

NATIONAL PRESS CLUB LUNCHEON WITH GOVERNOR TIM PAWLENTY

SUBJECT: THE LAUNCH OF GOVERNOR PAWLENTY'S MEMOIR, *COURAGE TO STAND*

MODERATOR: ALAN BJERGA, PRESIDENT, NATIONAL PRESS CLUB

LOCATION: NATIONAL PRESS CLUB BALLROOM, WASHINGTON, D.C.

TIME: 12:30 P.M. EDT

DATE: THURSDAY, JANUARY 13, 2011

(C) COPYRIGHT 2008, NATIONAL PRESS CLUB, 529 14TH STREET, WASHINGTON, DC - 20045, USA. ALL RIGHTS RESERVED. ANY REPRODUCTION, REDISTRIBUTION OR RETRANSMISSION IS EXPRESSLY PROHIBITED.

UNAUTHORIZED REPRODUCTION, REDISTRIBUTION OR RETRANSMISSION CONSTITUTES A MISAPPROPRIATION UNDER APPLICABLE UNFAIR COMPETITION LAW, AND THE NATIONAL PRESS CLUB RESERVES THE RIGHT TO PURSUE ALL REMEDIES AVAILABLE TO IT IN RESPECT TO SUCH MISAPPROPRIATION.

FOR INFORMATION ON BECOMING A MEMBER OF THE NATIONAL PRESS CLUB, PLEASE CALL 202-662-7505.

ALAN BJERGA: (Sounds gavel.) Good afternoon, and welcome to the National Press Club. My name is Alan Bjerga. I'm a reporter for Bloomberg News and the President of the National Press Club. We're the world's leading professional organization for journalists and are committed to our profession's future through our programming and by fostering a free press worldwide. For more information about the Press Club, please visit our website at www.press.org. To donate to our programs, please visit www.press.org/library.

On behalf of our members worldwide, I'd like to welcome our speaker and attendees at today's event, which includes guests of our speaker as well as working journalists. I'd also like to welcome our C-SPAN and Public Radio audiences. After the speech concludes, I will ask as many audience questions as time permits. I'd like to introduce our head table guests.

From your right, Tom Risen, freelance political reporter; Emily Gooden, Associate Editor for *The Hill*; Jim Parenti, associate dean, Georgetown University; the Honorable Bill O'Brien, Speaker of the House for New Hampshire; Bob Benenson, CQ Roll Call, senior elections analyst and *Congressional Quarterly's* politics editor for six election cycles; Dave Buckley, CEO of Vectronix and guest of the speaker; Melissa Charbonneau of Newshook Media and the chair of the National Press Club's Speakers Committee.

Skipping our speaker for the moment, Angela Greiling Keane, a Bloomberg News reporter and Speakers Committee member who organized today's luncheon; Phil Musser,

senior advisor for Freedom First PAC and guest of the speaker; Al Eisele, a one-time Washington correspondent for the *St. Paul Pioneer Press*, *The Hill*'s founding editor and an editor-at-large to this day; Derek Wallbank, MinnPost Washington correspondent; and Pamela Stevens, planning and editorial producer for MSNBC's "Last Word" with Lawrence O'Donnell. (Applause)

The state of Minnesota may have had its greatest profile in national politics about 40 years ago in the era when Democrats Hubert Humphrey and then Walter Mondale served in the White House. And then Supreme Court Justices Harry Blackman and Warren Burger, both Republican appointees and formerly called the Minnesota Twins, also hailed from the North Star State. Our guest today may look to bring back national prominence to the land of 10,000 lakes, although he insists he's officially undecided about whether to run for President. Now, fellow Minnesota Republican and Tea Party favorite, Michele Bachmann, is insinuating she may steal Mr. Pawlenty's thunder and seek the nomination.

Mr. Pawlenty's just finished serving two terms as Minnesota's governor, serving as the state struggled through a national recession in which the state budget shortfalls persisted. Minnesota's new governor, Democrat Mark Dayton, inherited a \$6.2 billion budget deficit. Now, Mr. Pawlenty is launching his book tour, a step that's become a common prelude to presidential quest. He said he'll announce by the end of March whether he'll run for the Republican nomination. Other stops on his book tour include New Hampshire and Iowa. We will let you draw your own conclusion. He'll tell us today about his book, *Courage to Stand* in which he recounts his childhood in the blue collar St. Paul suburb, his political ascension through 20 years in city and state government, and his time in the governor's office.

Mr. Pawlenty presided over the state when the Interstate 35W bridge collapsed over the Mississippi River, shedding a nationwide spotlight on infrastructure. He also hosted the Republican National Convention during his tenure and he's spoken here before in 2008 when he was considered to be on the short list for John McCain's vice presidential nod, only to be passed up for someone who is not a Minnesotan, but only kind of sounds like one, ya know. To talk about what he's done and what he plans to do next, please visit and welcome with Governor Tim Pawlenty at the National Press Club. (Applause)

GOVERNOR PAWLENTY: Well, thank you very much. Or, as President Obama would say, "You're welcome." And I'm delighted to be here, and thank you, Alan, for that kind introduction. We're going to miss you as you go on to your next assignment. But as president of the National Press Club, we're honored that you're from Minnesota, that you've done such a diligent job of keeping the tradition of making sure that this institution plays the role of better informing our citizenry so we can have a better nation and a better democracy. And you presided over this at a very important time for our country and let's give Alan a round of applause for his service. (Applause)

We all know we live in the freest and most prosperous nation in the history of the world, the United States of America. We are blessed to live in this great nation. But as I travel around, and as you travel around this country and our respective states, you get the clear sense as you talk to people and listen to the dialogue and listen to the debate that something's amiss. That the American confidence, the American optimism, the American sense of hope for the future is diminished. There is worry in the air. People are wondering if the American dream still rings true and is still a guarantee and an opportunity for them and for their families.

There's a lot of discussion in these recent hours, in these recent days, about the incident in Arizona. And in the instant aftermath of that event, there was instant judgment on incomplete facts and other sorts of condemnation that seeped into the discussion. Alan mentioned that one of the things I presided over during my time as governor was the 35W bridge collapse. It was a terrible tragedy. There were 13 Minnesotans who lost their lives in that tragedy. There were 145 others who were injured and hurt. But a number of lessons came out of that terrible tragedy. Number one, as Americans always do, and as Minnesotans always do, when there is a time of crisis, when there is a tragedy, people in Minnesota, just everyday people who happened to be nearby, ran not away but ran towards the danger. They wanted to help others. They wanted to do what they can to make the situation better, to rescue and help in the recovery. And there are astounding stories of heroism there as there was in Tucson just some days ago.

And so as a nation, as we come together in this moment of reflection and condolence and concern and empathy, lessons emerge. And in the book that I'm here to launch today, *The Courage to Stand* book, it's a book not just about lessons learned in my upbringing and my time as governor, but lessons learned in leadership, in crisis and service. And one of those lessons is in times of crisis, leaders, people in responsible positions, need to step forward and make sure that we make good statements, but they need to be accurate statements. They need to be based on good information. We can't have a functioning democracy unless we have an informed citizenry. And we can't have an informed citizenry unless they have good and accurate information.

So the National Press Club and its members elevate and continue that tradition. It plays a vital role in the fabric of our democracy, the well being, the health of our democracy. And I take that sentiment that I expressed to Alan very seriously and very sincerely. Thank you for the work that you do.

But we also know that in those instances where reality and fact gives way to condemnation based not on fact or allegation or judgment based not on fact, it becomes very corrosive, not just to the debate but to our democracy more broadly. And in my experience with the 35W bridge collapse, we had individuals and others making very severe judgments in early moments and hours of that crisis that turned out to be flat wrong. A year later, the National Transportation Safety Board determined that the primary cause for the bridge falling was a design flaw dating back to the 1960s, really quite unrelated to much of the concern and allegation that was expressed. And we saw some of those same reactions in this tragedy of a few days ago.

So I come today in the spirit of great discourse and accurate discourse and fair discourse and the way we can help insure that is to question each other, hold each other accountable and engage in these kinds of dialogue. So thank you for being here today as friends, as guests, as interested citizens and stakeholders in that process.

What I'd like to talk to you about today is that sentiment that I talked about earlier; the sense for many in our country that the American dream is somehow slipping away, evading the grasp of our citizens at a level that is troubling, perhaps more troubling than most of us can remember at least in our lifetime. And I want to talk to you today about restoring the American dream by restoring American common sense. We all have learned about this concept of common sense through various channels or experiences in our life. For various people in the room, it may be different. But the ingredients include our upbringing, it includes our value system, our life experiences, kind of our world view and philosophy and a variety of other things.

But for me, these early common sense benchmarks and lessons were formed in my hometown of South St. Paul. This book is written with a good attention to this piece of background. But it's a small, first ring suburb outside of St. Paul, Minnesota. Back in the '60s when I grew up there, it was the home to some of the world's largest stockyards and meatpacking plants. And that was an enormous part of the community and culture and the economy of my hometown. So many of the families up and down my street and across our city were connected economically and culturally to these huge engines of the economy in our town.

And, of course, as things changed and evolved economically, those plants summarily and dramatically shut down and the economic pillars of my community, the economic foundation of my childhood and my neighborhood, began to unravel in pretty severe ways. And the trauma that that visits on people and on families when their livelihoods are questioned and destabilized and called into doubt is almost unimaginable unless you have experienced that yourself. And I know many, or most, in the room have. It is not unlike the worry that we see in the country today. And amidst all of that, when I was 16, my mom passed away pretty quickly of cancer. And not too many years after that, my dad, who was a truck driver for much of his life, lost his job for a while. I'm the only one in my family who was able to go to college, not because my brothers and sisters didn't have the capacity or the ability, they really didn't have the opportunity.

And so in their American dream, they were able to get by and prosper and raise a family, but they did things like work in oil refineries. And my other brother, who's recently retired after working 40-plus years as a produce clerk in a produce store. And my sister works as a one-on-one special ed. aid in a school district. And my other sister has worked for many decades as a secretary or executive assistant in the same company. I share that with you because, as some of you are old enough to remember, Reagan Democrats, or as I now have relabeled them Sam's Club Republicans, there is an experience or a perspective that comes with having those kinds of life experiences.

And back in the day, certainly in my mom or dad's generation, or my grandma or my grandpa's generation, and I'm sure it's true for you as well, if you missed the educational rung for whatever reason, you were disadvantaged. You were disconnected. You were disenfranchised. You were disrespected. As long as you weren't disabled, you could often go get what my dad called the strong-back job. And so you could go down to the meatpacking plants and you could cut meat and load or unload freight. You could drive a forklift, you could do the hard work of what existed in those stockyards or plants, or related industries in towns like that all over America. It was really the fallback or safety net for the American dream for those who couldn't grab onto the education or skill that was necessary to access the economy of that day and in that time.

But as we all painfully know, things have changed. And so those strong back jobs that were the fallback for the backbone of America, the American middle class have migrated away, have disappeared for various reasons. And now we're at a point where our fellow citizens in the generation that is to come behind us has to have the education or the skill to access the economy of today and tomorrow. Because if you don't, you are marginalized in our society and our economy in ways that are extremely difficult and extremely hard to overcome in this hyper competitive global economy that we live in.

So I want to talk to you today about that, but also the important role that government can play, but should play in recognizing a limited role and a more responsible and effective role in the lives of our citizens in the context of what are those American common sense values that will help get us back on track. I won't go through them all, but I want to share five of them with you.

And the first one is not very complex, and it's common sense and we have all seen it and experienced it. But if you ask Minnesotans, if you ask Americans, what matters most to you, they'll most often say, "I'm a person of faith and that matters a lot." Or, right behind that they'll say, "I love my family and that matters the most to me." And then after that, they'll describe a series of other things that bring them joy, that bring them meaning, that have them be positively motivated. And they might say, "I want to get my basement finished," or "I'm worried about how I'm going to pay my healthcare." Or, "I have a concern or a dream that I can get my children through college and pay for it." Or they might say, "I want to go watch the Minnesota Vikings in the Metrodome next year, win the Super Bowl," or whoever the new quarterback is going to be. Or, "I'd like to go duck hunting and I get great joy in doing that with my son or my daughter." Or a variety of things.

And the point of all of that is you can't do any of that, you can't have a pathway to most of that unless you have money. And for most Americans, their pathway to opportunity for money is having a job. And there's a great debate in this nation now, as there should be, about what are those things that we can do to make it more likely, not less likely, that jobs are going to start here and stay here and grow here? And as all the politicians run all over the country and say they're the jobs politicians, they're the jobs leader, let's make sure that we ask and answer the question by going to the people who actually provide the jobs, who've actually done the work of taking the risk; having a

dream, having an invention, having an innovation, willing to invest, willing to build buildings, willing to add payroll, willing to buy capital equipment, willing to do research, willing to commercialize it here in the United States of America.

And when you ask people who do that, who actually provide the jobs, who do those things that will keep a private sector economy growing, there are clear and consistent answers that come back to policymakers. And those answers do not best reside in the minds of the politicians, most of whom have not worked in the private sector or have not done what I'm describing. When you listen to these entrepreneurs, when you listen to these dreamers, when you listen to these designers, the folks who are going to make our opportunity unfold in the future in our economy they say, first and foremost, "Governor, or member of Congress, or legislator, you got to keep my costs competitive." This is a hyper competitive national and global market. And as measured by taxes, as measured by the costs and burdens associated with regulation, as measured by the costs and burden associated with the time it takes to get a permit. As measured by workers compensation costs, unemployment insurance costs, energy costs, and all of the other costs that come with that basket of burdens or costs that add up to doing business in a city, in a county, in a state, in a nation.

How does it compare to the rest of the market, not as measured by the rhetoric of a politician, but as measured by the objective dashboard you can put up and say, "How is my state, how is my nation doing against the rest of the world in those activities that we know most matter to job growth?" And when you conduct that exercise for Minnesota and for America, we've got work to do. And so this first lesson that I want to share with you is life's pretty tough if you don't have a job. And we got to do those things with strategic precision that are going to stimulate and ignite job growth in this country, not in the public sector, but in the private sector if we're going to have success.

Number two-- and by the way, Minnesota, our unemployment rate as I left the governorship was about seven percent, which is significantly lower than the national average. Our job growth rate since the crash was approaching three times the national average. Our income growth in 2010 was double the national average. And, our per capita or personal incomes in our state are amongst the highest in the country. And there are many other measures of that kind of growth in my state.

The second principle of common sense to return America's dream and America's promise is we've got to be responsible, and it's this principle. We can't spend more than we have. You can't do it as an individual, you can't do it as a family, you can't do it as a business, you can't do it as a state, by law in 49 states, and we certainly can't do it as a federal government. We have a government now in Washington, D.C. headquartered here that took in about \$2.2 trillion last year and they spent \$3.7 trillion, with a trillion dollar deficit as far as the eye can see. This is not a matter of right versus left, this is a matter of common sense. It is a matter of eighth grade mathematics. It isn't going to work. It is irresponsible, it is unsustainable, it is reckless and it will certainly take us down the path that we are seeing unfolding in parts of Europe. Just because we followed Greece into democracy does not mean we need to follow it into bankruptcy. (Applause)

And, of course the push comes, “Oh Governor, how do you do that? It's difficult. The politics are difficult. The rhetoric is difficult. This is difficult, that is difficult.” I'll tell you about difficult. As Alan mentioned, I'm from the state of McCarthy, Mondale, Humphrey, Wellstone, Ventura, Al Franken. If we can shrink government in Minnesota, as Frank Sinatra would sing about New York, if we can do it there, we can do it anywhere.

So what are the measurements? I was born in the year 1960. Yes, that makes me 50 years old this year. I got my AARP card in the mail not long ago. I did not keep it. Yet. In 1960, until I became governor, 42 years, up to 2002, the average two year increase in the spending of my state was 21 percent for 40 years. There is no way you can sustain that. During my time as governor, now we have it down to about one percent a year. It is a transformation, but it was a difficult transformation. There are powerful forces that wanted to say, “We cannot reduce our spending pattern. We have to get back to the way it was. We must not reduce government's foot print. We cannot prioritize, we have to raise taxes.” I drew a line in the sand and said, “No, we're going to live within our means just like families, just like businesses, just like everybody else.” When the economy's growing, if at all, two or three percent a year, you cannot have government growing a multiple of that. Again, not as a matter of political rhetoric, as a matter of math and basic economics.

And so in my state, that principle remains. I talk a lot about Sam's Club Republicans, and what I mean by that is when you go look into the faces of people who shop at Sam's Club or Wal-Mart, or Costco or Kmart or if you've got a little extra change in your pocket, you may go up market, but at places like that, what you see is people don't have a lot of money, but they're looking for the very best value for the money they do spend. And they're also investing in many cases in their family because you see their cart's overflowing with huge volume-based purchase of toilet paper and Doritos and all of the staples of life. Really trying to minimize or reduce the burden they're putting on their family with their shopping experience so that their children and their loved ones can have more opportunity and have the needs for their life now.

The third thing I want to mention to you is this common sense principle. People spend money differently if at least some of it's their own money. Now, if you got time in your busy life to read white papers and go to seminars and stay up all night and watch cable TV or read all kinds of journals, I hope you do, those are really valuable experiences. But if you need a short cut and all you need to know about government reform and accountability, just do this. On a given weekend, go to two weddings. Go to one where there's an open bar, where the refreshments are free and endless. Go to one where there's a cash bar, where people have to pay for their refreshments to some degree. You will see very different behaviors.

Now, I said this in New York not long ago and somebody said, “Well, who the heck has a cash bar anymore?” (Laughter) I didn't have the heart to tell him that in Minnesota, we still have the dollar dance to raise money for the bride and groom to send

them off in their new adventure. The point of the story is if you have a system where people get to consume stuff without knowledge or responsibility about making wise choices, about price and quality, and the provider has no incentive other than to provide more volume of whatever it is that's being consumed or given, and the myth is the bill goes somewhere else and it's all free, that is a system that I assure you is doomed to fail. That, unfortunately, is most of government. It is particularly most of our healthcare system as I described that phenomena.

I won't go through it all, but let me just camp on that as one example of many. If you look at what's driving much of government spending for cities, for school districts, for counties, for states, for the federal government, it is indeed the healthcare issue. It is driving budgets at a rate and pace that exceeds almost everything else. And if we don't solve this problem, really solve this problem, it will take down the country, or at least impair it from within. President Obama stood in Iowa and said he was going to do healthcare reform with an emphasis on cost containment on a bipartisan basis and we were going to tackle this issue with particular emphasis on the part of healthcare that challenges and worries most Americans, which is am I going to be able to afford it? And he broke that promise. That is not what he delivered to the country, and it is not going to work.

So what is the future vision with this cash bar, open bar imagery in the background of this discussion? We need to have systems where consumers or at least purchasers are in charge. They have user friendly information about price and quality, that the providers of the service have incentives to do more than just provide volume, that they have to be held accountable for better results and better help and that the money is in alignment to those goals and it is at least in partial control of the purchase and the consumer and that they're in transaction with the provider. That is not what our healthcare system currently is in Minnesota.

What does that look like on the ground? I'll give you one quick example. We said a while back with our state employees, when they're were struggling with the healthcare costs, we were too as their employers. We said how about a new system where if you choose, you can go wherever you want, but if you choose to go somewhere that's higher in cost and lower in quality or efficiency, you're going to pay more. And if you go somewhere that is better in outcomes and lower in cost or higher in efficiency, you'll pay less. Ninety percent of our state employees, now that they had some even generalized financial skin in the game, noticed and they migrated to more efficient, higher quality providers. And the premium increases in that program, in an astounding way, have now been zero percent for three or four of the last six or seven years. And the other years approaching zero percent. Almost unheard of in the healthcare market. Why? Because consumers now are in charge. They have information and accountability around price and quality measurement and we have begun the process of paying providers, not just on volume but better outcomes and better health.

Next principle is this: as a nation, if we're not going to be the biggest place, and we're not, we only got 300 million people, and if we're not going to be the cheapest place,

we've got to be more competitive, but it's probably true that we're not going to be the cheapest place. We're not going to be the biggest, and we're not going to be the cheapest, then we darn well better be the smartest. The comparative advantage for the United States of America is that our people are educated, they are skilled, they are innovative, they are inventive, they are collaborative, they have the abilities to see and create and invent in ways that much of the world has not yet known. But they're working on it. And we need to not just keep pace, we need to be ahead of that.

This goes right to the issue of our education system in this nation. You cannot have a successful country with one-third of our future citizens being relatively unskilled, or essentially unskilled, and uneducated and expect that to work. It's not going to work morally, it doesn't work socially. It's not going to work economically, it's not going to work strategically and it presents a moral and educational and economic imperative for the nation. And as *Time* magazine not long ago pointed out, we are now having one-third of our children in the United States of America not completing high school. If you don't complete high school and maintain some education or skill level beyond that, you cannot access the economy of today and tomorrow, you become, as I mentioned earlier, that marginalized citizen or fellow citizen in our country.

And with the strong back jobs being gone, there is nowhere for you to go. You become trapped in a vicious cycle of either a bunch of part time service jobs, or you became a ward of the state in whole or in part, and then the call comes for more government. More government housing, more government transportation, more government healthcare, more government everything at a rate and at a time that we can't afford it. The reason that they can't afford it is because they can't pay for it themselves. The reason they can't pay for it themselves unless they're disabled, understandably, is because they don't have the kind of job or skills or education to access the economy of today and tomorrow and it becomes a vicious cycle and it needs to be broken.

And the link in the chain that is going to have to be severed so we can move on to the next level of performance here is this: the number one determining factor of how a child's going to do in school is the degree and level and intensity and frequency of their parents engagement in their lives, in their school lives in particular. The second most important determining factor of how a child's going to do in school is the preparedness and effectiveness of their teachers. There is an entire agenda that needs to now occur around who's going in to teaching, whether we're recruiting the best and the brightest to come into teaching, whether we have rigorous enough entrance requirements before we allow them to come into our colleges of education. Whether those colleges of education are properly requiring subject matter mastery and not just teaching methodology as part of their curriculum and focus. Whether before we let them out of the colleges of education they can demonstrate minimal and hopefully beyond that competency.

Once they enter the profession, whether we're measuring their effectiveness, not as measured by how everybody feels about it, but whether students are learning, how fast they're learning, what they learning. And we also have to have mechanisms in place for

those teachers if they're not doing the job, to develop them professionally and, if need be, move them out.

And the teacher unions in this nation, I love teachers, I love educators, they work hard and they don't get paid too much, but they work in a system that is built and envisioned in the 1950s that looks nothing like the kind of system and accountability that we have now and will have in the future. It needs to fundamentally change. As we were waiting for Superman, as the movie unfolded in front of the nation, we had Super Woman. She was in this district. She had this kind of agenda in the most troubled, most high spending district in the nation. She was essentially dismissed because of her views. While we were waiting for Superman, Super Woman was pushed aside. Her name was Michelle Rhee. She was a Democrat. She told the truth. She was bold, she was courageous. She spoke truth to power and they kicked her out. (Applause)

One last thing. In Minnesota, we've got great test scores and the highest ACT scores in the country and some of the best NAEP scores and all the other great indicators. If you peel back the onion, that's if you come from an area of advantage or at least reasonable functionality. If you come from a background of socioeconomic unraveling, the numbers even in a place like Minnesota tell a different story. We got new standards, we're the first state in the nation to offer performance pay statewide and do some of the things I was talking about. This issue is so important to the future of our country, we cannot let a labor organization put the interest of adults in front of the strategic and moral interests of our children in our country any longer.

And by the way, when people say, "What can we do about it?" They come to town like this and say, "We're for the poor, we're for the disadvantaged," and one of the first things they do is to eliminate the scholarship under this administration in the former Democratic controlled Congress for scholarships for poor children in Washington, D.C. to go to a school of their choice. Shame on them. And the critics against school choice say, "Well Governor, you're going to just take the wealthy, you're going to take the healthy, you're going to take the advantaged, give them these chances to flee the public schools. You're going to leave behind a more challenged population. It's going to get worse. We're going to have less money to serve an even more challenged population. How can you defend that? How can you even suggest that?"

And what I say to those critics, I look them right in the eye and say, "Let me see if I will give you an alternative proposal here. What if we gave that choice, what if we gave that scholarship, what if we gave that freedom only to the poor for starters, only to the disabled, only to those who are already failing. Who in the room is against giving another chance to a failing or disabled child or disadvantaged child? Please stand up and show your face, raise your hand because I'd like to see you defend that." They can't in those terms.

And then lastly, this lesson. You may have learned it in a sandlot, you may have learned it in sports, you may have learned it in business, you may have learned it in an alley, you may have learned it in a bar, but it's always true. Bullies respect strength, not

weakness. So when the United States of America projects its national security interests here and around the world, we need to do it with voices and capacity of strength. We need to make sure that there is not equivocation and uncertainty and daylight between us and our allies and friends around the world. There's a troubling turned, I think, developing on this front under the leadership of this administration. I have a couple of examples.

President Bush negotiated anti-missile defense systems with two of our best allies in the world, Czech Republic and Poland. President Obama came in and reversed that decision and pulled the rug out from underneath them after they had already extended their necks out a long ways politically in the politics of Europe to host those systems at our request. To the point where Lech Walesa was quoted in a publication as saying, "You can't trust the United States anymore. They're only for themselves." You had not long ago the leaders of Israel questioning whether we really did stand shoulder to shoulder with them, whether that question was creating uncertainty and equivocation in terms of their enemies or their threats being enhanced because of that question being raised about where the United States stood. We've got to be strong.

I'll close and look forward to your questions, but none of this is going to be easy. But this is the United States of America. We are the American people. We have seen difficulties before, and we always overcome. But we need to do it with a clarion call towards what made us great and make sure we don't lose sight of that and apply it to the challenges of our time. If prosperity were easy, everybody around the world would be prosperous. If freedom were easy, everybody around the world would be free. If security were easy, everybody around the world would be secure. They are not. It takes an extraordinary effort. It takes extraordinary commitment. It takes extraordinary strength to stand up to the forces that are on the other side of these principles.

But we can do it. Valley Forge wasn't easy, settling the west wasn't easy. Going to the moon wasn't easy. The heroism and the commitment of the people on Flight 93 wasn't easy. So this isn't about easy. It isn't about going home and just kicking back in our respective TV venues. This is about rolling up our sleeves and we're going to have some differences, but as Americans putting our head down and plowing forward and getting it done. Thank you for listening this morning, I appreciate it. I look forward to your questions. (Applause)

MR. BJERGA: And thank you, Governor. We have no shortage of questions from our audience, as well as several that came in online. Just starting off with current events, what did you think of President Obama's speech on the Tucson shootings?

GOVERNOR PAWLENTY: I flew back from New York to hear last night so I wasn't able to watch the speech live or in its entirety. The only thing I can comment on is the excerpts that I saw on the news. And from my standpoint, the President, the leader of our nation at this moment needs to make sure and convey an empathy and condolences, expressing the sentiment and emotions of the country. And from what I could see, from those excerpts, he did a fine job.

MR. BJERGA: What would be your opinion of Speaker Boehner's decision to attend an RNC fundraiser instead of the Tucson memorial?

GOVERNOR PAWLENTY: Well, there was some suggestion, I don't know if this is accurate or not, but I did hear this morning that the invitation to attend the memorial came very, very late, after he had already made some other commitments so I can't speak to what all the mechanics or uncertainties there. But I can tell you I know John Boehner. John Boehner is a person of conviction and character and I support him strongly. So I don't know what all the reasons were for all of that, but I did hear this morning that the invitation to Speaker Boehner came very, very late, after he had already made other arrangements and it was very difficult for him to change it.

MR. BJERGA: In your book, you mention socialism that's been arising out of the Democrats. Why, in your opinion, did concerns over federal power rise so greatly in 2009 in ways that didn't when the Bush Administration admittedly also expanded government power?

GOVERNOR PAWLENTY: That's kind of the debate I had with Jon Stewart last night, actually. Well, there is a continuum between liberty and tyranny. And as government in whatever level, local, state or federal, pushes into areas that were previously the province of family or neighborhood or community or charity or private markets or entrepreneurial activities, every time government pushes into one of those areas and nudges us a little bit back, it basically says, "Don't you take the initiative, we'll do it. You don't have to worry about the responsibility there, we'll do it. You don't have to have the activities necessary to put together that safety net or that program because we'll do it." And sometimes it happens in big ways, like you saw unfold with healthcare. Other times, it happens in little incremental ways that you hardly ever notice.

But the more government pushes in itself and pushes out individual responsibility, industriousness, accountability, charity, neighborhood, family, and the like, we move down the continuum. And as it relates to Republicans in the-- you said '90s? I think Clinton was President in the '90s. But in any event, you had issues where Republicans, I think, goals 2000, this came up I think last night on Stewart, was an issue in the '90s. Many conservatives said, "We don't want the federal government telling us what to do in education." Some Republicans said, "Well, if the federal government is going to spend some money on education, we want to make sure that we got accountability for how it's spent." But I don't think it's fair to say Republicans entirely did not express concerns about federalism in the 1990s.

MR. BJERGA: I think there is also a reference to during the Bush Administration, the Patriot Act and such like that. When there had been Republican increases in the scope of the federal government under a Republican administration, do you think these a different dynamic at play than when you see it happen the other way around?

GOVERNOR PAWLENTY: Well, I think the question is, is there hypocrisy between conservatives and Republicans taking swings at President Obama and what was the Pelosi re Congress on issues of federal overreach and principles of federalism compared to those voices four years ago, eight years ago, ten years ago, twenty years ago? Probably. But I think it's also true now that the Republican Party, the conservative movement in its current form with its current voices, have that clearly in focus. And I think you're going to see a consistent and clear message, not just this six month period but for the foreseeable future.

MR. BJERGA: You mention in your speech President Obama did initially call for bipartisan healthcare reform. At the same time that the healthcare debate was going on, you also had Republican leaders saying their strategy was to say no to everything the administration put forth. Is President Obama solely to blame for lack of bipartisanship in Washington?

GOVERNOR PAWLENTY: No.

MR. BJERGA: There have been, of course, many signature bipartisan accomplishments in Washington. Several of them came under the administration of President Reagan, and the Reagan mantle has always been one that has been a very attractive one for Republican presidential hopefuls and Republicans in general. How do you see yourself as a Republican in the Reagan mold, and how are the challenges for Republicans different today than they were in the 1980s?

GOVERNOR PAWLENTY: Well, Ronald Reagan was many things, but amongst those things was the fact that he was, I believe, one of the best presidents in the history of the country. And so a number of questions arise: what can we learn from Reagan substantively and stylistically? Substantively, Ronald Reagan understood that while government played certain limited important roles, that government also has, and when it overreaches, becomes inefficient, bureaucratic and all of the limitations that government has in being efficient and effective, that government should be limited. And that the real genius and power of America was the American spirit, the entrepreneurial spirit, and he wanted to retrench government and unleash more of that American spirit.

So I think substantively and summarily, that is the Reagan wisdom and the Reagan legacy and he was successful at advancing it. I think we can also learn stylistically from Ronald Reagan. Ronald Reagan was a strong, strong conservative. He had strong views, strong convictions. He had the confidence in knowing who he was, that his feet were planted in the right place, that his compass was set to true north. And so, he was definitely a movement conservative. But you didn't see him very often demean or judge or get angry. He certainly expressed his views in strong ways. But Ronald Reagan was a hopeful, optimistic, can do, civil, thoughtful person interpersonally. And I think at the end of the day, Americans are looking not just for an indictment of the problem, a bill of particulars around what's all the wrong things, they want to know, "Okay, we got that. Now show us the way out. What is the better way forward?" Ronald Reagan was able to do that substantively and stylistically and the country really needs that now.

MR. BJERGA: Do you know where Ronald Reagan was when he announced his first presidential candidacy?

GOVERNOR PAWLENTY: No, but based on you and the tone of that question, I suspect it was here maybe, I don't know.

MR. BJERGA: Jimmy Carter and John Kennedy announced their candidacies here as well, but I didn't think you find that as convincing. (Laughter) Another question dealing with the campaign. How would America be different today had you been chosen as John McCain's running mate in 2008 rather than Sarah Palin?

GOVERNOR PAWLENTY: Well, with all due respect to my friend, John McCain, I don't think it was going to matter who he picked as his vice presidential running mate. I believe that once the economy cratered in the late summer, early fall of 2008, that he or whoever the Republican candidate turned out to be, was likely to lose the election. So I think we're going to end up in about the same spot, at least for that moment in time.

MR. BJERGA: But the Palin vice presidential candidacy certainly provided her with her first national exposure, which has continued to the present day. I guess another way of asking the question is what has Sarah Palin's influence been on America?

GOVERNOR PAWLENTY: Large. I think a number of things about Sarah Palin. I don't know her well, but she's an acquaintance and I've had the chance to spend some time with her when we were both governors at various meetings and conferences. A couple of things, several things. One, I think she's a remarkable leader. And as to this notion that, well, somehow she's not worthy of consideration for national office, she had more executive experience before being selected as vice president than President Obama had before he became President. That included being a mayor, it included being the chief executive of a pipeline or energy commission, and it included being a governor.

And there's also a little bit, I think, of double standard at play here. Because if you have different kinds of experiences, not that much, but you went to, say, a certain more prominent school in a different part of the country or you were the Law Review editor of some journal or something, then all of a sudden that's more valuable in the discussion than if you are in a place like Alaska or Minnesota because there's a little bit of sense that maybe that's not quite up to our standards in some people's eyes. I don't buy that, I don't agree with that.

And then lastly, I would say as it relates to Arizona, setting aside all of the debate back and forth about the tone, those early hours and early days, she was falsely accused. I mean, there were people who just came flat out and blamed her, in part, for that incident and the facts, as we know them today, didn't bear that out.

MR. BJERGA: We have several questions about specific political issues rather politics. To transition to that, your discussion of Wal-Mart or Sam's Club Republicans, Wal-Mart, were it an individual country, would be one of China's largest trading partners. Does that ever strike you as ironic when you lament the loss of American manufacturing jobs?

GOVERNOR PAWLENTY: Well, there's a whole variety of issues here, one of which is how do we best deal with China? I've been to China three times, I've been to Iraq, by the way, five times, Afghanistan three times, and a bunch of other places on trade missions and doing a number of other things. But as it relates to China, in particular, they are obviously a large and rising power. We want our relationship with them to be positive and constructive. But let's not be Pollyannaish, this is a competition and we need to open our eyes a little bit as it relates to China's intentions relative to the interests of the United States of America. I'm for free trade. I'm a strong free trader. I think President Obama should be pushing and advancing the Panamanian free trade agreement, the Colombian free trade agreement, the South Korean free trade agreement and more.

I'm for free trade, but I'm not for being a chump. And we have some individuals and entities around the world who don't play by the rules. And so as that happens, the answer can't be we're afraid to call that out. We're afraid to hold them to account under the systems and rules and frameworks that have been established for such violations. It's hard, though, to do that when China owns and controls one of the lynchpins to our economy; namely, we are so unable to control our own finances that we have to mortgage part of our future to places like China. And when that happens, you give up control not just of a portion of your economy, you give up control of a portion of your moral authority and your influence around the world. It's really hard to tell off your banker.

And so you'll notice in the discussions with government officials and business officials and others, one of the reports back in their interactions with Chinese leaders, as compared to five years ago, ten years ago, twenty years ago, is there's a new degree of assertiveness in tone and in substance in those discussions and it is not unrelated to America's inability and perceived weakness to control our own finances and be fiscally responsible and stop being a beggared nation when it comes to borrowing money from places like China.

MR. BJERGA: Stockyards and packing plants, like the South St. Paul of your youth, rely heavily on immigrant labor. How do more restrictive immigration policies affect those industries, which through Hormel, Cargill and other meatpackers you know are very important to Minnesota and the midwest?

GOVERNOR PAWLENTY: Well, Minnesota and many other states have huge economic sectors of food and food processing. And, of course, the immigration issue isn't related just to those, but many others as well. I start with the core values and the core principles in mind, and that is one of the cornerstone tenants, one of the pillars of our country, is that we are a nation based on the rule of law. And so you cannot have open and flagrant and sustained and significant violations of law, not just because we're

legalistic, but because when you have large numbers of people in the country ignoring, looking the other way, taking a pass, ducking the law as written, it's corrosive to our culture and our society because then people begin to disrespect violations and the law in new ways and different ways.

We've seen this many times and throughout history, but one example is in New York City. If you allowed people back in the day pre-Giuliani to pee on the sidewalks, they pee on the sidewalks. If you allow that to happen too long, then you get people snatching purses. And pretty soon if you allow that to happen, you got not just purses being snatched, but you got knives being wielded. You allow that to happen, pretty soon you got shootouts. And if you allow broken windows that don't get repaired, then pretty soon you got a lot of other problems including crack houses and the like.

I share all of that with you not because it's directly related to the point. But the point is we cannot have a nation based on the rule of law and have this much behavior be in violation of the law. So those two things have to be conformed. How to do that? If you look at my record in Minnesota, I've done a number of things to help the effort to take a more aggressive enforcement posture as it relates to illegal immigration. In the interest of time, I won't go through all of that. I think it is appropriate to increase significantly the efforts to enforce the border. We need to have a secure and safe country. We need to have border integrity, and it can be done. It can be improved significantly, and there's a variety of techniques for that including technology and person power and reinforcing the capabilities that we have.

I was one of a few governors that voluntarily sent troops to the Arizona borders as part of Operation Jump Start and it worked. And that was pre-crash, by the way. So we need to do that first. We need to sequence the discussion with that first in mind to give not only the country security, but people in the debate confidence that we've got that taken care of.

There's lots of other aspects to this, but a couple of other quick ones. If you want to be serious about reducing and moving towards the elimination of illegal immigration, you have to address it in large measure at the core of the reason why they're coming. They're coming for jobs. And the screening process relating to immigration status at the point of hire now is old, outdated and filled with fraud. So you get an I9 form out, Melissa comes and she gives me her Guatemalan birth certificate or Honduran passport, whatever it may be. I check that she gave it to me, staple it and put it in the file. We can't expect small business owners to conduct an international investigation as to whether those papers are authentic or not. It would be burdensome and unreasonable to that person. But it's filled with fraud. So we need to move employers to a system like e-verify where people can quickly, easily, electronically establish at the point of hire whether the person is or isn't here illegally.

Then there's lots of other collateral issue related to H1B visas and what do you do with the 10 to 14 million people here illegally, and much else. But those two things, I

think, are first prerequisites to the larger discussion. Otherwise, you're not going to have confidence in people that the other stuff is really going to stick.

MR. BJERGA: Question from the audience. Governor, if you had been president one month ago, would you have signed or vetoed the Don't Ask, Don't Tell repeal bill. Why?

GOVERNOR PAWLENTY: I publicly supported maintaining the Don't Ask, Don't Tell policy, and still do. One of the main rationales for repealing it is how does the military feel about it broadly? They took some surveys, the civilian leadership of the military and it came back with a majority, a small majority, but a majority of those surveyed saying they didn't think it would make much difference, so they supported repeal.

But an interesting other thing came out of that. When you looked at that survey, or similar surveys for combat units and you asked how they felt, and when you heard the testimony on Capitol Hill not of the military most broadly but of the combat unit leaders, and the representations from the military on that front, they weren't in support of it. They had serious concerns about it as it related to unit cohesiveness. And in many cases, the testimony reflected a concern about the safety of the men and women, in this case, men in combat. And so I think we need to pay deference to that amongst other concerns. And that's why I supported maintaining it.

MR. BJERGA: We are almost out of time, but before asking the last two questions, we have a couple of important matters to take care of. First, to remind our members and guests of future speakers. On January 26th, this isn't a luncheon, but we do invite you all to our evening event, a night of solidarity with Haitian journalists which will be held here at the National Press Club. Proceeds from this fundraiser hosted by SOS Journalistes, a Haitian press advocacy group, will raise much-needed funds to assist Haitian journalists and their families. For those who were watching yesterday's luncheon, you'll remember that yesterday was the one-year anniversary of the Haiti earthquakes.

On February 3rd, 2011, we have Chairman Ben Bernanke of the Federal Reserve. Speaking at a luncheon on April 5th-- there'll be more in between, they just haven't been announced yet-- we have Douglas Shulman, the commissioner of the IRS who will be addressing a luncheon.

Secondly, I would like to present our guest, and this'll be his matching set, so I certainly hope that you and your wife will have lovely mornings looking over the frozen tundra of Minnesota-- we love it all-- with your National Press Club mug.

GOVERNOR PAWLENTY: Wow, how do you beat that? That's great, thanks.

MR. BJERGA: And thank you. You can applaud. (Applause) We have two final questions. As we were speaking earlier before this luncheon, Governor Pawlenty, I just note that I myself am a Minnesota native. This is my last luncheon that I am hosting as

the President of the National Press Club. And I'm just here to tell you, Governor, being president's great. (Laughter) I had the honor of being inaugurated last January. The keynote speaker was Senator Klobuchar, so it was a bipartisan Minnesota bookend year. And my alma mater for undergrad, I have a graduate degree from the University of Minnesota. Undergrad was Concordia College, go Cobbers in Moorhead, presented me with a Brett Favre Jersey, in which I was sworn in in my inaugural. Given Brett Favre's year with the Minnesota Vikings, would you like to take it back with you? (Laughter)

GOVERNOR PAWLENTY: We appreciate Brett Favre's performance last year. (Laughter)

MR. BJERGA: And then the final question. You have said that you are contemplating a presidential bid, you've been very open about it. You've talked about a spring timeline for when you would make your decision. I think given that you don't seem to want to announce it right here right now, although we'd be happy to have you back when you do, if you do, what factors would keep you at this point from deciding to run for the White House?

GOVERNOR PAWLENTY: I should mention again, Alan, thank you, since this is the last question. By the way, he grew up in the Motley-Staples area. I spent a fair amount of time there because my-- a little place that we spent-- one of his relatives owns the Ten High Bar there. Hopefully, there's no video remaining. Nonetheless, as it relates to running for Presidential, I'm seriously considering it. I haven't made a final decision on it yet. I'm going to some time in the next couple of months. And it really comes down to two main considerations. One is just the needs of the country and what I can bring to the table in leadership and experience and perspective that I believe would move the country forward.

And then two, it's obviously a deeply personally impactful decision. I have a family, of course, a wife and two daughters I love very much, and a dog. And they need love and care and attention and I want to make sure that as I make this decision that will also be burdensome to them, that they're equipped and prepared for what's to come if I do that as well. So those are the kinds of things that I'm thinking about. Thank you again for listening and being here today, I appreciate it very much. (Applause)

MR. BJERGA: And thank you, Governor Pawlenty. I'd also like to thank the National Press Club staff, including our executive director, Bill McCarren. Our organizer, staff liaison Melinda Cooke, the broadcast operation center led by Vija Udenans and the entire National Press Club staff for all the great work that they've done this year. For more information about joining the National Press Club and how to acquire a copy of today's program, please go to our website at www.press.org.

And that's the luncheon from Lake Woebegone where the club is always at its best. Thank you so much for being here today. Thank you for this wonderful year at the National Press Club. We're looking for more great years to come. Thank you. This meeting of the National Press Club is adjourned. (Sounds gavel.)

END