

NATIONAL PRESS CLUB LUNCHEON WITH GOVERNOR NIKKI HALEY

SUBJECT: LESSONS FROM THE NEW SOUTH

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JOHN HUGHES: (Sounds gavel.) Welcome to the National Press Club. My name is John Hughes. I'm an editor for Bloomberg First Word, that's Bloomberg's breaking news desk here in the Washington bureau, and I'm President of the National Press Club. Our guest today is South Carolina Governor Nikki Haley. Some pundits see her as a rising star in the Republican Party and as a potential vice presidential candidate in 2016. More on that in a minute, but first I want to introduce our head table, which includes National Press Club members and guests of the speaker.

From the audience's right, William Douglas. He's the congressional correspondent for McClatchy Newspapers; Matt Small, radio producer for the Associated Press; Gabriel Debenedetti, national political reporter for Politico; Arthur Brooks, president of the American Enterprise Institute; Dan Balz, political reporter for the *Washington Post*; Danny Selnick, senior vice president of Business Wire and the Speakers Committee member who helped organize today's event. Thank you, Danny. Michael Haley, First Gentleman of the State of South Carolina (Applause); Jerry Zremski, he's the Washington bureau chief of the *Buffalo News*, he's a past president of the National Press Club and he's the chairman of the club's Speakers Committee.

Skipping over our speaker for a moment, Matt Mlynarczyk, president of Advocatus Group and a Speakers Committee member who also helped organize this lunch. Thank you, Matt. George Will, syndicated columnist; Shawna Thomas, a senior producer for NBC's "Meet the Press," Jonathan Martin, national political correspondent for the *New York Times*; Amy Fickling, an editor with Warren Communications; and Chris Moody, senior digital correspondent for CNN Politics. (Applause)

In addition to those here in the room, I want to welcome our C-SPAN and public radio audiences and remind you that you can follow the action on Twitter. Use the hashtag NPCLive. That's NPCLive and the event's being live Tweeted on the Press Club Twitter feed, which is Press Club DC.

South Carolina Governor Nikki Haley was born in Bamberg, South Carolina, to immigrant parents from Punjab, India. She graduated from Clemson University and went to work for her mother's upscale clothing business before beginning to focus on politics. In 2004, she won a seat in the South Carolina House of Representatives becoming the first Indian American to hold office in the state.

She served three terms, then ran for governor in 2010. And then she became a double first; the first woman and the first minority governor in the state's history. *Newsweek* around that time ran Haley on its cover calling her the "New face of the new south." In 2014, Haley was reelected by the largest margin of victory for a South Carolina gubernatorial candidate in 24 years.

At 43, she is the youngest governor in the country and one of only two sitting Indian American governors. As governor, she has butted heads with the Obama Administration over issues including immigration, Medicaid and voter I. D., and she sided with Boeing in an effort to prevent unionization of a South Carolina plant. She received national acclaim for her leadership in the aftermath of the June 17th church shooting in Charleston that killed nine people.

She called for removal of the confederate flag from the state capitol grounds five days after the shooting. She said at the time, "This flag, while an integral part of our past, does not represent the future." Haley is here today to discuss economic and social changes across the south. Please join me in giving a warm National Press Club welcome to Governor Nikki Haley. (Applause)

GOVERNOR HALEY: Thank you very much to the National Press Club. It is truly an honor to be here. The first thing I want to say today is that I am the proud daughter of Indian immigrant parents that reminded my brothers, my sister and me every day how blessed we were to live in this country. Why is that the first thing I tell you? You might think it has something to do with the events this summer in Charleston and taking down the confederate flag.

It doesn't. I have been saying it long before this past June. In fact, it was the first line in just about every speech I gave when I started running for governor of South Carolina in 2009. At that time, I was a 37 year old minority female who was not well known running in the Republican primary against an attorney general, a lieutenant governor, and a congressman. I tell you that now just to say this: long before the racially charged events of this summer, I would not have been elected governor of South Carolina if our state was a racially intolerant place. And I would not have won the Republican primary if we were a racially intolerant party.

With the grace of the aftermath of the Mother Emanuel Church massacre, the world saw South Carolina as we are. What I want to tell you is that we've been that way for some time now. It's just that a lot of people outside of our state have never noticed.

I was born and raised in Bamberg, a small town of just 2,500 people in rural South Carolina. We were the only Indian family in town. We were not white enough to be white, we were not black enough to be black. I remember being a child taking a test and being asked to check a box specifying my race. I didn't check white, I didn't check black, I checked other. We were others. We were different.

In a lot of ways, it didn't matter. My parents always taught us that our similarities are far greater than our differences and that we had far more that united us than divided us. Here we were, my father wearing a turban, my mother wearing a sari, and while the people of Bamberg didn't quite know what to make of us, they welcomed us anyway.

We made a life there, even though it wasn't always easy. My parents who led upper class, comfortable lives in India left everything and everyone they knew to come to America. They did it with just \$8 in their pocket and they started from scratch. We struggled, but we had each other and we had the opportunity to do anything, to be anything, as long as we were willing to work for it. The opportunity that only exists in America.

But there were times that our differences did matter. We ended up in rural South Carolina because of my father's job. He was a professor of botany at Voorhees, a small historically black college located just a few miles from our home. I mentioned earlier that my father wore a turban. He still does to this day. He is a tall, graceful man, not someone who blends into a crowd. When I was about ten, he invited me to take a trip with him to Columbia. This was huge for a ten year old girl, to take a road trip to the big city.

On the way home, Dad and I stopped by the local produce market, one of his favorite things to do. He loves to support local growers, and he always has. As he was putting his produce in his basket, I noticed something start to happen. The couple working at the market was getting nervous. They were whispering, and then they got on the phone. A few minutes later, two uniformed police officers showed up. They stood there, and they watched us. My father continued to go about his business and they continued to watch him. He paid for his fruit, he shook the hands of the couple and then the hands of the officers. He thanked them, and we went on our way. Neither of us spoke the entire way home.

Dad was hoping that I didn't realize what just happened. I, who understood exactly what had happened, didn't want my dad to feel any worse than he already did. That is what the rawness of racial discrimination can do to us. It can render us speechless.

The importance of that story to me is to not point out that my family and I have faced discrimination in the past. My mother always taught me not to talk about things that

are obvious. It is to make this clear: a lot of people make the mistake of thinking the south is still like that today. It's not. I know that. I've lived it. Think of it this way. While that exact same farmers market exists in that exact same place today, South Carolina does not. I see that market frequently. I drive past it when I head to the airport. In fact, I drove past it this morning. But now when I see that market, I see it not as a ten year old girl suffering the humiliation of prejudice, but as the first female, first minority governor of my state. (Applause)

Today, there truly is a new south. It is different in many ways, perhaps most especially in its attitudes towards race. We are still far from perfect, we still have our problems and there's still more to do. But the new south in many ways is a place to look toward rather than away from when it comes to race relations.

A lot of different things go into racial equality, and I'm going to talk about several of them today. To me, the single most important thing is the standard of living, and that is mostly driven by the opportunity to find good jobs that pay good wages. Carol Campbell, a predecessor of mine, as governor of South Carolina used to say, "If you can find a person a job, you can take care of a family." The jobs in the old south were textile mills. The jobs in the new south are aerospace, automotive, high tech. We are leading the way in the job growth and innovation and taking care of a whole lot of families. Just look at South Carolina. We build planes with Boeing, we build cars with BMW, Mercedes Benz and now Volvo. We have five, yes five, international tire companies with Michelin, Bridgestone, Continental, GT Tire and now Trelleborg.

The first American flat screen TVs, you'll find them in rural Winnsboro, South Carolina, with Element Electronics. And for those who said bicycles will never again be made in the United States, look no further than Kent International, New Jersey bike manufacturer we brought back from China to rural Manning, South Carolina.

More than 70,000 new jobs and almost \$17 billion in investment have been announced in South Carolina over the last five years. Unemployment has dropped from 11.1 percent early in 2011 to 6.4 percent today. (Applause) We've moved more than 25,000 people off of welfare and put them to work and more South Carolinians are working today than ever in the history of our state.

These developments have a clear connection to racial equality. These jobs are going to places like where I grew up, and many of these jobs will go to African-Americans and other minorities. We've announced jobs in 45 out of 46 counties, rural and urban. These are generational jobs. We're creating opportunity for everyone. That makes a huge difference in racial advancement, and I couldn't be more proud. That is the new south. (Applause)

Another big difference between the old north and the new south is that we don't have anything like the public pension debts that exist in the north. That means our state budgets don't have the kinds of strangleholds on them like you see in places like Illinois and New York. It means we don't have job-killing tax increases that are needed to

finance those debts. It means our budgets are balanced and our credit ratings are good. In addition to helping attract companies and generate new jobs, that healthy fiscal picture also means we have the resources to invest in our future.

There's nowhere that that investment is more important than in public education. In South Carolina, we've lagged behind in education for a very long time. We're still behind, but we're changing that. My first year in office I received a letter from an 8th grade girl who was contemplating suicide. She was being bullied at school and didn't know where to turn. I'm grateful for that letter. I was able to talk to the young lady, full of potential, and we struck up a friendship. She's now, I'm proud to say, a happy, fun loving, hard working, college freshman.

But I realized she wasn't alone. So I started going to schools and talking about bullying. It was a wakeup call. My daughter, Rena, attends a brand new high school in Lexington where every classroom has a flat screen TV and every child has a tablet. It would be easy to mistake River Bluff for a small college. Yet, when I went back to my home town in Bamberg, they didn't even have the equipment for me to play the video on. That's wrong. It's immoral, and it's changing.

More than two years ago, I started a conversation about education in South Carolina. I met with principals and teachers, superintendents and university deans, business leaders and legislators, Republicans and Democrats. I listened, I learned, and I realized the biggest challenge facing South Carolina's education system was the failure to acknowledge that it simply costs more to teach a child that lives in poverty. We acknowledge it now.

We changed our funding formula to send additional dollars to children who are on Medicaid or who are on free and reduced lunch. We now provide reading coaches in every single elementary school, and we've ended social promotion. Because we know if a child cannot read by the end of the third grade, they are four times less likely to graduate from high school on time.

We're investing in technology, internet to the schools, internet inside the schools, and the tools; computers, tablets, instructional materials, to get every South Carolina child up to speed with the world as it is today, not three decades ago. We did it with accountability and we did it without raising taxes. (Applause) Thank you.

I didn't choose to focus on education resources in the high poverty areas for racial reasons. I did it because I firmly believe that every child deserves a great education regardless of where they're born and raised. But in doing so, there's no question that it has racial impact because of the high correlation between poverty and race. That is the future of education in South Carolina and it's a bright one.

So there's jobs and there's education. If we get those two things right and nothing else, we make enormous progress for all people, most especially for those at the lower end of the economic scale. But let's be honest. Jobs and education are huge elements for

creating opportunity for all. Jobs and education are the keys to the opportunity agenda. But when it comes to African American communities in particular, there's an equality agenda that goes further. There still remain the unfinished goals of the civil rights movement and the civil rights movement is a critical part of the American movement and the American story. It's a movement in which every person, regardless of their skin color, is treated equally under the law. Here again, the new south is an example for the rest of the country.

Before the tragedy of Mother Emanuel in June, there was the tragedy of Walter Scott in April. Most of you will recall what happened in that case. Mr. Scott, a 50 year old black man, was stopped by a white North Charleston police officer for having a broken tail light. What ensued was caught on video for the entire world to see. Mr. Scott began to run from the officer, who shot him repeatedly in the back tragically ending his life.

Now in the last year, we've seen similar situations elsewhere; New York City and Baltimore and, of course, Ferguson, Missouri. There were incidents involving white police officers and unarmed black victims. In all three of those cases, there was civil unrest at truly awful levels. The riots in Ferguson and Baltimore were senseless. You know what? Black lives do matter. (Applause) Most of the people killed or injured in the riots in Ferguson and Baltimore were black. Think about it. Most of the small businesses or social service institutions that were destroyed and looted in Ferguson and Baltimore were either black owned or served heavily black populations. Most of the people who now live in terror because local police are too intimidated to do their jobs are black.

Black lives do matter, and they have been disgracefully jeopardized by the movement that has laid waste to Ferguson and Baltimore. (Applause) In South Carolina, we did things differently. After the horrendous death of Walter Scott, we didn't have violence. As a state, we came together, black and white, Republicans and Democrats. We communicated constantly with religious leaders, with political leaders, with community leaders. We saw the need for justice and immediately brought charges against the offending officer.

But we went further than that. Two months to the day after the shooting of Walter Scott, our Republican controlled General Assembly passed a body camera bill. A few days later, Mr. Scott's family stood with me when I signed the bill into law. South Carolina is the first state in the country to approve statewide body cameras for police. (Applause)

There's an important lesson in this. In many parts of society today, whether it's in popular culture, academia, the news media or certainly in politics and in government, there's a tendency to falsely equate noise with results. Some people think you have to yell and scream in order to make a difference. Well, that's just not true. Often, the best thing we could do is turn down the volume and listen. When the sound is quieter, you can actually hear what someone else is saying and that can make a world of difference.

That brings me to the shootings in Charleston and the removal of the confederate flag. When I first got word of the shootings, I knew this was going to be unbearably painful for my state. Nine shooting deaths in a church in bible study, a state senator and a leading figure in the local black ministry shot to death. We've never imagined something this horrifying. Each new piece of information was a kick in the gut. The next morning, we captured the killer and it immediately became clear that this was the act of a racist motivated not by mental illness but by pure hate.

Our state suffered a devastating wound. The first thing we needed to do was to lift up the families and celebrate the lives of the victims. I decided to attend each of the funerals. I met the families, I heard their stories, and through it all I had the privilege to get to know nine amazing souls. After each funeral, I would head home and sit down with my two kids, Rena and Nalin and I would introduce them to the person that I met that day. I introduced them to Ethel Lance, who despite losing her daughter to cancer two years ago, was a woman of love and joy and she always sang her favorite song. "One day at a time, sweet Jesus. That's all I ask of you. Give me the strength to do every day what I have to do."

I introduced them to Tywanza Sanders, our youngest victim, a 26 year old budding entrepreneur anxious to own his own barbershop who that night stood in front of his 87 year old Aunt Susie and said his last words to the murderer. "You don't have to do this. We mean no harm to you." I introduced them to Cynthia Hurd, whose life motto was to be kinder than necessary. That's now my life motto.

The second thing that needed to happen was to remove the confederate flag from the statehouse grounds. Now, like a lot of things about the south, the flag is often misunderstood by people who are from somewhere else. There are many wonderful, decent, honorable people in our state who revere that flag. They are not racists, they are the same people who elected an African American U.S. senator and twice elected an Indian American governor.

As I said when I announced my intention to bring down the flag, this was a debate that did not need to have winners and losers. Those who revere the flag for reasons of ancestry and heritage retain every right to do so. But what happened in Charleston shed a different light on an issue in our state that we had long struggled with. What we saw in the extraordinary reaction in Charleston was people of all races that came together. We didn't have riots, we had vigils. We didn't have violence, we had hugs. The statehouse belongs to all people and it needed to be welcoming to all people. That was not possible with that flag flying.

When it came to the removal debate, we had legislators who truly listened to each other. They walked in each other's shoes and that made all the difference. That willingness to listen allowed all of us to see each other in a way that doesn't always happen; with love, with grace, with compassion. It's a love that we learned from the Emanuel Nine, who took in someone that fateful night that didn't look like them, didn't

sound like them, didn't act like them, but they pulled up a chair and they prayed with him for an hour.

That's a grace that we learned from the families who incredibly stood in front of the murderer just two days after the tragedy and offered him their forgiveness. It's a compassion we learned from the people of South Carolina who wrapped their arms around those families, that community and each other in a way we've never seen before. The flag came down and South Carolina moved forward.

So where do we go from here? Well, I'm going to keep talking about the Emanuel Nine and I'm going to keep talking about how we improve race relations in our state. You know, an interesting thing happened at one of the funerals. At one of them, Reverend Al Sharpton spoke, as did I. I never met Reverend Sharpton before, but he took it upon himself to stir things up just a little bit. In his remarks he made a point of mentioning me and said that the only time I would have seen him was through my window of my office when he was outside leading a protest.

So when it was my turn to speak, I addressed Reverend Sharpton directly. And I said, "If you were protesting outside of my office, and if you would have come inside and held out your hand, I would have hugged you." Communication has to flow both ways. One of the lessons of the flag controversy is that we stop shouting and we start listening. We get more accomplished. We should all listen to each other more. We will all benefit from walking in each other's shoes.

A good example in the civil rights arena is in voter I. D. laws. There are those who act as if any effort whatsoever to maintain the integrity of the voting process is a racist attack against civil rights. Well, that's just not true. Requiring people to show a photo I. D. before they vote is a reasonable measure. It is not racist. If everyone was willing to stop shouting and stop trying to score race-baiting political points, we could reach common ground. I want everyone who is eligible to vote to vote.

I now count Reverend Jesse Jackson as a friend. I got to know him through the funerals. He's a native South Carolinian who has done some amazing things with his career with voter registration. I will say this: any time Reverend Jackson wants to do a voter registration drive in South Carolina, I will stand shoulder to shoulder with him. I want to make it easy for everyone who is rightfully eligible to vote to do so.

For most people, showing a picture I. D. is no burden. But I recognize that for some, it is a burden. And those people are disproportionately poor, elderly, or disabled. Which is why South Carolina, we offered rides to any citizen anywhere in the state to get to their local DMV and get a free picture I. D. So let's not throw out voter I. D. laws. The integrity of our democracy is too important for that. But let's figure out ways to make it easy and cost-free for every eligible voter to obtain a photo I. D. That way, everyone who wants to vote can vote.

Finally, I want to touch on how all of this relates to the Republican Party. As a conservative Republican myself, I have no doubts that when it comes to jobs, healthcare, education, and many other policy areas, Republican principles are the right ones for lifting up all people. The problem for our party is that our approach often appears cold and unwelcoming to minorities. That's shameful and that has to change.

This is not just a black and white thing. For Indian and Asian Americans, for Jewish Americans, for Mexican Americans, our party and our principles have so much to offer. It's on us to communicate our positions in ways that wipe away the clutter of prejudices. For African-Americans in particular, whether it's more jobs, better focused educational resources, police body cameras and the like, Republicans have a great deal to offer, but we have to change our approach.

I recently went to worship with my family at Mother Emanuel Church, off the record. I didn't tell my staff, I didn't tell any reporters, although they didn't find out, at least by me, and the press was not why I went. In part, I went to that Sunday service for me. I wanted to be at Mother Emanuel on a normal Sunday. I wanted to see it as it is intended to be; a place of comfort, a place of hope. And most of all, a place of worship. But I also went for that church community. I went because I wanted them to not just see me when bad things happen. They will see me as we heal. They will see me as we move forward. Their children will know me as someone they can relate to and feel comfortable around. They will know me.

As I walked into that service that Sunday, I came to the realization, so much of why this community sees me differently and has accepted me so warmly in the church and other places over the last few months, is because I have been willing to come to them. To their places, I was in their church, in their environment, where they were comfortable and where I could listen.

How are we going to develop trust and relationships with each other if we continue to stay in our separate corners? We can't. And so I won't. If we're going to be true to the charge of moving South Carolina and our nation forward, the actions have to move through each of us. If we want to bring opportunity to every American, we will have to work together. That requires commitment, open-mindedness, and a willingness to think differently by all of us.

If we can do this in South Carolina, under the most trying of circumstances, the sky is the limit for what we can do in this country. If we scream less and listen more, we can make a lot of progress, and we can do it together. And I couldn't be more proud that it's the new south, my south, that's pointing us in the right direction. Thank you very much, and God bless. (Applause)

MR. HUGHES: Governor, how can the lessons from the new south be applied to the way that Washington lawmakers tackle issues?

GOVERNOR HALEY: Do you have an hour that I can answer that question? You know, what we have found is-- and I've been extremely frustrated with both Republicans and Democrats because they have gotten so used to shouting and yelling what they want that they have forgotten to listen. And all the people of this country want is action. That's not too much to ask for. That's what we were sent to our offices to do.

Look at the governors around this country. We have to balance our budget. We have to take action, we have to do things. But we have no accountability on any members of Congress or Senate to have to do anything. And so I think that's been the biggest problem that we've had so far, is that everyone is so set in the ways on what they think their label is supposed to be doing that they're not taking time to sit back and just look at the commonsense solutions of how we move forward. I think as a public, we have to demand action. We can't demand yelling, we can't demand great speeches, we can't demand quotes in the paper. We have to demand action, and you either deliver or you don't.

MR. HUGHES: What do you consider to be the best export today from South Carolina, be it tourism related or industry produced or human centered?

GOVERNOR HALEY: Oh, without question, we are blessed to be definitely exporting automobiles more than anything else. The statistic I love to say is we are now the largest BMW producer in the world. We are producing a custom car a minute at our BMW facility. And so now, the Germans don't like when I say this, but I always say that we are the BMW capital of the world.

MR. HUGHES: You mentioned jobs coming to your state, but your unemployment rate is about a full point above the national average and your poverty rate remains in the nation's top ten. Why is that?

GOVERNOR HALEY: Well, we've come a long way down from 11.1 and we're going to keep coming down. What we're doing is a lot of these 70,000 jobs are now coming to fruition and so we're going to continue to make sure we train. Part of the thing in dealing with poverty-- the two best incentives on lifting people up are education and jobs. And those are the two things we focused on, is to improve education so we lift every child up in South Carolina. Improve the jobs coming in so that everyone can be trained for those jobs. And we're continuing to focus on training so that anybody that wants a job can have a job.

But we've also gone to where anybody that walks into a welfare office, what we have them do now is we ask them, "What are you good at? What's your skill set?" And we match them up with businesses. So instead of signing them up for welfare, we actually offer them an option and we have put 25,000 people from welfare to work through that program. We're going to continue to do that. (Applause)

MR. HUGHES: This questioner says black southerners rank at the bottom of the economic ladder and these citizens have least access to capital. What is happening to connect opportunities to communities with disenfranchised people?

GOVERNOR HALEY: So one of those communities is Bamberg where I grew up. And so to me, it was very important that we focus on the rural communities more than the urban communities. My Greenville, Charleston, Columbia of the world, they're going to do just great. My Bambergs, my Orangebergs, my Dillons, those were the ones I was worried about.

So we did a couple of things. First, we went to our commerce department and we told every project manager, "You get bonuses every time you close a deal." Everybody does that." But I said, "I'll give you a bigger bonus if you close it in a rural county as opposed to closing it in an urban county." And magic happened. That's why we're making the first American flat screen TVs in Winnsboro. That's why we're now producing the first American bikes in a small town like Manning. Those things happen because we could start to push those types of jobs into these rural counties where people want to work.

And that's what we have to remember. Everybody wants a job. Everybody wants to make their family proud. Everybody wants to lift up their community. They just need the opportunity to be able to do that. And so I've always said anybody can say, "Oh, I've got the greatest state." But to have a great state is a state where there's opportunity for everyone to look up and know that there's potential.

MR. HUGHES: Let's talk about this vice president business. And I know that political leaders love hypotheticals, so I'm going to give you one. Donald Trump is leading the Republican primary polls. If he's the nominee and he asks you to be his vice presidential running mate, would you agree to the job?

GOVERNOR HALEY: That is so wrong, whoever sent that question. I'm just going to tell you that. This is what I will say, because I hope you don't have ten more cards in there about vice presidential. Look, we've got 16 candidates. We've got a long way to go. And we're going to have a lot more debates and ups and downs of the different candidates. I'm not wasting any energy or any time thinking about that because I've got too much to do. I'm trying to continue to heal a state. We are trying to get back on track because we lost time. So getting ready for our legislative session, I'm going to let all of this play out.

That's what I care about, that's what's important to me. I've got a son in middle school, I've got a daughter who's a senior in high school. I got a husband who just came back from Afghanistan a year ago. (Applause) So, I mean, if there is a time and place to think about it, we'll do it then. But I'm not going to waste any energy on that now.

MR. HUGHES: Will you serve out your full term? (Laughter)

GOVERNOR HALEY: Okay, so what part of that did you not understand? No, honestly, what I will tell you is if there is a time where a presidential nominee wants to sit down and talk, of course I will sit down and talk. But I am very aware, you have 16 really great candidates and that means you're going to have 15 very potential good vice presidential candidates. So I really don't think about that. I want to keep my promise to the people of South Carolina, which is to make every day better than the day before it. If a nominee asks me to sit down, of course I'll talk to them and then we'll go from there.

MR. HUGHES: This questioner writes that Donald Trump is writing the narrative of the Republican Party right now. It's a narrative that rails against birthright citizenship, implies that at least some Mexican immigrants are rapists, and has a slogan that says America is not currently a great country when he says let's make America great again. Is Trump accurately representing the GOP that you're part of and that you represent?

GOVERNOR HALEY: Well, I represent the new south and I'm very proud of that. What I will say in reference to that is I know Mr. Trump, he's been a supporter of mine and I consider him a friend. He has tapped into a frustration that's very real and if you look at the candidates who are rising up, it's Donald Trump, it's Ben Carson, it's Carly Fiorina. Don't lose sight of the fact that they are looking for non-establishment people. And why are they looking for that? Because the people of American don't feel heard. And so they're trying to move forward.

What I will say about Mr. Trump is he's a smart businessman. He's accomplished a lot during his career. It accomplishes nothing to get mad at anybody that criticizes you. So every time someone criticizes him, he goes and makes a political attack back. That's not who we are as Republicans. That's not what we do. That's not what I want my South Carolinians to do, that's not what I want us to do going forward.

So that's the part-- you know, yesterday I think they started actually talking about issues and I got excited because they were actually talking about policy. That's what Americans want to hear, is policy. They don't want to hear how someone offended you. They want to know they're sending someone up to the White House that's going to be calm and cool tempered and not get mad at someone just because they criticize them. We would really have a world war if that happened.

So I do think the Republicans need to remember that the fabric of America came from these legal immigrants. I'm here because my mom and dad took that step to come here. There is so much talent that came from legal immigrants. We should never say a negative word about that because that talent is what has made this country so great. If you want to talk about tackling illegal immigration, then let's talk about it. But we don't need to attack so many millions of people who came here, who have worked hard, fought hard, and done it the right way like my parents to make them feel like they're not part of this country, because they're very much a part of this country and they're proud to call themselves Americans. (Applause)

MR. HUGHES: Can you talk a little bit more about the GOP field of presidential candidates and which ones you see doing well in your state's primary? And how strong of a political wallop does immigration play as an issue in South Carolina?

GOVERNOR HALEY: So South Carolina is a popular place right now, and we love that. I have told all of the 16 candidates that we want them to come through often. I've told them it's not about an endorsement. That's not how South Carolinians work. They very much want to touch hands. They want to have that Q&A session, they want to ask the hard questions and they want to know that you're going to listen to them.

Right now, we're not feeling in the air a frontrunner. Everybody still has more to meet, there's 16, so they're still wanting to meet that person they haven't met yet. So they're starting to form their opinions. And my guess is with more debates, more press heat, more conversations that will happen. I think that illegal immigration is an extremely important issue in this country and I think that the candidates have somewhat acted like D.C. and let the issue get away from them.

If we are going to talk about illegal immigration, why are you going all the way to this side and talking about birthright citizenship when you haven't even talked about the illegal immigration itself? What does that mean? It means are you as a candidate going to commit to putting troops along the border? Are you as a candidate going to commit to the infrastructure, the drones, the planes that are going to be required to coordinate with the troops on the ground? Are you going to commit that when those illegal immigrants cross the border that you will actually detain them and deport them back? And are you committed to the financial cost that it's going to take to do that?

That's what needs to be talked about. If you notice, they're all saying, "We want to secure the borders." That's a big deal. What does that mean to you? What is that? That's what I want to hear, that's what I think the country wants to hear. What does that mean to you in terms of your commitment to work with Congress, to actually secure the border? Don't say you're just going to build a wall because a wall's not going to do it. You've got to have commitment of ground troops, equipment, money, all of that to bring it together. Then you're being serious about tackling illegal immigration.

MR. HUGHES: Of course, the Charleston shooting was one of many violent acts with a gun. And we just had the terrible shooting of two journalists in Virginia a week ago. This has prompted debate about whether there should be additional restrictions on guns. What do you think about that, or is there any other action that can be taken by governments to cut down on these violent acts with guns?

GOVERNOR HALEY: So it's going to take South Carolina a long time to heal from the tragedy that happened. And any time a tragedy like that happens, someone-- everyone looks for something to blame. What I can tell you was it was another kick in the gut when we found out that the murderer obtained a gun because the Feds didn't do their job. They didn't do the proper background check. Otherwise, he wouldn't have gotten it.

So you first got to make sure that the rules that are in place are being followed. And for what happened to those two reporters, I mean it's sick when a person out of pure hate decides that they're going to go and kill people. And what they're trying to do is get us to-- they're trying to get us to lose our freedom of speech. They're trying to get us to lose our freedom of worship. They're trying to take away our freedom of press. All of those things are fear tactics, and I think we need to deal with them accordingly. But I first thing we need to have the right gun laws actually being followed. And then if we need to look at something, we can. But I can tell you right now in South Carolina, if he had not gotten that gun, I mean how hard would he have gone to try and get one? That's the question at the end of the day, because if they want it, they're going to get it.

But I will tell you, our hurt right now still is that the Feds just didn't do their job. And what if the Feds had done their job? Would we have bought more time that somebody could have gotten to him? So, for me I'm a strong second amendment girl. I'm a concealed weapons permit holder myself. I know how much we abide by the law. I know how much we care about it. We have made moves in South Carolina that I think are commonsense moves.

So which is we passed a bill two years ago that said if anyone has a mental health record in any way whatsoever, they cannot get a gun. So in South Carolina, we have done all of those things that we need to do to make sure that the right people who want to carry can carry, and those that are not healthy enough to carry should not. (Applause)

MR. HUGHES: Here's a questioner, makes an assertion I haven't been able to fact check it, but you can respond, you're here. This questioner says if you are a fiscal conservative, then why have you consistently vetoed next to nothing in the state budget over the past five years allowing it to grow by more than \$4 billion during your first four years in office?

GOVERNOR HALEY: Well, if you ask my legislators they would tell you I've vetoed a lot. We go through a lot of things, and a lot of what we've vetoed have been monuments and trails and things that they want to take back home to their districts. We have gone and worked on that. But like I told you, my job is to focus on opportunity in South Carolina. My job is to focus on lifting up every citizen in South Carolina. So when that meant strengthening mental health and putting telepsychiatry in my rural areas where instead they were sitting in jail for three days or sitting in a hospital for three days, we did that.

So now we have brought that down to where in less than a day, someone gets treated for mental health regardless of where they are. What we did is we lifted up an education. We now are making sure that every child regardless of where they're born and raised, they're getting the right amount of money. But we did it with accountability. We did it with reading coaches, we did it with technology. We're doing it with summer camps where they're learning life skills and being able to take care of themselves during the summer instead of just being latchkey kids.

We're doing it with training. You can't have a Boeing, three auto companies and five tire companies and not invest in the training of your people. That's my biggest investment, is in people. And so when it came to lifting up mental health, yes we did that. When it came to lifting up our education systems, yes we did that. When it came to building up our training for our workforce, yes I have always invested in people. And that's the part that I'm going to continue to focus on.

I'm going to continue to veto monuments. I'm going to continue to veto trials. I'm going to continue to balance our budget and I'm going to continue to have reserves like we've built up. We've tripled the amount of reserves we have in South Carolina. So, I'm quite proud of what we've accomplished in South Carolina, and we're going to keep going forward. (Applause)

MR. HUGHES: This questioner has a follow-up question. You made the comment that black lives matter. This questioner says the black lives matter movement is dedicated to speaking out loudly through the 2016 election cycle. Do you have a quarrel with the tone of that movement and the effort to speak out loudly?

GOVERNOR HALEY: So this is where I think the conversation needs to come up. I don't think we need to yell. But the other side of it is I do think we need to listen. People yell when they don't feel heard, so we need to listen. If you look at what happened in South Carolina, I want to give you two examples of how this is different than what we're seeing across the country with black lives matter.

And we had a few black lives matter groups within South Carolina that started to bubble up with the Walter Scott case. The difference was the Walter Scott family said, "There's been enough violence. We don't need this." And we focused with the family, I was on the phone with the attorneys, we were talking with the pastors and it was very much about how do we protect the people of our state and how do we keep it calm? It was because of the pastors, it was because of the Walter Scott family, they didn't yell and get loud, they brought it down and said, "We want to see body cameras."

So now you look at the Emanuel Nine and everybody said, "Didn't you think there would be protests or riots?" I knew there wouldn't be, because if we didn't have them in Walter Scott, we were not going to have them in what happened with the Emanuel Nine. But you know what was amazing? The pastor at every funeral asked the congregation to stand up and thank law enforcement. Think about that. Had them stand up and thank law enforcement. They didn't get loud, they didn't get angry, they thanked them. And in South Carolina, it's all about working together.

So we don't think we get anything done by yelling. We know we get everything done by communicating. So I will tell you, any group that wants to talk about violence, there's no place in South Carolina for that. Any group that wants to talk about getting something done, we're going to listen to you and we're going to work for you and we're going to try and bring you together. But that's the part that-- look, it's not just black lives matter. We've got lots of groups that want to yell and scream. You can do that, that's not

going to get you anywhere. What we won't tolerate is violence, and I think that one of the things, and as we watched yesterday in what was going on with law enforcement in the black lives movement, they have said that that's not them. That they don't want it to be about violence.

The only thing I would say to them, as I would say to any other group, if you see someone that is advocating violence and they are using your name, you need to let them know that you denounce that right away. That's what I want to see. Because I don't mind you expressing how you feel. I think it's important for us to understand there's frustration. But the second anyone allows violence to be a part of that, you have to denounce it immediately or else you're going to get tagged with it. (Applause)

MR. HUGHES: I said in the introduction you're the youngest governor in the nation. So here's a question for the millennials. What are you doing in South Carolina to help millennials and how can that be translated to the presidential campaign? What can candidates do most to help millennials?

GOVERNOR HALEY: So, one of the things that I-- first of all, I think communication is key, always. I do my own Facebook, I do my own Instagram. I love social media, and I think you have to understand that so much of what has happened is done through social media. So I was talking with my daughter the other day, and it was the day that I had gotten emotional during the press conference right after the Charleston Nine.

And so I went into her room and I was talking to her and I said, "Well, you might hear something at school, but," I said, "I got a bit emotional." She said, "Yeah, I saw it." And I said, "Where did you see it?" Because she does not watch the news. And she said, "I saw it on Facebook." And I said, "Is that where you get your news?" And she said, "Yeah, I get all my news from Facebook." Now, that's a little scary, right, because there's so much out there.

But we have to acknowledge that that's where this new group is getting their information. So we have to also acknowledge they need to feel like they connect with us. So a lot of times, I'll go on Facebook and I'll do town halls. They'll question and I'll answer and we'll do things like that.

I think that, one, we have to communicate. Two, we have to listen to them. This is a group that really knows what they care about. They know what their frustrations are. They want to be heard, too. And we've got to make sure we do that. And one of the things we're doing, of course, is we're having a town hall in South Carolina where we're going to have every candidate come in. We're not charging anything, and we're going to go through each candidate so that anybody that wants to hear from these candidates, they can. And we've invited a lot of college students and everyone to come in, and we're expecting a really large, young group to show up.

And so when you let them know that you want to hear what they have to say, they always turn out and they always have a lot to say.

MR. HUGHES: Before I ask the final question, I have some brief housekeeping to do. I want to remind the audience the National Press Club is the world's leading professional organization for journalists. And we fight for a free press worldwide. For more information about the club, visit our website at Press.org. And to learn more about our nonprofit Journalism Institute, see Press.org/institute. I'd like to remind you about a few upcoming programs. On Tuesday, September 8th, agriculture secretary Tom Vilsack will discuss child nutrition at a morning newsmaker. And our next luncheon will be noon that same day, September 8th when presidential candidate and South Carolina senator, Lindsey Graham, will discuss the Iran nuclear agreement.

And then on Monday, September 14th, we will have a live press conference from space. Astronauts Scott Kelly and Mikhail Kornienko will answer questions via video link from the international space station while astronauts Mark Kelly and Terry Virts take additional questions here in the room. That program will start at nine a.m. on the 14th right after breakfast, although I don't know if the astronauts are going to get breakfast up in the space station.

I'd now like to present our guest with the traditional National Press Club mug.

GOVERNOR HALEY: Thank you very much, I appreciate it. (Applause)

MR. HUGHES: And the last question. I mentioned that Senator Lindsey Graham will be here, he's your fellow South Carolinian. Could you please give him some advice, or what advice would you give for him to get his presidential campaign going?

GOVERNOR HALEY: Well, I will tell you that Senator Graham is a dear friend of mine. And I am proud of anyone that will put their hat in to try and better America. So I appreciate that he's doing that. You know, the one thing that I do is I don't give advice because I'm not running for president. But what I do try and tell all the candidates when they come to South Carolina is to touch as many hands as you can. And what Senator Graham knows as well is just because you're from South Carolina doesn't mean you can win South Carolina. It's almost like campaigning all over again because they're looking at you in a different position.

So he's got to go shake as many hands as he can. He has to do as many town halls as he can, and he's got to prove to the people of South Carolina why he's their person to really take this country forward. Thank you very much, you've been very kind. I appreciate it. (Applause)

MR. HUGHES: Thank you, Governor. Thank you so much, Governor. And how about another round of applause for the Governor for being here today. (Applause) I would like to thank the National Press Club staff including its Journalism Institute and Broadcast Center for helping us organize today's event. If you would like a copy of

today's program or to learn more about the club, go to our website, that's Press.org.
Thank you, we are adjourned. (Sounds gavel.)

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