the bloke next door. Tony wasn't sure he should use it, but I urged him to. He had Liz Lloyd [Powell's deputy] check with Sue Nye [Brown's diary secretary] whether Gordon minded. His staff came back just as Tony got to his feet, demanding he take it out. It was too late. When Tony delivered it, it brought the house down. Ed Miliband later complained to Liz that we had set up the entire conference so Tony would look good and Gordon would look bad.

In retrospect Tony should have sacked Gordon early on. Machiavelli's advice was "that to a person to whom offence has been given, no administrative post of importance should subsequently be assigned". In the early years, Gordon gave us a number of opportunities to rid ourselves of him by threatening to resign, but Tony never took advantage. Tony first started talking about sacking Gordon in April 2001, even before that year's election. A pattern was established. After some outrage over a weekend, Tony would tell me on Monday that he was going to have a showdown with Gordon on Friday and he would sack him if he didn't agree to co-operate.

There were good reasons why Tony never did act. At one level, Gordon ranting and raving was absolutely impossible, but at another, in Tony's view, he was head and shoulders above the rest of the cabinet. Would it be right to dispense with such a political talent? Certainly putting him on the backbenches would have created a centre of opposition around which Old Labour forces could coalesce with the aim of ousting Tony. This intractable problem was what I termed the "Gordonian knot", and we were never able to cut through it.

Partly the difficulty was that Tony had strung Gordon along for so long that it was hard for him to change that tactic for dealing with him. Tony was, however, aware he had missed an alternative route. He said to me rather pensively in July 2005, "Do you think I have made a terrible mistake not dealing with this man earlier?" And of course he had.

Tony should clearly have sacked Gordon early on or at least threatened to in a sufficiently convincing way to make him behave. But I doubt Gordon was capable of behaving. He was consumed with ambition, and nothing was going to stop him. Machiavelli correctly observes that "so powerful is the sway that ambition exercises over the human heart that it never relinquishes them, no matter how high they have risen".

This is an edited extract from The New Machiavelli: How to Wield Power in the Modern World by Jonathan Powell, published by The Bodley Head on 14 October. Read Jonathan Powell on the court of No 10 in part two of our exclusive serialisation in tomorrow's Observer.