

Transcript: Q&A

Building Global Partnerships for Stronger Local Economies

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Question 1

I think I spotted you today at Prime Minister's Question Time. What do you think of that spectacle, of PMQs? Second of all, lots been talked about in this country about Britain's economic future and whether it's best placed that we remain within the European Union. In your opinion, is it best that Britain remains within the European Union?

Scott Walker

Two different parts – I'll take the easy one first. Yes, it was an interesting (to use your word) spectacle, although I've seen it on TV before. The prime minister was kidding with me last night that he ran into someone who said, 'I really like your TV show'. I guess for those of us, particularly in America, who like to watch it, it's an interesting contrast. While we have spirited debates, usually they're in the media or literally at a debate, as opposed to being in the parliament. But I found it amazing. In fact, as remarkable as you might think this is, watching and sitting in the gallery, I found myself listening to questions and thinking, what would I say? How would my response be? In both, a combination of logic and empathy, because I think that's important. At least, we find in our state, in our country, that you want to directly answer the question but you also need to begin with the empathy for not necessarily the question-asker – in this case, a fellow elected official – but also, where does it come from? What's the context of where it is coming from? I find it interesting. I think there are strengths with each system. Obviously, a fair amount of what we have in America is borrowed from the British here, so we certainly value that, as well as that relationship.

Justin Webb

Can you think of senior American politicians who would prosper in that atmosphere?

Scott Walker

Not many. Although there are times when I would have liked to have been able to ask questions, like were asked of the prime minister and some others out there. The closest thing we get is in high-stakes debates. I've gone through three elections for governor in four years, so I've gone through a lot of debates. They vary in form. Some are very traditional, you stand at a podium, you get X number of minutes and seconds. Then I've had others where you have a moderator, like we're discussing now, where it's kind of a free-for-all. But it's interesting.

The closest thing I think I would have had in America was not as governor, although I had, about four years ago about this time, about 100,000 protesters in and around my capital. So that was a little unnerving. But it was when I was the county executive in Milwaukee County, before being governor. I was the first and probably only Republican ever elected in Milwaukee County. I was elected there three times after a scandal. When I used to give budget addresses in front of the county board – a much smaller chamber certainly than here and even in Wisconsin – we'd be in there and in the back row, one of the public employee unions literally would have signs. They made up a variety of signs that they would alter

depending on what point I was in the speech and what point I was going to make, because they didn't know about it in advance. So whatever I said, they would try and put up one of the signs literally in the chamber while I was talking. So I didn't see that today. I did see members standing up and yelling or calling out, but they didn't have any signs out there. So that's, for me at least, the closest I've got.

In terms of the economy, as you can imagine – and I'm not trying to skirt your question – I just think for me, commenting on foreign policy or, in this case, economic policy in a country where you're a visitor is not the politest of things. Obviously we want a strong UK, because we've got a special partnership. We want a strong Europe, because overall we've got a lot of tremendous allies there. We think, as I mentioned in my comments, we think overall a global economy that's strong is important, not just around the world – it's important if we have to pay the bills for electricity.

Justin Webb

The lights have gone.

Scott Walker

It's important for each of our respective countries.

Question 2

Governor Walker, country-of-origin labelling has been a dispute in the WTO for quite some time. Obviously cattle have some effect there and, of course, with you promoting the cheese of Wisconsin, you've got an interest there. The World Trade Organization has voted several times or decided several times against the United States. The interesting thing is the action has been led by NAFTA partners. 'Global partnerships for strong local economies' – open for free trade. Canada believes it costs in sales to the United States almost a billion dollars, this protectionist measure. The World Trade Organization decided against the United States just a few months ago. The Wisconsin National Farmers Union president stands behind this protectionist measure. Where do you stand?

Scott Walker

As you heard in my comments, I believe in free trade. I think we can compete with anybody in the world and I think our allies can as well, as long as you have free trade means fair trade, and it means that it's wide open. The example I gave of Colby cheese is a good example. I don't begrudge someone in any other part of the world from trying to make Colby cheese that's better than what we make in the state of Wisconsin, in the same way that cheesemakers in Wisconsin can make Parmesan cheese or any others out there, I think, as well as someone who may have that location or that connection related to them. So one of the things we brought up in our comments to the ambassador and to others is that we're very open to free trade but we think it should be fair and open and truly a spot where anyone can compete.

Justin Webb

Does that go as far as – the other big sticking point on both sides of the Atlantic, when it comes to TTIP, is the question of rules and regulations that people almost culturally believe are safe. One of the things that in America – quite apart from Cheese Whiz; I'm thinking of the finer cheese products that come from Wisconsin – one of the things is they tend to be pasteurized and there's a safety issue there, and a lot of the French cheeses are going to come. Are you seriously saying that there isn't going to be a resistance on the American side, as this gentleman is suggesting actually? When it comes to it, there is a resistance, albeit almost a cultural one.

Scott Walker

That will be a part of it. We've talked to federal officials who are involved in the negotiations. I only bring it up as a governor who's obviously got a vested interest in terms of cheese production. We create about 25 per cent of all the cheese in America just in one state alone, and almost half of the specialty cheese. So that's an area where we're very interested in free trade in the sense that we think we can compete, as I mentioned. In the awards, we consistently have some of the best cheeses in the world.

Justin Webb

And you think you'll let them all in? That's the point as well, quite apart from your cheeses going out.

Scott Walker

In the larger context, obviously that's part of the give and take in negotiations, not just on this issue but others – respecting each of the trading partners and the concerns that they have. To me, ultimately, the freer, the more level the playing field, the better. Then you let consumers ultimately –

Justin Webb

Any more cheese questions? No, I'm only kidding.

Scott Walker

A cheesy question maybe, not a cheese question.

Question 3

Do you think that Britain could be doing more in its fight against ISIS? A group of lawmakers here recently said that the British contribution was strikingly modest. What are your thoughts on that?

Scott Walker

When I return to the States, I'll probably give you an answer to that. To me, I just think common practice is when someone visits in a position like I'm in, from the United States, I don't think it's polite to respond on policy regarding the United States' interaction with other countries when you're in a foreign country. To me, I defer to the president even though I don't always believe in the same things that he does politically. But that's certainly something I'll answer in the future, when I'm in the United States, regarding ISIS and other issues. But I think right here, for me on a trade mission, we're talking about that. You've seen it with others in the past who have been here. There's a few of late who have commented on it, that I just think goes against common practice.

Justin Webb

Really? That's interesting. It's an interesting thing, really, because it's almost a kind of old-fashioned way of looking at the way that politicians, senior American politicians, should behave when abroad. You seriously – is that because you're here on an official visit or is it because you think actually it's the wrong thing to do for anyone?

Scott Walker

It's in part because I'm here on a trade mission, trade and investment, sent here by the people of the state of Wisconsin through our economic development corporation. But it's also, even if I wasn't – if I was here in the future, if I was an announced candidate at that point and was here on that regard – I think particularly when it comes to foreign policy, I just think – maybe it is a bit old-fashioned, but I think there was some sense in the past to saying when you're in any country, not just the United Kingdom, that you're anywhere else around the world – no matter what my opinions might be of this president of the United States right now, I just don't think it's wise to undermine the president of your own country.

Justin Webb

What about a question on that, that doesn't involve the president and involves the broader fight against ISIS and how you think it's going and whether you think it should be invigorated?

Scott Walker

Again, without getting too far into detail, I would just say – I'd reference a point that I made in my State of the State address back in January, where I commented on it then. Some people read into it, it had larger implications. It was just simple. It was my belief, speaking as governor on behalf of the people of my state, and that was I made reference to France at the time, with what happened in Paris, and said that I believed the one thing – well, I made two references. At the beginning of my speech, I referenced our military and recognized some of them. At the end of the speech, I said the one thing in my state that could bring both Republicans and Democrats – or should bring both Republicans and Democrats – together was, in part, support for our men and women who were deployed at that time, their families, and those who were preparing to deploy. Secondly, that as people from Wisconsin, as Americans, anytime freedom-loving people are under attack anywhere in the world, we should stand out and speak out against those who would bring them harm. I pointed out the people that I thought were responsible for that and that probably got the loudest sustained applause from both parties, because I think there's a sense in Wisconsin and in America that we need to be united.

Justin Webb

But do you have a sense, as a governor from a state – and it's both an enormous plus, in that you have to take decisions, you have to actually do things and you're answerable for them, but it's also in a sense a minus, because you are quite removed from the outside world and from what's going on. You obviously don't want to go into detail but do you have a sense of a Scott Walker foreign policy emerging? Do you have a sense of the outside world and how you want to address it?

Scott Walker

Again, I think I'd violate the conditions I laid out if I laid out a foreign policy here. But I'll say – and you're a good interviewer to ask, and to repeatedly ask, which is a good interviewer, and I'll repeatedly give you the same answer. But I will say, just as a governor, one thing people don't know, at least in Wisconsin – I'll assume it's true with most other governors – is while we don't give a lot of speeches on foreign policy, in addition to obvious things like trade missions and trade trips and things of that nature, we get risk assessments. I get briefed by not only my adjutant general, which is the head of the Wisconsin national guard, but we get briefed by the FBI on threat assessments, not only within our state but in our region and sometimes all across the country. I guess I'd tell you as a governor, without violating the confidentiality of specific items there, it concerns me both as a governor and as a parent that I think there are very real threats in this world, not only around the world but in our own country. So we take those very seriously. When I see men and women who are deployed from my Wisconsin national guard, obviously I understand the reasons and I'm going to support them regardless of the mission. But it does concern me. I'm not a big bracelet guy but I've got three bracelets on my arm, which are from three service members' families who, since I've been governor, have asked me to wear them at their funerals for their sons. So I also understand the gravity of what happens when you make those decisions.

Question 4

I'm the author of a new book called *Clinton's Grand Strategy*, which I mention because yourself, such as Governor Clinton before you and Governor Bush before you, come from a domestic policy background. But if you decide to put your hat in the ring in 2016, you'll obviously need to address foreign policy. I just wonder if you could perhaps discuss who might be advising you or who you go to for advice on foreign policy, and leading in to Justin's question there about a nascent foreign policy – not going into any details about the policy but who you might be discussing that policy with, within the American intellectual and academic community.

Scott Walker

I'll tell you a quick story and then tell you what my response is to the question. Earlier this year, I was at the Armed Forces dinner in Milwaukee, one of our big cities in the state of Wisconsin. The guest speaker was someone I'm a great admirer of, James Lovell, who, of course, was an astronaut in our national programme years and years ago. Apollo 13, if you've ever seen the movie, is in part based on him and his life. He's got a connection to Wisconsin actually; one of his sons, during Apollo 13's launch, was actually at a school there. He got up during Armed Forces week – and I admired him even when I was younger, because he's an Eagle Scout and I aspired to and ended up being an Eagle Scout. He got up and he gave a speech all about the armed forces and the military, and our thanks for them. Just a wonderful speech. After he got done, the emcee for the event came up there and clapped, leaned in, and you could tell he was whispering something in his ear. Suddenly James Lovell came back to the podium and he said, 'It seems that the master of ceremonies has told me that while that was a great speech, everybody came to hear about Apollo 13'.

The reason I tell you that story is I get that everybody is coming here to hear those sorts of questions, but in deference to the fact that – it's not just being glib, because I am here officially on a trade and investment tour, for me to lay out foreign policy or start answering, I think, would go contrary to the reason I'm here. So in the future I'd be more than happy to talk about that and will probably be when I get back on the other side of the pond.

Question 5

I have a domestic policy issue to ask you, for a change. In promoting investment in Wisconsin, you rightfully highlighted the importance of a dynamic workforce and universities. I've been involved also in investment promotion in the US and have found those to be factors of great interest to potential foreign investors. I just notice that in your latest budget proposal, you've proposed cutting \$300 million from the University of Wisconsin system, which is really one of the great public university systems in the US. Universities are very important not just in research and education but in private sector partnerships and in creating a strong workforce. Aren't you eating your seed corn?

Scott Walker

No, and I'll tell you why, although that's a great question for a couple reasons. Certainly I have a vested interest not only as governor – I'm a father of a UW student, so one of my sons goes to the University of Wisconsin, the flagship in Madison. So as a parent – well, parents, I should say. My wife and I obviously want a great UW in the future, just as governor I want that.

On this trade mission this morning, we started out with an alumni breakfast, with alumni from the University of Wisconsin-Milwaukee and University of Wisconsin-Madison and Marquette University, one of our private schools in the state. We actually have, as part of our Wisconsin economic development corporation team, one of our jointly funded vice-president positions is actually done with the University of Wisconsin for precisely those reasons.

So you might say, okay, that's great, but that doesn't answer the question. In our nearly \$70 billion budget, which is a two-year budget, we made \$150 million – because it goes to the base -- \$50 million change in the University of Wisconsin system. Which, to put it in perspective, is about a 2.5 per cent change in their total budget per year. What they get in return is that after years of administrators, chancellors, supporters, alumni, others saying to me, even before I was governor, that they could save millions of dollars by getting out from underneath the thumb of the bureaucracy of state government – so that they could do procurement, purchasing, construction, compensation, all sorts of other things that they could do at a much more cost-effective basis, with savings they could put back into the UW system – we have done just that. We propose in this budget as well an authority, still with a block grant on an annual basis that's funded from the state government to the university system, which is just a fraction of the money they get is from the state as a whole – comes from tuition, grants, services, contributions, all sorts of other things out there. But we set that aside, a block grant, that forevermore will be adjusted by inflation, so that they'll permanently know going ahead in the future (if this budget passes as I proposed) what their amount will be given, so they get stable funding far into the future. The dollar amount, which is 2.5 per cent of the total operating budget of the university system, we think more than is accounted for in terms of the savings that we print up on the system.

Now you say, okay, wait a minute, how can that be? It's very much like what we did four years ago – you mentioned a little bit in the introduction – where we did similar changes for schools and local government, as well as state government, to the changes we made to collective bargaining. People said it would be the death of public education in my state. Back then I had two kids in public high schools and I said I have a vested interest then, just like I do now in the UW system. I said: I want a system that works the same or better.

Because of our reforms, today public schools in our state have better test scores. Graduation rates are up since I've been governor. Third-grade reading scores are up. ACT scores are now second-best in the country in Wisconsin. Why? Because we allowed the tools that were needed to take on that system and put the power – in the case of local governments – back in the school board members and local government officials. They, in turn, used that not just to get pension and healthcare contributions, which were still very reasonable compared to non-government entities, but they were also able to change things like seniority or overtime abuse or other things, and put that money right back into the classroom. I believe with our authority the same thing will happen with the University of Wisconsin system.

Justin Webb

How did you get in this mess though about changing its stated purpose? I don't want to get into too much detail, bore people who don't know a lot about the University of Wisconsin – I certainly don't – but you fiddled with something that a lot of people felt very strongly about. Do you regret doing it?

Scott Walker

We didn't do it intentionally, and there's a lot of dispute about that. For us, when we looked at an authority, I had two separate discussions with the regent leadership and the president of the University of Wisconsin system. Never once discussed that. In fact, in all of our discussions, the only thing we talked about was adding something regarding career and workforce development to the mission of the university system, once it became an authority. In the discussions back and forth – and there were multiple meetings with our staff and our budget team and others out there – one of the instructions from my office was to keep it simple. They took that as meaning keep it simple and just add career and workforce development language. We meant keep it simple and don't add anything more. Add that to what's there. So the day after it was introduced or proposed, when it was pointed out that that was in there, we said: it's not a big deal. That was not our intention, we can take it out.

The thing that got worked up about is I said – I tweeted and I said it was a drafting error. It wasn't technically a drafting error. The drafters had the language. It was an error in terms of the communication from the policy office to the drafting attorneys. But in an era where people are asking a lot of questions about an office more than just governor, you know, an ant becomes a molehill.

Justin Webb

Did you learn something from that, I'm thinking about your wider ambitions in the longer term? Was that a kind of, what Americans sometimes call a teachable moment? We don't yet do that here, we probably will. John Humphries wouldn't allow it but there we are.

Scott Walker

I think actually – again, that's just one where the media, the same media that's called me, as a prospective candidate a few weeks ago, 'bland', and thought that would be a negative – I said, I'd rather be bland than stupid or ignorant or moronic or other things out there that are –

Justin Webb

You've got all of that to come.

Question 6

In the Greek elections recently we've had the rise of Syriza, and there's also a kind of anti-austerity movement which I guess you've seen up close and personal in response. Are you afraid that there's a growing threat? Because now that's a successful democratic movement that actually was elected, that kind of changes the calculus, as opposed to people just holding up banners in threat against you. Just a bit more specifically, on this Wisconsin university thing, this supposed drafting error or whatever – it does also show the way you can damage something that's much loved as an institution. So the NHS over here is really loved and it costs a fortune, but all of the political parties have promised ahead of the next election that they will safeguard and ring-fence the funding for it. How do you see that role as a governor or as a president or whatever, in protecting and safeguarding something, an institution that is cherished by people?

Scott Walker

In reverse order – certainly on the Wisconsin idea, that's something to support, again not only as a governor but as the father of a student who believes that very passionately as a sophomore at the University of Wisconsin in Madison, our capital city. And that's why the moment – it wasn't a big to-do for me once it was pointed out. I said: of course we're not. We don't even have to amend our budget, we actually have something, a weird name called 'errata legislation', that's the actual, official document. You present the framework of it at the budget address and then you have the technical document that comes back and cleans up any drafting errors or adjustments or things like that. That will be a part of that. So for us, we said: we'll just do it there. It's not a policy decision, it's not a backtracking. We just clearly defined it and said, yeah, we made an error in doing it, and explained why and moved on.

On the other point on Greece, and I'll relate it to Wisconsin, as you might guess – four years ago, when I first came in, I inherited a \$3.6 billion budget deficit. The rainy day fund was almost gone. There were all sorts of other challenges. Our bond rating was down. The previous governor had raided about \$1 billion plus out of the transportation fund and took money from the patient compensation fund that was used to compensate families for medical malpractice and things of that nature. It was a wreck.

I would contend that some people – and some other governors around the country, and my country at the time – had similar, although very few had as big of a deficit as we faced, but had similar challenges. Some chose austerity and some chose anti-austerity. They chose raising taxes and fees and things like that. What we did was neither. We chose reform. The reason I say that is if I was just about austerity in my state, even with those dire circumstances, I would have cut things across the board. What we did – and as a local official for eight years, I knew one of the biggest parts of my state budget by far is aid to local governments, to schools, to counties, to municipalities. As a local official, I knew if you just cut a major portion of that without anything in response, you would devastate our schools and our local governments. As a local official prior to being governor and as someone who appreciated local government but also had two kids in a public school at the time, I didn't want to do that.

So even though it got a much bigger response, mainly because, I would argue, the big government unions in Washington didn't like the fact that not only we did what we did, but on top of that I gave public employees in my state, all 300,000 plus, the freedom to choose whether they wanted to be in a union and pay those dues or not – that's why it went from thousands to a hundred thousand, because they didn't like that threat. I was taking the power in the hands of the big government unions and putting it in the hands

of the people, the hard-working taxpayers of my state. Now, they actually get to make the decisions. They make the decisions at the school board, at the town board, at the city council, the county board and state government.

So we put in place reforms that allowed us to reduce the amount in the budget that was spent on local governments but in return (it's been documented by several sources) more than \$3 billion worth of savings because of those reforms. I'll give you a good example. Before I was elected governor, almost all of my school districts – 424 school districts in my state – almost all of them had to buy their health insurance from just one firm. It just happened to be associated with the teachers union. So what they would do is they would tie that into their contract with the local school district. Once we got rid of – the changes we made with what's called Act 10, in turn our school districts can go out and bid it out. They saved millions, tens of millions of dollars, money they could put right back into the classroom. In fact, I remember one modestly sized school district saved \$3.1 million just in the first year alone. They bid it out and the company that they originally had, the WA Trust, eventually got the bid but for \$3.1 million less than what they had before, when they were forced to do it that way.

What we found is it had a tremendously positive impact, but instead of just cutting – what you would reference as austerity and others talked about around Europe – we really looked at reforms. We looked at it as an opportunity to say: I don't like the false choices that in government we're often given. Nobody outside of government makes those choices. You don't say, when times are tough, I'm either going to double the price of my product or I'm going to cut the quality in half – or you'd go out of business, right? Put you in government, you're always either told taxes have to go up or the quality of services have to go down dramatically, when in reality everyone outside of government – or at least, in my country – almost everyone outside of government that's successful finds a way to balance quality and cost, and that's what we did in the Wisconsin way.

Question 7

Governor, can I ask you whether you think that the United States should arm the Ukrainian rebels?

Scott Walker

I should get my iPod out and just hit the same answer each time. Again, I have an opinion on that and I'll be certainly happy to answer that back when I'm stateside, but per being old-fashioned and having respect for the president, I just don't think you talk about foreign policy when you're on foreign soil. And I hope in terms of the AP's quote, that's not a 'no comment'. I gave an answer, right?

Question 8

I'm from Brookfield, Wisconsin, and I graduated from the University of Wisconsin-Madison just under two years ago. Chancellor Rebecca Blank, the leader of our university, said that the cuts to the University of Wisconsin budget will cause tuition increases after the tuition freeze expires in – four years, correct?

Scott Walker

Two years. It's two years before, two years continuing.

Question 8

After that, tuition will increase, making it less affordable to students such as myself, especially minorities, in Wisconsin. Wisconsin made headlines a bit ago on the national stage for being ranked the worst state in the country to be black in. Can you comment on that and explain what you've been doing in Wisconsin to change this notoriety and to – this is all in regard to incarceration rates, poverty rates, things such as this. If you could comment on that.

Scott Walker

Sure. There are two different parts – I'll comment first on the tuition. As you probably know, from the point you referenced, the last two years, I was the first governor ever to freeze tuition two years in a row. In this next budget, which only lasts two years, we'll freeze it for the next two. My hope with an authority would be, and I think there's some lawmakers in the state legislature that want to put it in the statutes – I'd be open to that – to permanently put in place some kind of cap on tuition. As you may or may not know – did you go to Brookfield East or Central? Very nice. My son played for a while at Brookfield East so they're an arch-rival, although your football team consistently beat us at the tail end. But in terms of tuition, as some people may or may not know, in my predecessor's first term, he cut the university system \$250 million. Because he didn't give them any terms of support and authority or any other tools out there, tuition went up by about double digits, as I remember it, the first two years. So if you don't have a connection to those sorts of adjustments, the budget will drive up tuition. We capped it off for the next two years precisely so it wouldn't add to the burden of working families and college students in our state.

Like I said, I'd be more than happy to make sure that tuition is capped, maybe off of inflation or something like that, going forward and working with the legislature, because I want to make it affordable. I think realistically, for a UW system that's looking at a 2.5 per cent reduction, I think all of us could make 2.5 per cent reductions in our own households and our company budgets and do that in a way – particularly when we're given all sorts of new tools to deal with it – in a way that's very reasonable. Just like our schools and our local governments have done in the past.

In terms of the racial issue, depending on where you're at, consistently for the last several decades that's been a challenge, largely because of some of the policies in the city of Milwaukee. We've tried to act beyond just the city of Milwaukee or beyond their leadership and do things like transform Milwaukee, where in the last two years we've invested more than \$200 million through our Wisconsin housing and economic development authority, to try and drive up investment, drive up employment. Because in the end, revitalizing particularly key neighbourhoods within the city of Milwaukee, which is our largest city, is going to have the greatest impact not only economically but in terms of all the other issues you alluded to.

Question 9

You'll be pleased to know my question isn't on foreign policy or cheese. You might have noticed here in the UK and Europe in general there's somewhat of a political fracture going on right now. In the United States we seem to see a different problem, which is political polarization, which has been an ongoing trend for a while. When I talk to some Americans, they reassure me that eventually there will be some kind of a course correction and things will change, and you won't look at government shutdowns as something that happens quite often. So my question is: does this worry you, that there doesn't seem to be a change in that trend at the moment? And what do you think American leaders should and can do to try and address the problems that this trend kind of leads to in American political life?

Scott Walker

From my experience in both the state and the national level, from talking to other governors, my advice to Washington would be similar on this particular issue – similar to other governors in the country, and that is twofold. One, don't take the bait. I think one part of the issue, both the state and the national level, is the media. The same outlets that editorialize that they want bipartisanship and working together tend to only cover the people who say the most outrageous things in the media, and so largely I think they're to blame. Not solely to blame, but they're a big part of that, because they really highlight those people who are the most at odds without putting attention on the people who are actually trying to get things done.

I've said this, it's not new – the AP has a programme each year for all the newspapers in my state and I've said it in front of all the editors. I said: you all editorialize on one page that you want people working together and then on the front page the only people you cover are the people fighting. I used a good example of where we had two bills that were very significant about that time. One was highly controversial because it had partisan differences. The other was probably more significant but passed with all but four members of the legislature voting for it. I said they didn't even cover – or the ones that did, put it buried next to the obituaries in a paragraph, the one that I thought was more significant in terms of policy, because it wasn't sexy, it wasn't entertaining. It didn't get the big headlines out there, yet in terms of impact it had more.

So I think elected officials for sure have responsibility but I think the media, at least in my country and in my state, has partial responsibility, because the things they highlight are the things that go at odds with each other.

Justin Webb

How does that reflect on Fox News, then?

Scott Walker

I think it's all of them. I think it goes across the board, you look at every network. Every network, you look at almost every newspaper – it's why I mentioned it even to my home state and local weekly newspapers. Some less so than others, but I think it's an impact across the board.

Justin Webb

But on politics – there's a sort of serious point on politics. One of the things that he was getting at, this sort of polarization business, it is driven, isn't it – to the extent that it's driven at all by the media, and you can argue about that – but those cable shows and the way in which politics is covered in America, and the way in which it soaks into people from the net and the way in which trust – you think about what's happened recently to a very prominent news reader, and the way in which the American news picture is now, is part of the problem, isn't it?

Scott Walker

I'd say it's across the board. It's not just those outlets, it's not just cable news, no matter which network you're looking at. If you look at my colleague, my friend – he literally is my friend – who came here a week or so ago, and I'm not going to get into his statement, but just saying that became the focus. It certainly was here, it was in the United States, even though that probably wasn't the most substantive thing he was talking about here. Yet for whatever reason, that was the lead in many ways on the news out there.

Justin Webb

Are you talking about Chris Christie and vaccinations?

Scott Walker

Yeah. So I just think that's a good example where there's this almost magnetic thing, where they go to whatever's the most glaring headline out there, even though that might not be the substance.

The other part of your question though kind of fits in with that, and that is – even though I got all the attention alluded to before and that obviously some people on the left side of the political spectrum who don't much care for me or my policies, most people don't know that if you actually look at all the bills I signed into law, more than 97 per cent of the pieces of legislation I've signed into law as governor have had more than just Republican votes. I even get PolitiFact checking me on that, because that sounds so absurd. When you look at the headlines, people think that can't be true. Yet more than 97 per cent of the laws that have been signed since I've been governor had more than just Republicans in the state legislature voting for them. That's not interesting because that's actually getting things done. It's getting things done without just doing it by force with your party. There are some high-profile things that were Republican only but not many, if you look at the percentage out there.

I take that to your point about where states – and I would say governors, regardless of party, are a prime example where governors are more apt to get things done, in part because in most cases (per our constitution, for example) we have to have, at the state level, balanced budgets. That makes for a big difference. But in the end, the closer you are to the people, the more happens. We think of Adam Smith, as

you do, with economic policy but we also think some of the founders of our country had a pretty good idea, for example, in the 10th Amendment in the Bill of Rights, that basically says anything that's not clearly defined in the constitution is inherently the right of the states and, more importantly, the people. I think over many years, the federal government, regardless of party, has gradually taken more and more power away from the states and the people. I think that's part of the problem, regardless of politics – or partisan politics, I should say.

Question 10

Governor Walker, I wanted to get back onto economics.

Scott Walker

I'm glad you didn't say foreign policy.

Question 10

I'm going to avoid that entirely. It may involve a bit of cheese, however. Congratulations on the performance of the Wisconsin economy, which I think has been spectacular – not just in light of current economic circumstances and the turnaround, but actually if you look at it in a longer span, over 20 or 30 years, the narrative was the death of the industrial heartland of the United States, the death of American agriculture – both areas which Wisconsin has performed very well in. I think it's very interesting from the context, sitting here in London, where you've got a huge industrial heartland in the UK which continues to struggle, to revitalize itself, and great industrial cities that face significant challenges. That may well be part of the conversations that you're having. I wouldn't ask you to comment on that. But from a Wisconsin perspective, you talked about reform politically and within state and local organizations. But what, in terms of free market initiatives, do you think have helped that economic rebound? Other areas of the United States haven't performed so well, including some of your neighbours in the Midwest. Do you have any suggestions on how your success could be exported?

Scott Walker

Sure. A couple different things. One, overall my general view is there are two ways a governor can play a role in terms of the economy, at least in my state but I think arguably could be elsewhere in the United States and maybe elsewhere around the world. One is, in many ways, just getting out of the way. It's why the tax burden has gone down by about \$2 billion, not only in property taxes, income taxes, employer taxes. For those of you, if anyone here is interested in manufacturing and agriculture in our state, by next year, by 2016, we wipe out almost all of the taxable liability. When I came in it was 7.9 per cent; it's 0.4 per cent, and will be the last remaining components there.

Why? Because we know, particularly for small and mid-sized manufacturers as well as agriculture interests, most of those employers are going to take whatever money we don't take from them and they're going to reinvest that in equipment, in technologies and innovations that will ultimately help create more jobs. So we put more power back in the people's hands in that regard.

We also looked at other costs in our state. For years it was a highly costly regulatory environment. We've streamlined that. We put a moratorium on it and we capped off and reduced many of our regulations. Simply put, I like to say what we enforce now is common sense, not bureaucratic red tape. Then we put in place significant tort reforms or lawsuit reforms, because we saw with employers, particularly small businesses and family farmers that didn't have the massive legal staffs, that it was a huge deterrent to grow and ate up too much of their time.

So one area is about lowering costs. The other area, and it kind of ties into the initial part of your comment, is, where appropriate, we think being a good partner when it comes to things like the workforce and infrastructure is also important. So in infrastructure, after my predecessor took a billion dollars out of the transportation fund, we restored that. We revitalized our roads and our bridges, our ports, our airports, our freight rail. We put in place more efforts to do cost-effective and reliable sources of power. We even put in our rural parts more broadband access. In metropolitan areas it's not a big deal but in rural and forest-driven areas of the state, it's a huge problem. Those are very attractive areas in terms of their natural resources but without broadband, high-speed internet access, very difficult to do global business in.

Justin Webb

How are you paying for the infrastructure stuff? Because it's such a big issue in the States, isn't it? You see states with lottery funding and stuff to try to raise the money. You've travelled the world – there are parts of the world that look more modern than America, and it's odd, isn't it? Seriously, hand on heart, are you doing what you need to do in Wisconsin with the kind of money that you're not raising from taxes?

Scott Walker

We have several – in fact, we just passed a constitutional amendment so that something like what my predecessor did can't happen again, where they raid money. In our state, it's largely the gas tax and the vehicle registration fee. In the past, many years ago, it was kind of a bipartisan consensus that infrastructure wasn't a partisan issue, it was just something you needed to do. My predecessor for whatever reasons (I'll let him answer those) took money out of that fund. We've tried to pay that back but we now have a constitutional amendment that requires – our constitution, I should say, now requires that those funds collected for transportation purposes have to be solely used within transportation. It helps us in terms of any long-term bonding we do because it ups our bond rating as well, because the gas tax is then committed for those purposes.

So we do that, but the other big part I would just add to that is a little point to some of the questions about the university. I would also add our technical college system, which some would call community colleges in other places around our country, or you might call here. But it's really our two-year associate degrees. We've increasingly found for employers – not just in manufacturing but in information technology, in

healthcare, transportation and construction, other fields – there is a huge gap between those who go on to a four-year or graduate-level degree programme and folks just coming out of high school. Historically in our country and particularly in my state, which is very heavily dependent on manufacturing, it used to be you'd joke that if you had a good alarm clock and a strong back, you could get a job. Manufacturing jobs are no longer in that vein. You talked about the long term. The benefit for us is manufacturing has gone up dramatically. Agriculture continues to grow. But the number of jobs haven't kept pace. Why? Because there's more automation, there's more innovation.

The difference now though is the quality of those jobs and the quality of pay for careers in those jobs have gone up. The challenge is – and I'm not a big spender, as you can guess – but I put this last summer alone \$28 million more into my technical colleges, to buy down the wait list for things like highly skilled welders, machinists, fabricators, IT technicians, certified nursing assistants. Why? Because I know it's not only about career and workforce development. If I can show that we can fill those positions on a rapid basis, I'll actually attract more business. I actually heard just yesterday – we had an event at *FDI* magazine, that they set up with facilitating employers and investors. That was the most common thing we heard and it's the most common thing we've heard from site selectors here, looking to invest in the United States, from companies and investors, is it used to be just taxes and regulatory climate, things like that – increasingly it's about workforce. Some of it is compensation but overwhelmingly it's about access to qualified workers.

Question 11

A lot of the places where we're working, we're working with the governments, implementing private sector policies and helping them develop it. We often hear that trade is aid in this field. I wonder what you would say as far as any caveats that need to be put on free trade, especially those partners of ours who are consistent violators of human rights.

Question 12

What is your opinion on lifting the crude oil export ban out of the United States?

Scott Walker

A couple different points. One, on the first part about trade, at least for our state, what we do with trade is the incentives and promotions and the work that we do in terms of caps or things of that nature, I and the other states ultimately defer to our federal government on that. That's one where they do have an appropriate role. As much as it should be limited in other areas, they have an appropriate role. Obviously, I think any of us have concerns about human rights. So without going too far down that track, defining things on behalf of the federal government, but that's where we would defer to things.

In terms of oil, again, we don't want free trade – we want free markets. We want free markets as much as possible. But that's something the federal government is going to have to address overall in terms not just of oil but in all the different energy supplies. In our state, we try to approach an 'all of the above'. Even

though we don't have the supplies or the site generation that you talk about in other parts of the country, we do have a vested interest. We're in manufacturing. We're one of the top states for manufacturing in the country. So not only with oil and natural gas, certainly clean-burning coal is an important element for us. We made significant changes in terms of requirements over the past decade for our factories and other employers in terms of making sure that we're ahead of the curve, in terms of emissions and things of that nature. We have a significant base of wind, nuclear, solar. But we do have a surprising interest in other supplies as well. Thanks to God and the glaciers – people will be surprised to know this – we have the best industrial sand in the United States and arguably in the world. So we have an interest in what happens in terms of the use of industrial sand, in terms of supplies out there. With the pipeline between Canada that would go into the United States, we've had a vested interest in that for some time because a number of our key employers are engaged in the building of pipelines like that. We're very much interested in that.

Justin Webb

We're out of time. Governor, I know you've got to be somewhere else. Can I finish with a question? It's sort of a tradition now to ask visiting senior Republicans who come to London – and it's not about cheese and it's not about foreign affairs. It's actually about evolution. Are you comfortable with the idea of evolution? Do you believe in it? Do you accept it?

Scott Walker

For me, I'm going to punt on that one as well.

Justin Webb

No! Really?

Scott Walker

That's a question a politician shouldn't be involved in one way or the other, so I'm going to leave that up to you.

Justin Webb

You see, but any British politician, right or left-wing, would laugh and say: yes, of course, evolution is true.

Scott Walker

To me, it's just one of those where I'm here to talk about trade, not pontificate that, but others should – I love the evolution of trade in Wisconsin. It's going well and I'd like to see an even bigger evolution as well.

Justin Webb

Thank you very much. Lovely to talk to you. Thank you to everyone who's come as well.