WILLIAM J. CLINTON PRESIDENTIAL HISTORY PROJECT

INTERVIEW WITH BEN GODDARD

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TRANSCRIPT

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Martin: This is Paul Martin from the University of Virginia. I'm here with Ben Goddard at his offices in Washington, D.C. It is April 2008 and we're here to talk about health care politics in the early 1990s. Mr. Goddard was a key player in the creation of the Harry and Louise ads. I wanted to start moving backwards a little bit before the Harry and Louise ads come about. You played a role in Prop 166 in California.

Goddard: Yes.

Martin: There are some references to that role, but it's unclear from what I read what you did and how that played into the later arguments and fights over health care.

Goddard: Actually the story began in the 1986 campaign, I think—no, it was the '88 campaign. There were a number of insurance measures on the ballot in California that generally are referred to as 103. Actually I think it was 103 through 105 or -6. These had to do with property and casualty insurance. The insurers spent some $70 million, which in those days was an unprecedented sum. They lost; all the measures passed. They went down in flames.

The then head of the American Council of Life Insurers, who was a former Pennsylvania Governor and briefly [Ronald] Reagan Vice Presidential candidate, Dick Schweiker, a wonderful man but prone to malaprops, pounded the table at one of his board meetings and said, "The next time we go down in flames I want to be at the controls." Because they had been asked to contribute a large amount of money to what was a terribly flawed campaign.

So he sent a group from his organization to California to interview consultants because there was expected to be in 1990 a measure on the ballot that would badly impact all insurers, particularly life insurers. After a round of interviews they decided they wanted Rick Claussen and me to work with them. Well, the 1990 measure went away, but all of a sudden one cropped up in Arizona called the "Son of 103." We were looking for a no vote. It started off with a 72 percent yes vote, and we wound up winning it with a 74 percent no vote. All of a sudden the insurance industry decided that they *could* win ballot issues, and this was the first one they'd won in over a decade.

So in '92, Prop 166 was put on the ballot and we were tapped to do that campaign, which was essentially a single-payer health care system. We successfully defeated that measure as well. President Clinton, then Governor Clinton, had been campaigning with the promise of health care reform throughout the '92 election, so the health insurers who were part of the coalition who

opposed Prop 166 were very concerned about the proposals that Governor Clinton had made in his campaign. Then early in 1993 it became apparent that this was going to be a very closed shop in terms of developing what eventually became known as the Clinton health care plan. Health insurers were dis-invited from participating in any discussions. Rumors began to leak out about the nature of the proposal and the insurers became very concerned.

[Willis D.] Bill Gradison, former member of Congress, was just taking over as president of the Health Insurance Association of America at that point in time. He inherited a plan that was, on its face, ineffectual. It would have amounted to a traditional lobbying campaign backed with a small amount of public relations. Both Mr. Gradison and the board of HIAA said, "Looking at what we have facing us, we don't think this is enough. There has only been one firm that has won these kinds of fights for us before. Let's get them back in here to talk to us about developing an appropriate response to the Clinton health care proposal." Did you want to cover more on 166?

Martin: What did you do? How did you win?

Goddard: We won the way we've won nearly 95 percent of the ballot campaigns that we've waged. That is, we are very research-driven. We conducted focus groups and quantitative polls throughout the state to determine exactly what arguments resonated with voters—first to discover where the public was and what arguments we could make that would get them to where we wanted them to go. The most compelling argument that we found was potential loss of jobs—the cost of the plan, and the concept of government-run health care. Those were the arguments that really moved people.

When we run campaigns we run very disciplined campaigns, both from a message standpoint and day-to-day execution. My partner, Rick Claussen, is a hands-on campaign manager and closely supervises all activities from grassroots to direct mail. My role is principally one of strategy and developing the communications for the campaign.

Martin: Can we talk a little bit about the polling and the research in more detail that you do, say before Prop 166, and then we can get to the Clinton health care plan later.

Goddard: Sure.

Martin: How do you find out what will move people?

Goddard: Typically in those days, and this has changed somewhat in recent years, but in the 1990s, we would begin with focus groups, which are a qualitative research tool. Without going back and looking at notes I can't recall exactly how many. My recollection is that we started with an initial round of probably four nights of focus groups, two groups a night, in major media markets in the state—San Diego, Los Angeles, San Francisco—and we may well have done Sacramento or the central valley as well.

The groups are an open-ended discussion about the general subject matter. What we're trying to do is to get an understanding of how people view the problem, whatever the problem is, and what their thoughts are on a solution. Often in early groups we would not even test any specific messages, we would mainly listen. There would be a moderator's guide and a series of questions

that would be asked. But the main thing you're listening for is to try and get beyond your own prejudices and understand what real people think about the issue, in this case a single-payer health care plan.

The problem with focus groups is that the only thing you can be sure of is that the ten or twelve people in the 8 o'clock group in San Diego on that night felt a certain way. Years and years ago a researcher-consultant once said to me about focus groups, "Listen to the music, not the words," meaning you can't take it literally. You can't take anything you hear literally. What you're looking for are patterns, trends, suggestions of where we might be able to go.

The next step then is quantitative research. That is a poll, typically in a state like California, of at least a 600 sample. Nowadays we generally go 800 to 1,000. Back in 1990, '92, it could even have been 400 in the first poll, but more likely 600. These are usually pretty extensive instruments, in those days done by telephone, 20 to 25 minute interviews. It walks people through the sorts of messages that we began to hear in the focus groups so we get some quantitative test of what it is that people are saying and what it is they want to hear about the subject.

Then based upon the quantitative research we create what we call "animatics," which are essentially talking storyboards. We write a 30-second television commercial, then storyboard it out by illustrating the various scenes, then record the voices of actors, marry the two together, make a little clumsy TV spot, and play that to groups and begin to get their feedback. What you're really looking for is to make sure they're hearing what you're saying. The most important thing to understand is what does the public hear? What matters is not what you want to say, but what they hear.

Then, based on that input, you test, refine and tweak the messages. By '92 we were using dial groups, which allowed people to view the animatic and, by twisting a dial to the right or to the left, react positively or negatively to whatever they're seeing on the screen. So you get a second-by-second chart, which overlays the animatic itself. You can see what people like, what they don't like, what phrases they're agreeing with, which ones they're not. That was a fairly new technology in those days. Then after that exercise there's a discussion where you talk about what you've just seen.

Martin: More like a focus group again?

Goddard: Yes, it becomes a focus group again. Typically in a focus group you have 10 to 12 people; in a dial group you want to have anywhere from 30 to 50. The larger the number the better. So typically you might invite 50 people to the group and then you randomly select 30 of those and they break up into three small focus groups. So it's a small enough group that you can have a real discussion. Then go through that whole exercise. What you learn from that not only drives the television commercials you make, but everything you see in press releases, everything a brochure says, everything that direct mail says. It completely drives your message strategy.

You keep doing that process throughout the campaign so that you're testing and calibrating the strategy, because if I run a flight of TV ads, I've suddenly had some impact on the debate. If the other side responds, they've had some impact on the debate, so the debate has changed. We need

to constantly monitor that. So we'll go through the focus group process, depending on the campaign, anywhere from three to six times over the course of the campaign. We'll do several large quantitative studies during the campaign and then the last six to eight weeks of the campaign we'll do nightly tracking polls so we are measuring every single night what people are thinking, how their attitudes are changing.

Tracking polls are much shorter instruments. They're usually only 10 or 12 questions. They're a smaller sample. You get 200 a night maybe, but you accumulate three nights' worth and then on the fourth night you throw away the first night, and so on.

Martin: So you see the moving wave.

Goddard: So you always have a reliable sample, but it's the most current sample. Then you constantly adjust your message based on those results.

An interesting sidebar to all this is that one of the most successful commercials we did in the 166 campaign featured an African American owner of a diner and their customers at the diner. She's pouring coffee and talking to them, but most of her comments are directed to us, to the camera. She walked through how Prop 166 was going to increase her costs to the point that she was either going to have to lay people off or go out of business. That actress, Angie Chapman, came back in the Harry and Louise campaign as Louise's business partner. We knew that people trusted her, so we put her back to work.

Martin: When you're doing the focus groups, I know one of the worries about focus groups is that it is very easy for a moderator to accidentally steer a group independently of where the group would otherwise go, and what you're trying to actually find is where the group would go without a moderator. Any control to make sure that the moderator is not accidentally steering one way or the other?

Goddard: Yes, a couple of things. Most important is the selection of moderator. A good moderator is one who can keep control of the group but keep his or her opinions hidden from the group. I've seen some moderators—there's one researcher in particular who has gained quite a bit of notoriety, Frank Luntz, I'll mention his name, who will actually engage groups in an argument. The first time I saw him do this I was dumbfounded. We were hired onto a project that he was already doing the research on. To me it totally polluted the results of the group.

The other thing you have to be very careful of in focus groups is someone in the group becomes the expert or they have some experience. You try to screen people out for that but you can't always do that. Someone becomes the more dominant member of the group. There are times when we do gender-specific groups simply because women, particularly in the '90s, had a tendency not to be as outspoken if there was an opinionated male in the group.

The best tool that we've found in recent years—this was not available to us in those days or in the Harry and Louise campaign—is online groups, because of two great advantages. One, the person, each individual, is isolated, so they're not being influenced by anyone else's opinion, and two, you've got a much larger number. You can have 300 people in a group instead of 10 or 12. We particularly like to use online for ad testing now. In fact, I seldom do even dial tests any

longer. We'll test ad concepts online because we get a much larger sample, and I think we get much cleaner information.

Martin: This is going back I know a long time, but if you could conjure that memory, going back to some of these early focus groups, how much do people know about the policies that you'd be talking about? Were they coming up with opinions off the top of their head, or would they have to be educated or brought up to speed to converse?

Goddard: Some of both. In the early stages, particularly in a ballot issue campaign, we'd be lucky if 10 percent of the people were even aware that the measure was on the ballot. So you tend to have a general discussion. You start off just talking about what is going on in the world. "Have you heard about anything in California that is going to be on the ballot? That's interesting. Okay." You'll hear about things that have never been suggested, or if they were will never make the ballot. Occasionally you'll have one or two people—and it's always better if someone in the group mentions it. "There's an interesting one. So health care reform, what do you think about that?"

You start generally with a concept of what you need. Then the moderator always happens to have something, "Well, I just happen to have some information about—" So about a third of the way into the group you start giving them something in writing they can read and then react to, so that there is an education process. But it's very important to start clean, with a clean slate, and just get from people what they bring to the room rather than giving them pro or con information. They always leave much more educated than when they come in.

Martin: Then when you go to do the polling, you said that they could be quite extensive, a 15-minute or 20-minute poll can be—that's a long poll, especially in today's market.

Goddard: We could do longer ones back then, yes.

Martin: People would actually stay on the phone or would even answer the phone?

Goddard: Yes.

Martin: I'm trying to get a sense for people down the road to try to understand how this was crafted, how this was done. You would ask people questions about health care in the poll and then ask them different phrasings of their opinions about health care? Were there experiments imbedded?

Goddard: Typically in the quantitative research you first start with what is generally referred to as the right track/wrong track question. "How are things going in California? Right track or the wrong track? Who do you think is to blame? What are the issues that you're concerned about?" If it is an election year, you get a vote on the candidates. So you get people starting to make decisions and participating before you bring up the specific measure. You might then go to a question like, "Have you heard anything about a health care reform measure being on the ballot this fall?" If the answer is yes, you probe a little bit. "What do you think? How do you think you would vote on it?"

At times—in particular we used to do more of this when we could have longer surveys—initially we would say, "Prop 160 is going to be on the ballot, it does this and this." And 163, and 164. Then you get to the one you want, for example, 166. Just on the very sketchiest amount of information you get their opinion. Then you say, "Let's talk a little more about 166. That's going to be on the ballot. Here's the language of the measure." You actually read them the language. We think this is critically important in a ballot measure, because words do matter. When people walk into the voting booth, the language they read does have a great deal of impact.

Now our ultimate goal in a campaign is to have you walk into the voting booth already intending to vote no on 166 and you don't even bother to read it. But because a third of the voters will read the language, we want to know how they'll react to that specific language. Earlier in the campaign we will have tried to impact that language by working with the secretary of state and the attorney general, sometimes even going to the point of filing a lawsuit to change what is called the "Title and Summary" in California, and different things in other states.

Martin: Sure.

Goddard: To make that language as favorable as we possibly can, because we've seen instances where a change in the language can swing the vote as much as five points either way, just in how you describe it.

Martin: I guess the classic example right now is the estate tax versus the death tax.

Goddard: Exactly.

Martin: Lovely crafting. After you do the polls, how detailed of analysis would you get into in terms of deciding how to move to the next stage of ads? Are you looking just to the marginals, are you doing cross tabulations, trying to do contingencies, or—?

Goddard: Big-picture decisions are generally made looking at the marginals or the top lines. However, depending on if there is a geographic, demographic, gender, or racial or any other split that looks significant, then you get heavy into the cross-tabs.

Martin: Okay.

Goddard: Then later in the campaign, particularly when we're in direct mail or using on-line communication and deciding where to run what message, we'll spend a lot of time with cross-tabs. Not so much in the early stages unless there are some obvious differences.

Martin: It sounds like what you're doing is pretty sophisticated analysis of public opinion. It's the kind of stuff you would see at the American Public Opinion Research Conference.

Goddard: Yes.

Martin: Interesting.

Goddard: Yes, as I sort of alluded to, one of the mantras we use with our clients is, "You've got to know where people are in order to get them to go where you want them to go." So we spend a

lot of time figuring out what people's perceptions are and boring down to find out what those thoughts they are verbalizing really mean. That became one of the most significant exercises of the Harry and Louise campaign.

Martin: Why don't we get into the specifics of that, if you don't mind? The timelines and the dates we can fill in later. A lot of this is on the record prior, but you were retained almost immediately after Bill Clinton wins, as far as the records that I took a look at.

Goddard: Yes.

Martin: They do the task force in January 1993. They start the task force. The task force wraps up in May. He gives his first sales pitch for the national health care, I think it was in September if my notes are right.

Goddard: That's correct.

Martin: Before he gives his address on September 22, the first ad is revealed on September 8. So you're ahead of the game.

Goddard: Yes.

Martin: You beat Bill Clinton to the punch on his own policy.

Goddard: Yes.

Martin: Can you walk us back from there to when you would have started the research process? What information did you have to work with? Even before then, this may be something that other folks might have to answer, but at what point does the HIAA decide to not sit at the table but oppose it?

Goddard: That was not a decision that HIAA got to make. Their initial objective was to get a seat at the table and to modify what they thought was coming. There had been enough information either in the campaign or that had leaked from the task force that we had a pretty good idea that this was a proposal that these companies weren't going to like. Early on, one very significant mistake that the White House made was in terms of the involvement of HIAA, especially Bill Gradison. Because of his service in Congress and because of his friendship with Dick Celeste, who was then chair of the DNC [Democratic National Committee], and because of his position as head of HIAA, he was able to get an audience with one of the key architects, Ira Magaziner. He made the plea for HIAA to be involved in helping to craft something that would preserve the role of private health insurance in American health care reform. He was told bluntly, "We need an enemy and you are it." He was sent away with a very clear message that not only weren't they going to have a seat at the table, but they—the health insurance industry— were going to be the villain in the forthcoming fight.

Martin: I read part of the story in David Broder's book, *The System*. Broder tells a slightly different story, almost as if Magaziner was just not very careful with his words and that this could have been a misunderstanding between the two. So it's interesting to flesh it out a little bit.

The story that David Broder tells is that in this meeting Magaziner says something along the lines that their polling finds that we can sell this policy if we frame it as "The health insurance industry is out to get you." When I read that, I was thinking, *This is the kind of strategic communication you would give after someone decides to fight you, not before they decide.* So I was wondering if that was almost like one of those accidents of history, where Magaziner says something that he probably shouldn't have said and maybe at that point didn't completely mean. Then the response is, "Oh, they're out to get us," which is how I would, if I were sitting opposed to him, interpret it. I interrupted your story.

Goddard: Insurers very clearly interpreted this as throwing down the gauntlet. Let's put this in context. This is after HIAA leadership had made numerous attempts to provide input, written white papers, submitted suggestions, questions, offered to serve on committees. Celeste had interceded.

Our takeaway from that was this only means one thing and that's war. That directly led to the creation of the Harry and Louise campaign. Now there was an interim step, which was very important, and was taken very early in the year. This was in January. It may have even been before President Clinton took office. We advised HIAA and they agreed to lay out a set of principles for health care reform that literally would have accomplished most of what America wanted. I mentioned earlier, boring down on the research was one of the most important things we did. Our polling showed, and we teamed with two pollsters—Bill McInturff, a Republican pollster, and Bill Hamilton, who passed away a number of years ago but was a well-known Democratic pollster—so we could go to the Hill with information that had been vetted by both sides.

Our research, just as the White House research, showed that two-thirds of the American people wanted something called "radical" health care reform. The more we drilled down, however, what we found was that yes, two-thirds wanted radical reform of the health care system. Now we find that and at the same time we find that 85 percent of Americans have health insurance, 83 percent are satisfied with their coverage. So we drill down, trying to find out what Americans meant by radical reform. To the vast majority of Americans that meant coverage you can get, coverage you can afford, coverage you can keep if you change or lose your job. That was it. Three points. Nothing about community rating, nothing about mandatory purchasing alliances, nothing about a government-run health care program. That's what they wanted.

So we built this set of principles around those things that we knew the American people wanted and then added in some things we knew the White House wanted. That's the program that HIAA was trying to get before the health care task force with no luck. We ran some newspaper ads and even a couple of early cable television ads saying these are the reforms that health insurers are proposing. Obviously the White House chose to ignore those. Those findings greatly informed our strategy in moving forward.

I remember a meeting here in Washington, D.C., I believe it was in February of '93, roughly in that time frame. We were asked to present to the board our recommendations based on the research and the very clear message we'd been receiving that we weren't going to have a seat at the table.

At that point we recommended what was, at the time, considered a wildly radical proposal, which was that we launch a national grassroots campaign built around television advertising, cable television advertising, with an on-the-ground grassroots effort, just like we would wage in a ballot issue campaign, particularly in the states or media markets represented by the leadership of committees of jurisdiction. There were a total of five between the Senate and the House, because the bill was so broad, where we could have some influence on members or Senators sitting on those committees.

The television part of the campaign is what everyone remembers, but we had a massive grassroots and "grass tops" effort. One of my favorite anecdotes out of this is—this is probably in early '94 by the time this happened—a U.S. Senator from a western state was being flown around by his pilot, a supporter who flew him around the state when he was back home, who took the occasion of him being in the airplane to lobby him in favor of Harry and Louise and in opposition to Clinton health care. That's just an anecdotal example of the extent of a grassroots, grass tops operation that we created.

So back to February '93. We laid out this sweeping proposal. There was complete silence in the room for what seemed like forever. One of the board members said—I'm paraphrasing here but it was very close to it—he said, "The only fights we've ever won were the fights in which we've done what you told us to do. The way I see it is I either start putting money on the table now until we defeat this, or I'm not going to have any money to put on the table." There was a fear that of the 300 members of HIAA, that probably only about a dozen would have been in business had the Clinton program as proposed been implemented. So that CEO's ballsy statement had a tremendous impact on the board and they said go do it. That's when we brought McInturff and Hamilton on board and began the research.

Martin: Let me interrupt for a second. Is it fair to say that they really didn't understand your proposal but that you had won before and that was good enough?

Goddard: No, I think they understood. We put it in these terms—what we're talking about doing is running a nationwide ballot issue campaign. It's going to involve television, radio, paid advertising on a scale that has never been done before, because that's the only way you're going to communicate with the American people. If you just look at the raw numbers, two-thirds of the American public is going to support whatever proposal the President comes up with. Unless you can point out to them why they should not, it's going to pass.

Martin: How about the research part? I'm trying to get a sense, 1992 is probably a turning point—my guess is that people who ran campaigns before that were sort of armchair strategists who just did what they thought should be done and they probably didn't have much in the way of research or data or anything like that. Whereas you're coming from an approach that it's social science research. My curiosity here is the degree to which that kind of an approach is warmly received by people in politics at the time, or is that new?

Goddard: It had begun to be embraced by candidates for public office and was beginning to be widely used in ballot issue campaigns. We started doing these research-based campaigns in the early to mid-'80s so we had a track record to show that this approach worked. It had never before been done on a national scale. That was the big difference. They asked, "How much is this going

to cost?" "We don't know yet, but it is going to be more than $10 million." These guys had never spent more than a few hundred thousand dollars on an advocacy campaign before. So their instructions were, "Go find out what it takes and we'll find the money."

I don't recall the exact numbers, but we did on the order of five or six detailed national quantitative studies, and over two dozen focus groups in communities all over the country. We pretty quickly established the big-picture stuff. When two-thirds of voters talk about "radical reform," what they really mean is this—but finding a way to do the messaging, and more important the messengers, was a tremendous challenge. Women were overwhelmingly in favor of whatever the President proposed. They had no idea what he was going to propose, but they were in favor of it.

Martin: If Clinton said it, they took it?

Goddard: Yes.

Martin: That makes your job hard.

Goddard: But that's one reason why, throughout the Harry and Louise commercials, Louise is the smart one. Women were an incredibly important audience for us. We tested in animatics and other forms a wide range of messengers, academicians, former surgeon-generals, health care officials, doctors, nurses. Nurses did okay, but they were still seen as having a vested interest in this. The thing we kept hearing from people is, "When I need to make a medical decision or I want to know what doctor to go to, I ask someone I know." It's word of mouth. It's personal relationships.

Rick Claussen called me one day. I was in some city doing some focus groups and he said, "You know, Ben, I just read something that Bill Gradison said in a speech, 'This is a decision which will be made around America's kitchen table.'" The light went off in both our heads. Rick and I both grew up in Idaho, 30 miles apart, didn't meet until 20 years after we'd left the state, but we had the same roots. That's how our families had made decisions, sitting around the kitchen table.

So we tested that concept. It got a gangbusters response. People saw the Harry and Louise characters as being someone like them who had the same concerns they did. It didn't matter that they were actors. They were still portraying real people. Also, if you go back and look through—I think we did a total of 14 Harry and Louise commercials—in virtually every one of them, Harry and Louise say, "We need health care reform."

[*interruption*]

Martin: I remember in the ads—there were different versions, but I think there were three different tag lines that you used, and it is always one of those three things that gets said near the end of the ads. My guess is that you tried, these are highly tested—

Goddard: Oh, yes.

Martin: And ensured that they did well. The Harry and Louise ads you settled on were the successes. What about the ones that got thrown into the junk pile? Why did they get thrown into the junk pile?

Goddard: All of the expert ads got thrown into the junk pile because people just did not want to hear from an expert on this subject—they felt they were being talked down to or lectured. "Wait a minute. I know I want good health care coverage. If I'm sick, I want a doctor's opinion, but in terms of public policy, no thank you. I don't need a doctor's opinion; I'm smart enough to figure that out by myself, me and my friends. We elected this President, by God we can decide whether it's a good proposal."

Martin: So when you ran it with, say—you said the Surgeon-General was one of your test cases. Was it just unpersuasive, or did you lose ground?

Goddard: Didn't particularly lose ground, but really didn't gain anything. People tended to see everyone except real people as someone with a vested interest. We actually, as I mentioned, produced one or two ads with an authoritative presenter that ran briefly inside the beltway, and it was simply to send a message that we have a reform proposal as well.

Martin: With a more elite audience being Washington.

Goddard: But even that didn't really get any kind of traction. We thought the Harry and Louise concept was going to work. But we were quite honestly surprised at how well it worked once we produced the first spot. I think part of that was the chemistry of the actors. I don't know if this is getting too much into weeds, but usually in a campaign that's this important I wouldn't do the first round of actor interviews myself, but would probably put on tape anywhere from 60 to 100 actors and then out of that I'd pick 20 for what are called "callbacks." They'd come back and I'd actually go and work with them a little bit, make sure we could work together and get the kind of response we wanted. Sometimes there could even be a second callback of just a handful.

We didn't have the luxury of that process in 1993. There was another board meeting, it must have been August of '93, we knew the plan was coming out. We knew when the President was going to announce it. By then we'd gotten enough information that we had a pretty good feel for what was going to be in it. So we met with the board again and said, "Okay, if you really want to do this, it's time to pull the trigger. This first buy is going to be expensive because we need to lay down the markers, so we'll be on national cable but we'll also be on local broadcast in the major markets where the news is reported." One of our most important audiences was the media. We were in New York, Los Angeles, Washington, D.C. The two most expensive media markets and D.C. is about tenth or twelfth, something like that.

Are you really prepared to do this? Here is what it is going to cost. The board voted yes. So I had to get on an airplane and shoot a commercial four days later. There were some things to wrap up here in D.C. I didn't have time to go back to L.A. [Los Angeles] and do the whole casting process, so I called a casting agent that I trusted and asked them to put together tapes of pairs of actors. I literally sat in a hotel room here in D.C. and just by process of elimination actually got

down to Harry fairly quickly, because I knew I wanted an everyman who wasn't too smart, not intimidating, could be just a very likeable guy.

Martin: Somewhat balding, glasses, far as I can remember.

Goddard: I didn't specifically care whether he was somewhat balding, but that's what we wound up with. It took longer to choose the Louise character. I finally came down to a choice between two, Louise Caire Clark and another lady whose name I've forgotten who was a very attractive redhead. I was single at the time, always had a fondness for redheads. But decided that given the audience we were trying to reach, Louise looked more like a real person. So I cast the actors from 3,000 miles away without ever meeting them. Over the course of the campaign Louise and I became romantically involved and wound up getting married after the campaign. So the in-house family joke is I always could have picked the redhead.

Martin: It's a fateful decision to pick one versus the other.

Goddard: The first time I met the actors was on the day of the first shoot, which was the original kitchen table spot. Once we put it on the air, the response was amazing. We also didn't know if we were going to do one or three or how many spots. The response was so powerful that we immediately went into production with a second spot. Plus, by then, once the President previewed his plan—he didn't actually lay out the details, but he previewed it—we had more to go on. One of the things that we learned from our research was that most Americans didn't think there really was a plan. They knew there was a concept that would eventually become a plan, but they didn't think there actually was one yet.

The *New York Times* fortunately printed a book called "The President's Health care Plan," or something like that, it was the actual Clinton health care proposal. It had a Presidential seal on the cover and it looked very official. So in the second commercial, Harry and Louise are still at the kitchen table, but this time Louise has a copy of the book and is going through and highlighting specific things we call attention to on the screen. Simply because we needed to convince people, we did two spots that just focused heavily on the book. One featured the cover just to make the case, "Look, folks, there really is something out there."

Martin: Something is coming down the pipe.

Goddard: Yes, there's a real concrete proposal we have to talk about. Just to make the actors more comfortable, I actually used their names in the script for the second commercial. The first commercial just said man woman, man woman. In the second commercial it was Harry and Louise. Of course when we unveiled the second commercial, the press was very interested and wanted copies of the script, and the script had Harry and Louise's names on it. It was Harry Johnson and Louise Clark and the press who named the campaign that they later became famous for.

Martin: You said earlier right after the first set of commercials it was immediately successful. I'm guessing you had polling or other evidence that confirmed not just a hunch or a feeling, but you had evidence.

Goddard: It was a combination of things. We were tracking, we polled among people in the markets where we ran the commercials. There was a lot of press buzz around the fact that the spots were out there. Then shortly after the second one appeared, the First Lady went on the attack and started talking about "that woman." Bill Clinton, the President, made some slightly humorous reference in which he said, "I can't remember the name, Thelma and Louise, whoever it is, you know, those people."

Martin: So they touched a nerve in Washington.

Goddard: Yes. This was something we were not prepared for, but the Clintons have always had a "no attack goes unanswered" approach toward politics. Their response really gave life to our campaign. The fact was, you couldn't cover them talking about it without playing a clip from the spot. So all of a sudden it wasn't just the 30 percent of the public that we reached through our initial buy, but 60 or 70 percent of the public thought they'd seen a Harry and Louise commercial because it was being covered on the evening news.

Martin: You had said also that maybe not this initial buy, but later, focused the commercials into the media markets where key members of Congress were. Do you remember offhand—obviously there are the chairs and the ranking members and the critical—maybe at this point they would be Democrats, I would be guessing, because Democrats had both Houses, but did you get response back from those offices that your commercials were being effective in their areas or states?

Goddard: Yes. The kind of response when you know you touched a nerve is when they call Bill Gradison and say, "Will you take those damn spots off the air? Because we know that something's happening." Remember, back in '93, '94, the Internet for all intents and purposes didn't exist, so we had an 800 number. We got a lot of 800 calls over the course of the campaign; over half a million people called the 800 number. Out of that audience we recruited just over 50,000 who actually signed a card and said, "I want to be a member of the Coalition for Health Insurance Choices." We then activated them at various points throughout the campaign.

Martin: So you used that as a recruitment and then deployed them.

Goddard: Yes, so they became part of the grassroots effort. Ultimately they made over a quarter of a million contacts with members of Congress. That reinforced to the Congress the impact the campaign was having. It also is another example that this wasn't all about TV spots, it was integrated grassroots, media. We had three or four people from HIAA on the road doing the talk radio circuit for months. It was a totally integrated, grassroots, and media paid advertising effort.

Martin: Are you familiar with this idea of a third-person effect? It's a public opinion idea from an old article. The argument is that you can be persuasive to political elites without actually persuading the public, because political elites will assume that the public is persuaded and then change their behavior. So Hillary Clinton responds to these ads probably without a lot of information about whether they were persuasive or not.

Goddard: Right.

Martin: So you don't even have to persuade the public, you just have to have other people think you did.

Goddard: Right.

Martin: I'm wondering how much something like that can help explain—it's almost as though the White House over-responded to these ads. I'm guessing they would have had their own polling. Dick Morris was involved with them at this point, but reading back through this, it seems like they made a number of strategic errors. I'm wondering about your thoughts on their responses. We talked a little bit about them bringing you up in speeches and whatnot. At some point they do a fake Harry and Louise commercial themselves. I'm sure you were polling this right? You wouldn't miss this kind of an opportunity for free advertising.

Goddard: Right. There is that third-person effect or third-party effect. The White House response and the press coverage turned the campaign into one of Bill and Hillary vs. Harry and Louise. Everett Dirksen once said, "When I feel the heat I see the light." The Congress felt heat and I think that greatly added to the success of the campaign. The Clinton attacks on Harry and Louise certainly did. There were actually three response ads. Harry Thomason, who produced *Evening Shade*, a TV program, did a response spot that was just pathetic—clearly he didn't understand what he was doing. He may have made great television shows, but he didn't know how to do political ads.

It was kind of funny. He had this guy in a graveyard, but he packed 90 seconds of copy into a 60-second commercial. The guy is talking so fast you can't understand what he's saying and he's making fun of Harry and Louise. We looked at that and just laughed. "It's not Harry and Louise, stupid, it's government health care reform. Come on."

The DNC also did a spot that featured Harry and Louise in bed, one of them in traction, in a hospital. It was another spot that was totally off-message.

The best one was the one that the President and First Lady did for the Gridiron Dinner. The Gridiron Dinner is supposed to be off the record. It took about three minutes after the dinner was over for that spot to be circulating. We got requests from television stations all over the world for the Harry and Louise spot and the spot that the President and First Lady did replicating one of the commercials that we had done. So yes, the reaction of the campaign, of the White House, which was driven I have to think by their political advisors, who grew up with "never let an attack go unanswered—you answer within that news cycle," a fundamental misunderstanding of the way you run a political campaign and the way you run a public affairs campaign. Because they did greatly enhance awareness and coverage and the importance of the campaign.

The Harry and Louise campaign evolved based on research we were doing, some of the things the Clintons did, and a few other totally extraneous sorts of events. But I think about the fourth—after the first three spots ran, we started getting some feedback that maybe these guys are just a couple of yuppies sitting around. That's when Louise all of a sudden acquired a business partner. Andy Chapman, who had played a role in the 166 campaign, came back as her partner in Libby and Louise's small computer consulting firm. She appeared in three different spots. We gave them a young son who appeared in two spots, one of which the Clintons did a parody on.

There were a couple of spots that were incredibly narrowly focused. One on community rating I think ran in only three or four markets. It featured a brother who cited his experience in New York "with something called a community rating and we can't have this." That ad appeared when whatever committee that was dealing for that particular part of the proposal was dealing with it and only in a couple of Congressional districts. So there were a number of examples like that where there were very specific sorts of issue driven spots.

Probably the oddest one of all was in November '93. Some members of the HIAA board felt that we had just been too negative. We needed to do something positive, and Thanksgiving was coming up. Couldn't we do a Thanksgiving spot? We kept saying, "Look, folks, this isn't going to work. People don't want to see Harry and Louise having a wonderful family Thanksgiving. They want to hear about what's wrong with this health care proposal." They insisted; we did it. It became known as the "turkey spot," because the tracking poll showed that support just tanked as soon as that spot went on the air.

Martin: So you lost them at that point?

Goddard: We didn't so much lose people as people just quit paying attention.

Martin: Harry and Louise—that was their run? Did you recover after Thanksgiving?

Goddard: Yes, we came back with a more traditional Harry and Louise ad. I think the one we came back with was the two of them in the car. Immediately we shot up again and people were paying attention again. At that point the board laughed at themselves and said, "Okay, we'll listen to you guys from now on."

Martin: How much are you—I'm assuming you're tracking this quite closely, what's going on in Congress, the committee hearings and various other things. There's one argument to be made that these bills weren't going anywhere to start with. There were so many problems within the House and Senate that the real—there were political problems that individual members were facing independent of people being reminded of Harry and Louise or other things like this. John Dingell wasn't going to get a bill through. [Daniel] Rostenkowski eventually gets indicted. My guess is that all those things played very favorably to you.

Goddard: Yes.

Martin: But what is your sense about how—the interaction between your campaign—so much of what people think about is that this is Harry and Louise versus the Clinton administration. But Congress is obviously a key player in all of this.

Goddard: Right.

Martin: Can you offer some words of wisdom on that connection?

Goddard: I think you're right in saying that with or without Harry and Louise it is unlikely that the bill would have made it. It certainly would not have made it through intact. There were enough problems for enough different constituencies, which was something that we exploited and something that we learned from our years of doing ballot issues, which we call "right

problem/wrong solution." Yes, we need health care reform, but we don't need these mandatory government purchasing alliances, we don't need community rating, or we don't need whatever. The bill was so complex it was easy for us to poke holes in parts of it, and there were some natural constituencies that responded to that.

Rostenkowski is an interesting story; he and Bill Gradison had a working relationship and they had reached an agreement that if we took Harry and Louise off the air; the campaign went dark. Rostenkowski would negotiate on some of the issues of concern to HIAA. We didn't make any big announcement about it. It was a deal between Bill and the Congressman. Then of course Rosty is indicted and it was [Claude] Pepper who replaced him and said, "I'm not making that deal." So we put the spots back on the air again.

There was another incident, and again Celeste played a role in this. There was an overture from HIAA essentially saying, I don't know if it was three or four substantive changes, "If you would remove those from the proposal, we'll put Harry and Louise on the air in support of your plan." Again it was rejected by the White House. They made several big mistakes and that was another one, because initially our objective was not to defeat the Clinton proposal, it was simply to modify it. In part that was because we didn't believe we could defeat it, hence the reform proposals that HIAA laid out and the focus saying we support health care reform, but we need to fix this piece.

So there was a deal to be made, particularly in '94, I think primarily because of intransigence in the White House. Frankly I doubt that the President or even the First Lady—this stuff probably never got to them.

Martin: Killed by subordinates?

Goddard: Yes, killed by staff.

Martin: At which point do you think the campaign shifts and you decide we don't necessarily want to reform this, we can actually put it in the ground?

Goddard: Sometime after the Rostenkowski deal fell apart.

Martin: He doesn't get indicted I think until August of '94, if my notes are right.

Goddard: I think it was earlier than that.

Martin: June of '94.

Goddard: That's about the point where it was, "Let's just drive a stake in this thing's heart and go for the kill." Our campaign was over at the end of August and Congress had closed up shop without passing anything.

Martin: Yes. Senator [George] Mitchell brings it back up and tries a last desperate effort, but it is going nowhere I think after they come back.

Goddard: Yes.

Martin: One argument folks have made is that Rostenkowski's indictment for other reasons plays a critical role in that it was only Rostenkowski who could have gotten people together on this bill. I forget who became the chair after he was indicted, but they didn't have the political gravitas to bring people together.

Goddard: I think there's a lot to that. I would tend to agree. He was probably the only one who could have fashioned some sort of a compromise proposal. I think finally by spring of '94, May, June, he had—I don't know this for a fact—but I think by then he was making progress with the White House in saying, "Look, the only way we're going to get this done is if we make a deal."

Martin: That's what Congress does.

Goddard: Exactly, that's what Congress does.

Martin: Do you have any or does the HIAA have any coordinated campaign with the Republican Party at this point?

Goddard: No.

Martin: It's completely separate.

Goddard: It's completely separate.

Martin: At some point Bob Dole being Senate leader makes signals that he is in favor of reform, and indeed in his political history before that he'd been heavily involved in health care politics. He appears to change directions at some point. I don't know if they decide it is worth more in the election in '94, in which they wind up beating Democrats badly. [Newton] Gingrich is the whip at this point I believe, and I think his interest is in using it as a campaign issue and not doing politics with it. But there's no overlap between?

Goddard: Not to my—

Martin: So your campaign is completely outside of Washington to some degree?

Goddard: Our primary focus was in the states. We continued to run on national cable, which back then was only CNN [cable news network] and Headline News. One of the reasons for that is the Hill gets its CNN and Headline News feeds off the satellite.

Martin: So you can't run commercials on it.

Goddard: You can, but you can't run—if you run on any of the Washington, D.C., cable systems, the people that you really want to reach are not going to see it.

Martin: It's a little technical problem.

Goddard: We had to stay national. But most of the focus, most of the money, was spent aimed at the grassroots and the media markets where we knew we would have some impact.

Martin: Two more questions, one of which is if you could talk very briefly about the roles that Bill Gradison played and McInturff and Chip Kahn played? Is this decision making by strategic committee, or do people have very specific things that they're doing?

Goddard: There was an overarching committee responsible. How many times that I met with them, the names should be right on top of my mind, but it is essentially the communications committee. Bill Gradison clearly is the head of the association and had to sign off on anything that we did. Chip Kahn was the day-to-day campaign manager. We met with him at a minimum of three times a week through most of this campaign. Even though we were based in California, either my partner or I were here. One of us would be here every week, just because the campaign required that kind of coordination.

McInturff's role as a pollster and strategic advisor was extremely important. We developed a very close working relationship with him and maintained that. Bill is working on a couple of projects for us right now. The ultimate decision maker was the board, because they had to approve expenditure of funds and the budget grew over time. Ultimately we wound up spending a little over $20 million, about $17 of that on television. The rest was on various grassroots and other activities. So ultimately the board had to approve all of those budget expenditures and they had to assess their members for those.

Once that assessment was done, the communications committee would review and approve specific plans. They would hear McInturff's research, we would review all scripts with them, all media buying plans with them, all of the grassroots plans with them. Then Chip Kahn was the day-to-day manager of the campaign and chaired, depending on intensity at various stages of the campaign, often daily war room meetings in his office.

Martin: Who in that group would have been keeping tabs on Congress or trying to meet with members of Congress?

Goddard: Gradison.

Martin: Gradison directly?

Goddard: Gradison and his lobbying staff.

Martin: So he had a separate lobbying staff that was independent of what you were doing?

Goddard: Yes. Chip also interfaced with those folks to make sure—

Martin: He was staff director for Ways and Means, wasn't he?

Goddard: Yes.

Martin: So he would have had a very good understanding.

Goddard: He had a very good understanding. And Chip was a very strong member too at HIAA.

Martin: Let me ask you a couple of questions about what has happened since then. My reading of this is that this was your break, that this made your career. What have other people done following that? Has this become the standard model for how to combat a President or to do a campaign like this?

Goddard: To a surprising degree it has. I'm still surprised now 15 years after we first began the Harry and Louise effort, I still get calls from people saying, "We need a Harry and Louise campaign." We've been asked dozens of times to bring Harry and Louise back. As you probably know, we briefly did that for an organization called Cures Now to promote stem cell research. That was more a personal thing with both Louise and myself and Harry than it was a business decision. But yes, people still refer to this as the gold standard, if you will, or the original, the model for issue-advocacy campaigns.

It has been a while since we've done anything on quite this scale, but a few years after the Harry and Louise campaign, we did the permanent normal trade relations with China campaign in large part because President Clinton had been so impressed with what Harry and Louise had done to him, he wanted the same kind of a campaign.

Martin: So he hired you?

Goddard: He didn't specifically. Our client was the Business Roundtable, but he made clear that he wanted a campaign of that kind and scope. So yes, I think for better or for worse, that has become a kind of defining campaign. It is probably the one that I'll be identified with after I'm gone.

Martin: It was easy to identify you. Look up Wikipedia, Harry and Louise, and you show up. A number of monetary figures show up in various reports. I have seen claims—I don't know if these were political claims—of $100 million at some point. I think Hillary Clinton makes that argument that you were spending $100 million. Earlier reports suggested about $3 million. You think closer to $20 million. How do we wind up with so many different numbers?

Goddard: I'm not sure. I suspect the way Hillary Clinton gets to her number is if you add in the cost of the Harry and Louise campaign and all of the various lobbying efforts that were conducted by every other group opposed to it.

Martin: So the $20 million is just the Harry and Louise. That doesn't include the lobbying the HIAA does outside of that.

Goddard: The lobbying would have been in addition to that. I honestly don't know how much it was. It was, I'm sure, several million dollars.

Martin: Sure.

Goddard: But the exact number is somewhere between $20 and $21 million. That includes the research, the advertising, the grassroots activities, phone banks, direct mail, all of those efforts.

Martin: Looking back, is there anything that the White House could have done to beat you?

Goddard: Probably not. I think once they committed to such a sweeping proposal I don't think they could beat the campaign we ran. They could have beaten another campaign against a not so comprehensive proposal—this still concerns me. I think we could have got to health care reform in 1994. It would not have been the Clinton proposal and it wouldn't have been the HIAA proposal, but it would have preserved the private insurance industry and could have done a much better job of controlling health care costs and making sure everyone was covered. Universal coverage was one of the principles that HIAA laid out in their core reform proposals. To me the great tragedy, if you will, of that effort is not the winning or the losing—it is the loss of health care reform. There was a point in time there where, with the right deal struck, as I said, we would have had Harry and Louise on the air endorsing Bill and Hillary.

Martin: Might have been a very different world.

Goddard: Very different world.

Martin: I appreciate your time. This has been fascinating.