

NATIONAL PRESS CLUB LUNCHEON WITH GARY JOHNSON

SUBJECT: STAYING OUT OF THE WAY TO ALLOW THE PRIVATE SECTOR TO CREATE JOBS

MODERATOR: MARK HAMRICK, PRESIDENT, NATIONAL PRESS CLUB

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

TIME: 12:30 P.M. EDT

DATE: FRIDAY, AUGUST 19, 2011

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MARK HAMRICK: (Sounds gavel.) Good afternoon, and welcome to the National Press Club. I'm Mark Hamrick with Associated Press, and I'm the 104th President of the National Press Club. We are the world's leading professional organization for journalists, committed to our profession's future through our programming events such as this, while also working to foster a free press worldwide. For more information about the National Press Club, we invite you to visit our website at www.press.org. To donate to programs offered to the public through our National Journalism Library, the Eric Friedheim National Journalism Library, please visit the website there at www.press.org/library.

So, on behalf of our members worldwide, I'd like to welcome our speaker as well as those of you attending today's event. Our head table includes guests of the speaker as well as working journalists who are Club members. And so, if you hear applause today in the audience, we would like to note that members of the general public are in attendance. And so, it's not necessarily evidence of a lack of journalistic objectivity.

I'd also like to welcome our C-SPAN and Public Radio audience as well. Our luncheons are featured on our member-produced weekly podcast from the National Press Club. And that's available for free download on iTunes. You can also follow the action on Twitter, using the hash tag #NPCLUNCH. After our guest's speech concludes, we'll have Q & A. And I'll ask as many questions as time permits.

And now it is time to introduce our head table. And, by way of background, a journalist presence at the head table does not imply or signify an endorsement of the

speaker. So we'll get to that right now. I'll ask each of you here to stand up briefly as your name is announced. And, from your right, we begin with Mr. John Hurley with the McClendon News Service. Jonathan Kuhl, Public Affairs and Media Specialist with the National Conference of State Legislatures. Mr. Patrick McGrath, former National Correspondent for Channel 5 WTPG here in Washington. And he's a fellow member of the National Press Club Board of Governors. Jonathan Bidlack(?) is with the Johnson campaign, a guest of the speaker. Mike Soraghan, reporter for Greenwire, also a member of our National Press Club Board of Governors. And Kip Nicely(?) a guest of the speaker and longtime, as I understand it, colleague in the state government back in New Mexico of our guest today.

Skip over the podium for a moment. Melissa Charbonneau with News Hook Media. Our Speakers Committee Chair is doing such a fabulous job this year. Thank you very much for that. Skip over our speaker for just a moment. Rachel Ray is culture writer for the *Daily Telegraph* of London and the Speakers Committee member who organized today's luncheon, also did an absolutely great job today. Thank you so much, Rachel. Charles Froman(?) is a guest of our speaker and also with the campaign in the State of Virginia. Michael Coleman is the Washington correspondent with the *Albuquerque Journal*. Tim Young, he's the Chair of our Young Members Committee here at the National Press Club and a contributor to the Huffington Post. And Chris Murray, producer and host of *Your Financial Editor* at AM-930 WFMD. Good to have a fellow broadcaster here today.

You can give your applause now to the head table. Thank you.

[applause]

Our guest today is candidate Gary Johnson, a two-term Governor of New Mexico. And, like fellow candidate Ron Paul, Governor Johnson might be considered by some to be a Libertarian in Republican's clothing. And he is both of them, for that matter, of vying for the GOP's Presidential nomination. Our guest is for limited government, a fiscal conservative, who delivered hundreds of vetoes during his Governorship. I understand that was part of your job, was to manage that within the legislature. And he says he will take a similar approach to governance as President.

So that does raise the question today, when many Americans appear to be yearning for more effective government, one that can put country above party, where would Governor Johnson fit into that vision? He is an outspoken advocate of legalizing marijuana, gay rights, and keeping government out of the way of creation of jobs.

Governor Johnson has expressed frustration and anger that his message, which he believes resonates with Americans in one-on-one campaigning, has yet to gain wide news coverage. He has not been invited to participate in CNN's Republican candidate debate in June or included in the Iowa straw poll last weekend. He decided that himself, I understand.

The *Washington Times* dubbed him the “Rodney Dangerfield” of this year’s GOP Presidential field, that he gets no respect. Apologies to those of you who are too young to know who Rodney Dangerfield is. [laughter] Thinking on this, by the way, is that the National Press Club is about promoting transparency in government, not limiting the debate. So it seems fitting that our guest speaker should have an opportunity to bring his perspective to the table, as we've offered to all the Presidential candidates this year, and also, by the way, to the President of the United States. He has yet to take us up on the offer.

Governor Johnson condemned the marriage vow that a conservative Christian group asked candidates to sign, handled by some candidates with kid gloves as “un-American and un-Republican,” stating, and we quote here, “In one concise document, they managed to condemn gays, single parents, single individuals, divorcees, Muslims, gays in the military, unmarried couples, women who choose to have abortions, and everyone else who doesn’t fit in a Norman Rockwell painting.”

He mocked candidate Tim Pawlenty’s ad on his decision to send Minnesota National Guard troops to defend the New Mexico-U.S. border-- rather the U.S.-Mexico border as a waste of money. And he blasted Texas Governor Rick Perry for, in his words, “doing an impression of George Bush,” saying that Americans weren't ready to elect another Governor from Texas as President.

So, with his own ideas about such issues as job growth, the federal budget, defense spending, Medicare, the Department of Education, Governor Johnson acknowledges that name recognition has been an impediment to delivering his message. With no further delay, we want to give him a chance to deliver that message here today. Please give a warm National Press Club welcome to Governor Gary Johnson.

[applause]

GARY JOHNSON: Great introduction. I am not frustrated, and I’m not angry. I’m really not. I think this is a process. And I’m a believer in the process. And, in that process, I’ve got to sell myself as being capable to fill this job as President of the United States. So, in that context, who am I?

I’m an entrepreneur. I’ve been an entrepreneur my entire life. I started a one-man handyman business in Albuquerque in 1974. And in 1994, had 1,000 employees, electrical, mechanical, plumbing, pipefitting, American dream come true. A lot of hard work, but, you know, a lot of accountability that went along with that. And really, real success story.

I sold that business in 1999. No one lost their job. And that business is doing better than ever. Go figure. But it gave me the financial freedom to be able to do what I want to do, when I want to do it. And that’s always been a goal of mine. And I’ve always viewed that as entrepreneurial.

My venture into politics was entrepreneurial. I have run for two political offices in my life, Governor of New Mexico and then re-election as Governor of New Mexico. I'm also an athlete. I've been an athlete my entire life. And I think that's part of this equation also, is, you know, the discipline, the fitness that goes along with this job, I think you need somebody that's fit and sets goals and has the discipline to accomplish things.

So, in my lifetime, you know, I've done Hawaii Iron Man Triathlon four times. I have-- I've had a lot of really good adventures. I actually summited Mount Everest after I was through being Governor, which was a great treat. It was a terrific adventure. And I actually got to stand on top of the planet. People ask me, "Gosh, what was it like to conquer Mount Everest?" Well, I did not conquer Mount Everest. She lifted her skirt, and I got in there and got a peak, and it was really cool. I mean, it was really fun. [laughter]

So, my venture into politics was entrepreneurial. I did some things as Governor, I think, that were really unique. And it was fun, by the way. My experience as Governor was really fun. It was-- It was exciting. It was invigorating. It was really wonderful to be cutting-edge on all these public policy decisions, to understand what the issues were, and to make decisions that, in my opinion, benefited citizens of New Mexico.

The pledge from me that politics was going to be last, that issues were going to be first, that I was going to understand the issues. I had an "open door after four" policy as Governor of New Mexico. For eight straight years, I saw anyone in the state on the third Thursday of every month, starting at four in the afternoon on five-minute increments. There was no one in the State of New Mexico that couldn't say that they couldn't get in to see the Governor about this or that. And that was really, really enlightening.

When I ran for Governor of New Mexico the first time, the incumbent controlled the debate process. So I debated the incumbent two times. When I ran for reelection, we did some polling. And I was up 10 points to start that process. So, given the fact that I was up 10 points, and that I controlled the debate process, I ended up debating my opponent for reelection 28 times, which I thought was really good politics, because I think it's what people really want.

And then, as Governor of New Mexico, I did this "Trek for Trash" program that I still have today, which I have now biked across the State of New Mexico 100 days for 100 miles at a time, picking up trash across the state. And I've done that, now, for 18 straight years, which has also, I think, been very popular.

They did a poll here a couple of months ago on all the Presidential candidates. And the favorabilities that they have in their own states. Do you know that there's only one candidate running for President that's viewed favorably in his or her own state? I teed that up of course, you know. [laughter] I thought that was great.

And then, they did a study here a couple of weeks ago on job history. What's the job report when it comes to each candidate running for President? And I had the best job record, the creation of jobs in New Mexico while I was Governor, as opposed to anyone

else running for the office. Now Rick Perry has entered into the race. And statistically, he's just a hair ahead of me. But, as of a couple weeks ago, I led that. And, when that came out, I said-- I said two weeks ago what I said as Governor of New Mexico. And that is, is that I did not create one single job as Governor of New Mexico. Government doesn't create jobs. The private sector does.

But, as Governor of New Mexico, really, I was able to veto legislation that was going to be adverse to government-- or to business. And then, when it came to rules and regulations, because I controlled all of the agencies, really, I created an environment where there was real certainty. And, in that environment, jobs did grow.

As Governor of New Mexico, I was distinguished for having vetoed perhaps more legislation than the other 49 Governors in the country combined. I vetoed 750 bills while I was Governor of New Mexico. I had thousands of line item vetoes as Governor of New Mexico. And I took on that debate and that discussion that went along with all those vetoes. It made a difference when it came to billions of dollars of spending that, in my opinion, wasn't going to make a difference in any of our lives. It was just going to spend money, and it was just going to lend lip service rather than actually address the issues.

So, every day, I engaged in the whole notion of, "Well, what has Johnson vetoed today? And why?" And that got played out in the print, in print, radio, and television. And I'd like to think I came out on top of that debate, always arguing for smaller government, always arguing that the best thing that government could do for me as an individual was to empower me as an individual to make choices that I think only I have the capability to make.

Right now, in this country, I think we are on the verge of a financial collapse. I think it's going to be a monetary collapse. And I think it's due to the fact that it's going to be a bond market collapse, due to the fact that there is no repaying \$14 trillion dollars in debt, given that we're going to add another \$11 trillion to that, to that in the next eight years? It's not going to happen.

So we're not-- We're printing money to cover this debt. I really want to applaud Congressman Paul and the attention that he has brought to the Federal Reserve, and monetary policy, and what that's all about. We have a monetary policy in this country right now where we have zero interest rates. The value of the money that we have in our savings accounts is going to be worth nothing if there is a monetary collapse. And I suggest to you that it's unavoidable. It's going to happen. It's written.

How do you avoid it, though? That is why I'm here. I think you can avoid it by balancing the federal budget. And so, I am promising to submit a balanced budget in my first year as President. And to balance the budget, that means cutting 43 percent of what government is currently spending. And, if you're going to talk about a reduction of 43 percent in what we're currently spending, you've got to start off by talking about Medicaid and Medicare and military spending.

So, when it comes to Medicaid and Medicare, I suggest that the federal government could block grant the states a fixed amount of money, 43 percent less than what we're currently spending, and give delivery of healthcare to the poor and those over 65 to the states.

As Governor of New Mexico, I reformed Medicaid in the State of New Mexico. I had an insurance policy as Governor of New Mexico. We did the math, how many Medicaid recipients? And, what if we gave them all my insurance policy as Governor of New Mexico, spending the same amount of money that I spent on my insurance policy? Would we really save that amount of money? Yes. And that's exactly what we did.

So we set up healthcare networks that didn't exist prior to doing that, saved a significant amount of money. I maintain that if the federal government would have given me Medicaid, with 43 percent less money to deliver healthcare to the poor, that I could have done that in New Mexico if they would have done away with all the strings and the mandates attached to Medicaid.

If I were given Medicare, I think I could do-- would have been able to do the same thing. And that would be to deliver healthcare to those over 65, but no strings, no mandates. The notion of 50 laboratories of innovation, the notion of 50 laboratories of best practice, in my opinion, that's what would happen. We would have spectacular success that would get emulated because we're all really competitive. And we would have spectacular failure that would get avoided in the same way.

But the notion of Washington knows best, the notion that Washington top-down is the answer, that's what has us in the predicament that we're in. And, if we don't fix this, it's not a very sexy message. But, if we don't fix this, we're going to find ourselves with nothing. We're going to end up printing 100 percent of the dollars used to buy up our own debt.

Debt is one thing. Debt is a good thing. That implies that somebody is loaning you the money, and that they're going to get paid back. In the last year, it's been revealed that the Federal Reserve, that 70 percent, up to 70 percent of the treasury purchases that were made were basically from the Federal Reserve just printing money. The monetary collapse is going to be when we print up 100 percent of that money to buy up our own debt. And the result of this is going to be an absolutely devastated dollar, that's getting devastated right now.

So strong U.S. dollar, balance the federal budget, cut 43 percent of what we're currently spending-- and I'm promising to do that. I'm promising to submit that budget as President of the United States. And I'm promising to veto legislation that goes out of bounds from being able to balance that federal budget.

And you would argue, "Well, they'll just override your veto." Well, I would have been elected President of the United States promising to do this, and I will do this. And I hope, based on my veto history, that you would believe that I would do this. But I think

you're going to get closer to a balanced budget electing a President who is promising to submit a balanced budget, as opposed to electing a President that's going to promise to do this over a 15 or 20 year period, because that's the only prudent thing to do.

Look, we can fix this. We can fix this. But we've got to do it, and we have to do it now. So, talking about military spending, military spending. Can we cut our military spending by 43 percent and still provide a strong national defense for ourselves? I think the operative word here is "National Defense." And yes, I think we can do that, as opposed to "Offense," and as opposed to "Nation Building."

I was opposed to Iraq before we went into Iraq. I did not see a military threat from Iraq. And I thought we have had the military surveillance capability to see Iraq roll out any weapons of mass destruction. And that, if they would have done that, we could have gone in and dealt with that situation. I thought, if we went into Iraq, we would find ourselves in a situation or a civil war to which there would be no end.

Afghanistan, initially, I thought that was totally warranted. We were attacked. We attacked back. And, after being in Afghanistan for six months, we wiped out al-Qaeda. That was ten years ago. We're building roads, schools, bridges, highways and hospitals in Iraq and Afghanistan. And we're borrowing 43 cents of every dollar that we're spending to do that. This is crazy.

Libya. When Libya happened, I issued a paper. I'm opposed to what we're doing in Libya, A through Z. Where was the military threat? Where in the U.S. Constitution does it say that because we don't like a foreign leader we should go in and topple that foreign leader? Where was the congressional authorization? Haven't we injected ourselves into a civil war in Libya? Don't five other countries right now qualify for that same intervention?

I suggest that we get out of Iraq, Afghanistan, and Libya tomorrow. And, when it comes to the rest of our military spending, does anyone here think it's justified that we have 100,000 troops on the ground in Europe? I've never found anybody that believes that. So, looking at it, that we might get by with 57,000 troops as opposed to 100,000 troops, I'd have to have the case made to me that we should have any troops there at all.

And all these vaunted transportation infrastructure projects that have taken place in Europe over the last several decades, you know, they've been able to afford those infrastructure projects on top of healthcare for their citizens, because really, they haven't had to spend any money on defense. We've subsidized that. So the rest of the world needs to share in this vigil that we should have against terrorism. And I think that there is a real threat when it comes to terrorism. And we should remain vigilant to that threat. But it can't be just us. It has to be other countries.

When it comes to-- When it comes to issues like healthcare and energy, I'm the free market guy. As Governor of New Mexico, I vetoed all sorts of legislation that I felt--

that I felt unfairly advantaged individuals, groups, corporations that were connected politically as opposed to legislation that would affect everyone equally.

So, what do we need to do in this country? We need to balance the federal budget, first and foremost. And then, we need to scrap our entire tax system in this country and replace it with the fair tax. And, if you haven't looked at the fair tax, it's fairtax.org. But basically, it does away with all current federal taxes and replaces it with one federal consumption tax.

It is what it says, by all free market economists' reckoning, it is fair. Those that make more money will pay more under a fair tax. No one is going to avoid being able to pay the fair tax. There is a prebate involved in the pretax, so that those under the poverty level will-- that all of us will actually be given a check from the government to pay our fair tax up to the point of the poverty level. So it is what it says it is. Simple, make it easy. It does away with income tax. Does away with the IRS. Does away with corporate income tax, business to business tax.

So, when you talk about creating jobs in this country, enacting the fair tax, why would you start up a business anywhere on the planet other than the United States, given an environment where there is no tax? I suggest tens of millions of jobs get created in this country in a very short amount of time by the private sector when you create an environment that the free tax would bring about.

So, free market approaches to the solutions that we face, I believe in free markets. I think there is a magic to free markets. And the criticism of free markets really is that-- is that there is-- that it gets manipulated, that it's not free market, that it's anything but free market. So, when it comes to healthcare, when it comes to energy, free market approaches to healthcare, to energy.

Looking at the immigration issue in this country. I think immigration is really a hot button issue. I think that it starts with, are Mexicans coming across the border and taking entry level jobs from Americans? Absolutely not, because we as Americans, we can sit at home and collect a welfare check that's just a little bit less money or the same amount of money for doing nothing. So we need to reform welfare in this country.

I think we should make it as easy as possible for someone that wants to come into this country to get a work visa. Not a green card, not citizenship, but a work visa that would entail a background check and a Social Security card, so that applicable taxes would get paid. And, if we enact the fair tax, nobody avoids paying tax because of the one federal consumption tax.

Regarding the 11 million illegal immigrants that are here in this country right now, I think we need to set up a grace period where we can document them. That's how we secure the border. Set up a grace period where they can get a work visa. Building a fence across 2,000 miles of border, putting the National Guard arm in arm across 2,000

miles of border, in my opinion, would be a whole lot of money spent with very little, if any, benefit whatsoever.

And then, don't discount the problems with drugs and the border and the border violence. This is drugs. This is prohibition played out. I have advocated the legalization of marijuana since 1999. Legalize marijuana and arguably 75 percent of the border violence with Mexico goes away. That being the estimate of the drug cartel's activities that are engaged in the marijuana trade. Legalize marijuana. Control it. Regulate it. Tax it.

It's never going to be legal to smoke pot, become impaired, get behind the wheel of a car. It's never going to be legal to smoke pot, do harm to others. It's never going to be legal for kids to smoke pot or buy pot. But, under which scenario is it going to be easier for kids to smoke pot or buy pot? The situation that exists today, where pot is available virtually everywhere, and the person that sells marijuana sells harder drugs, or a situation where you have to present an ID in a controlled environment like alcohol, to buy marijuana, I think you could make the case that it would be more difficult. And, based on Holland's experience, based on Portugal's experience, it would suggest that things would get better, not worse.

Twenty eight thousand deaths south of the border over the last four years, if we can't connect the dots between prohibition and violence, I don't know if we ever will. These are disputes that are being played out with guns rather than the courts. Right now, this is a contest, right now, on the Republican side, to obviously go up against President Obama in the general election. I really think that if Republicans don't concentrate on pocketbook issues, that they're not going to find themselves in a position to be able to make the change needed.

So I want to say that Republicans should not be focused on social issues. I will tell you, as Governor, when I ran for Governor of New Mexico, I did not get the social conservative vote in the primary. It was not something that I was-- that I was going to get. I didn't get it. But I got that vote in the general election. Because then the focus was on the pocketbook and pocketbook issues.

I think Republicans really need to concentrate on pocketbook issues. And, if Republicans are going to be talking about abortion, if they're going to be talking about gays, gays in the military, gay unions-- And, by the way, I support gay unions. I fundamentally support a human being's right to make decisions that I think only they should make. So I fundamentally believe that a woman should have the right to make the decision when it comes to an abortion.

I happen to believe-- and this is-- you know, these are social issues, to a degree. I happen to believe in evolution. I happen to believe that global warming is happening, and that it is man-caused. But, that said, what should we do about global warming? Well, I don't think we should implement cap and trade legislation. And, for the millions of dollars, if not trillions of dollars that we're looking to tax carbon emission, I don't think

it's going to make a difference at all, long-term. And that those resources could be directed in many more effective ways.

So, this is my pitch to all of you. I would not be standing here if, number one, I didn't think I could do this job. I wouldn't be standing here right now if I didn't think that this needs to be fixed. And, based on my experience, good government was easy. It was not difficult. It was easy. It just took the willingness to go out and do this.

And there is nothing in my résumé, nothing in my résumé to suggest that the things that I'm talking about here to you right now I am not going to actually go out and pursue to the degree that it's going to take to make these things happen in this country. Thank you all very much for allowing me to speak to you. And I guess we're going to open it up for questions, comments, maybe any insults that any of you have.

HAMRICK: Hopefully not. Hopefully not. Well, thank you very much. And we'll go ahead and ask questions. And we have had a good flow of them since you began speaking, which is a good sign. Here is one that says, a growing opinion is that it's not just the Congress that can't compromise, but it's also the American people themselves. Everyone wants to live in like-minded communities in which they don't have to consider differing viewpoints and behaviors. What makes you the consensus candidate who can bring Americans together again, particularly with respect to what we've seen during the not-so-effective debt debate recently?

JOHNSON: I would not have raised the debt ceiling. I think that, for all of the trials and tribulations that would have gone on by not raising the debt ceiling, that we would have stopped printing money. And that's really what we need to do, is stop printing money. And that we could have addressed this now. It would be extremely difficult to deal with it now. But I just suggest dealing with it now will be pale in comparison to what looms in the not-too-distant future.

We need to deal with that. Look, I attend events where-- I attend events where people are screaming, "Balance the budget! Balance the budget! Cut spending!" And they're holding a sign that says, "Don't touch my Medicare." You talk about consensus, where there is a consensus here that has to be built on fact. There has to be a consensus here built on reality. And, as President of the United States, as Governor of New Mexico, I know the power of the bully pulpit, the ability to talk about issues.

As Governor of New Mexico, talking about school choice, advocating school choice, advocating bringing competition to public education, you can make a difference. You can make a huge difference. That's the role that the President has and should be carrying out to its greatest degree.

HAMRICK: Okay. So you mentioned the debt ceiling at the outset there. Would a default have been okay in your view?

JOHNSON: Well, I don't see a default. I did not see us, and don't see us defaulting on obligations like debt payments. I didn't see that happening. I didn't see us defaulting on payments that were important. So that military personnel, whatever that might have been. But this was, in my opinion, an opportunity to deal with this now. And I don't want to discount how painful the process would be right now if Congress and the President were to have engaged in this. I just suggest it's going to be pale in comparison to a monetary collapse where we're not going to be in control at all.

HAMRICK: Okay. But so, when you say you didn't see a default happening, are you saying a default would have been avoided? Or it would have been permissible under the way you would manage the situation?

JOHNSON: Well, I would have managed the-- I mean, I wouldn't be the dictator, I'd be the President of the United States. And I respect the three branches of government. But, if I would have been the dictator, yeah, I would have made all the interest payments. I would have made all the payments that would have kept this country going forward. And I would have put a stop to spending in areas that we have to put an end to.

So, back to being the dictator, I would have waved that magic wand, and I would have block granted the states' Medicaid and Medicare. And we'd have had 50 different ways of dealing with the delivery of healthcare to the poor and those over 65. But we would have worked it out. We would be working it out right now. As opposed to not working it out, and there's no magic in this. There is a day of reckoning here.

HAMRICK: Okay. So your proposal is to cut 43 percent of the budget. And, in a town where people, at the end of the day, ultimately have to get along or they don't accomplish anything, there was no agreement to cut four billion dollars, right. In other words, the maximum solution was not the one that they agreed to.

JOHNSON: Exactly. Exactly.

HAMRICK: So ultimately, how would you have governed more effectively in that situation?

JOHNSON: Well, what you're pointing out is the impossibility of balancing the budget. That it's impossible. You can't do it. Well, if I get elected President of the United States, and this is what I say I'm going to do, which is to submit a balanced budget and not accept anything short of a balanced budget, what message does that send to Congress? I think that sends a message that we really, as American people, want this issue addressed.

I'd just argue that, if you're going to elect a President who you may view as pragmatic because we need to do this over a 15 or 20 year period, because that's the only real prudent way to go about this, that it's not going to happen. And that we are going to find ourselves with nothing. That's the unsexy message about all this, is that we're going

to find ourselves with nothing at the end of the day, as opposed to fixing it, which there is a lot of-- there's a lot to be said for fixing this. And we can do it. We went to the moon. We can certainly balance the federal budget.

HAMRICK: Okay. Some people would like for you to differentiate yourself with Ron Paul, who, as we know, finished second in the Iowa straw poll, in the sense that there do seem to be some points of view-- and you referenced them in your speech-- where you hold agreement. So, to the extent that, in some ways, he might be seen as having some views that are similar to yours, how are you different?

JOHNSON: Well, it gets back to résumé. I think that Dr. Paul has had many, many principal no-votes in Congress. The only no-votes in Congress. He registers his no-vote. It's very principled. I'd like to think that if I were in Congress I would have done and would do the same thing.

But, as Governor of New Mexico, out of those 750 vetoes, New Mexico is two to one Democrat. The legislature was two to one Democrat. Out of those 750 vetoes, a third of those vetoes were Republican bills, because Republicans grew government just like Democrats, in my opinion. And that legislation needed to be vetoed.

Unofficially, I vetoed 100 bills in the New Mexico legislature where the vote was 117 to zero. And I vetoed the legislation, and only two of them were overridden. So it stood up. So, at the end of the day, Dr. Paul-- and again, this is-- I applaud his principled position as a Congress person.

But my experience was different. I couldn't go home at the end of the day rendering my veto. I had to explain it. I had to debate it. I had to discuss it. And that went on all the time. And I'd like to think that the verdict on that was, was that I ended up getting reelected by a bigger margin the second time than the first time, in a state that's two to one Democrat. I'd like to think that spoke to the fact that people really appreciate good stewardship of tax dollars.

HAMRICK: But, under your vision-- for example, cutting the 43 percent-- you veto, veto, veto. When does the budget get passed?

JOHNSON: Well, if Congress doesn't balance, they're going to have to override. And if they override, then it becomes a choice of the American public. Do we stick with the President that we have elected, promising to submit a balanced budget? Or do we overturn Congress? And, if Congress overrides, I just suggest to you that that end product, that that product that they sent up in the very first place, will come a lot closer to being balanced than if you're going to elect a President vowing to do this over a 15 or 20 year period, it's just going to be business as usual. And these problems are not going to get addressed.

HAMRICK: So some people have sent up questions talking about the electoral process so far. Can you talk a little bit about why you didn't want to participate in the

Iowa straw poll, and the fact that you weren't invited to participate in some of the debates? First of all, how do you see yourself getting to the finish line with those challenges so far?

JOHNSON: Well, there are 184 candidates declared running for President. It so happens that I'm like the guy right on the bubble. It's just where it works out. That I'm like ninth out of those 184. You know, you could say, "Wow. What do I need to break through?" Or you could say, "Wow. I'm like ninth. I'm due to break through here."

If you are a candidate that's known-- so statistically, I'm the least known Republican candidate. That's a well known statistic. If you were known by--

HAMRICK: So well known that you're not well known.

JOHNSON: Yes, exactly. It's well known that I'm not well known. Thank you. Thank you. If you're known by 100 percent of Republican-- of Republicans, and you're polling at about the same level that I am-- which, by the way, one or two percent, what does that say? Really, it doesn't say anything. What does 17 percent for the front runners say, when the 17 percent doesn't move? What it says is that this is absolutely wide open.

And so, I'm putting my chips on the table in New Hampshire, a state that I think has a terrific political environment, that terrific political environment is with people, you know, "Come on in. Sit down. Tell me what you think. Let's talk. Let's discuss. Let's cuss about this."

Iowa, Iowa-- my decision to forego Iowa is my running for President of the United States right now, is very entrepreneurial. It's what the President-- It's kind of reflective of the times. We're doing this on a shoestring compared to others. So in Iowa, it was \$35,000 dollars for a booth. It was \$35 dollars a ticket to bring in supporters, of which I guess it was reported that Michelle Bachmann bought 6,000 tickets. So you can do the math here. And that didn't include the barbecue. And that didn't include the entertainment. So I just-- I couldn't afford it. I couldn't afford it.

[laughter]

HAMRICK: So, fair enough. So, as this continues on, do you feel like you have the resources to mount an effective campaign in New Hampshire? You said you're going there essentially after this.

JOHNSON: Yeah, we've got an office in New Hampshire. We've got four full-time people in New Hampshire. They're terrific. They're all young. And they're ideologues. And they're terrific. And we're fighting for a cause, if you will. And so, it's fun. And so, if you're not spending a whole lot of money, and I'm not, I can last through this. I might end up winning California. That's how this could all work.

HAMRICK: Rick Perry appears to have toned down some of his words, having gone from Iowa to New Hampshire. How do you think what you're presenting plays in New Hampshire relative to the rest of the country, from what you've seen so far?

JOHNSON: Well, I experienced this as Governor of New Mexico. When I ran for Governor-- By the way, this is the only vantage point that I've ever known politically. When I ran for Governor of New Mexico, the primary was in June. In February they did a poll. So this was what, five months before the primary in New Mexico. They did a poll, "Who would you vote for on the Republican side of the ticket?" I was at two percent of the Republican vote. We were ecstatic, because I was on the list. But we hadn't spent any money when it came to trying to actually sell the message. What is it that I'm saying?

I had worked harder than anybody to that point. I had addressed more people. I had built up a great base, so I thought, in New Mexico. And it actually worked out that way. When we started spending money on what is it I'm saying, what is it that I'm saying, I went from two percent to 24 percent in a couple of weeks.

So I understand politics. I understand how it works. I understand that you can do well in New Hampshire. You can go from obscurity to prominence overnight, with a good showing in New Hampshire. And that goes back to Eugene McCarthy. This is the card that I'm playing.

HAMRICK: Someone asked, why did you not just run as an independent, particularly, as they phrased it, in light of the way that you have been treated by what they call the establishment? I mean, why seek the Republican nomination at all, given some of the differences you may have with many members of that party?

JOHNSON: Well, first of all, I have no problem with the Republican party. The Republican party has been great to me. My entire career, the Republican party has been, you know, "Come on in. This is the big tent." So, I have no complaints with the Republican party. None whatsoever.

And I really don't have any complaints with the press either. This is a process. This is a process, and you grind it out. And you grind it out. And I think it's a process where you've got to say the right things, where you have to espouse the things that really need to get done. And then, you got to have a résumé that, under the light of day, says, "Whoa! This is somebody that would probably actually try and do what it is he says he's going to do."

HAMRICK: Someone asked, have you been asked to participate in any upcoming debates so far?

JOHNSON: Well, yes. But so far, you know, I've been in one debate. I've been excluded from two. For what it's worth, I'm the guy on the bubble. I mean, they're pretty darned up front about it. You know, where I was relative to where I needed to be. And so, it is what it is.

I guess I could not participate in another debate. And, if I do well in New Hampshire, maybe it's a must-have ticket to actually go and listen to what Gary has to say in South Carolina because of his showing in New Hampshire. Maybe, as a result of talking to you all today here today, that you would walk out of here and go, "Well" -- and I've heard this before-- "Well, he doesn't stand a chance, but I really like what he has to say."

HAMRICK: You've been described as holding political positions while Governor of New Mexico that are similar to some of the Tea Party's recommendations. How do you view yourself, with respect to the Tea Party, first of all?

JOHNSON: Well, the Tea Party is a mixed bag, this is my opinion. If the Tea Party-- and I think this is what the Tea Party stands for-- is the checkbook, is the federal checkbook, great. I am a Tea Partier, period, you know. Talking about dollars and cents, and how we spend our money, and balancing the amount of money that we spend, let's save our country and actually become fiscally sound.

But I have seen Tea Party events that don't have that as their basis, that have a social agenda as their basis. And, in my opinion, if Republicans are going to lead or nominate a candidate that, first and foremost, has a social agenda, I don't see Republicans in a position to actually address the problems that this country faces, because I don't see this country electing a President that's going to lead with a social agenda.

HAMRICK: Someone asked, of all the current GOP contenders, who do you think is the toughest challenger right now? And, how do you tailor your strategy to target that person?

JOHNSON: Well, my strategy is, I'm not going to tailor my strategy for any of my opponents. I ran two campaigns for Governor where I did not mention my opponent in print, radio or television. I don't know if anybody else can lay claim to that. But I think, clearly, when you look at contenders here, that it's Mitt Romney, he's raised a lot of money. Mathematically, what has he raised? 300 times as much money as I have. You know, that's formidable.

I don't think I have to say anything about Mitt Romney that isn't going to get vetted out in this process. And again, I just say I believe in this process. I believe in this whole vetting out. And, if I didn't, I wouldn't be here.

HAMRICK: Our friend from the *Houston Chronicle* says that you were a New Mexico Governor when Governor Perry was starting out as Texas Governor. What do you think of him as a person and as a Governor? And, do you think he is suited to be President of the United States, either professionally or temperamentally? And what, in your eight years as Governor of New Mexico, better qualifies you than him, for example, who's spent ten years at the helm?

JOHNSON: Well, first of all, I really did like him. I mean, he took over from George Bush, so I served with him for two years. I thought he was really a likeable character, very charismatic. And, you know, back to the job-- Look, I'm making the pitch that it's me, that it's nobody else. And, if nothing else, I think you'll all leave here having been hammered by that pitch that I'm giving you. That's the only thing I can control, is my pitch.

I love the fact that Texas has such a great economic environment. I think that economic environment has existed for a long time. And that starts with no income tax. And it's something I talked about in New Mexico all the time, that this is the direction that we need to move in New Mexico, really didn't make reduction of taxes happen because of the legislation that was two to one Democrat. But, in the environment that I had to deal with, statistically before Rick Perry entered into this race, I had the best record when it came to jobs. And, now that he's entered into the race, statistically it's kind of like the polls and trying to get into the debates. It's really close.

HAMRICK: What do you think of his suggestion that perhaps the fed chair has committed treason?

JOHNSON: I think the fed chair is the messenger here. And that he, the fed, has kept interest rates artificially low. In my opinion, federal reserve should be pursuing policies of strong U.S. dollar, not weak U.S. dollar. If we were to abolish the federal reserve, the treasury could still print money. That would happen. If we were to abolish the federal reserve, we would have to make up a lot of the functions that the federal reserve does carry out with regional banks. And we could make that happen.

Transparency within the federal reserve, that's, I think, what's really key. And we should work to see that more transparency comes out of the federal reserve. But no, Bernanke is the messenger here. He's having to-- He's having to deal with a situation that I'm arguing is a situation that puts us on the verge of a monetary collapse. And, if interest rates aren't at zero, which he-- the federal reserve controls, is that interest rate, if they weren't at zero, we would be in that financial collapse, in that monetary collapse right now. It would be evident to the world and all of us as citizens.

HAMRICK: Someone asked, we have the 9/11 anniversary coming up, the 10th anniversary. You talked a little bit, referred to that earlier. What do you think about the federal government's reaction to that, in general? You said that you thought that moving into Afghanistan could have been a little more concise. What about Department of Homeland Security, TSA, etcetera?

JOHNSON: I would have never established the Department of Homeland Security. I think that it's very duplicative. I would have never established TSA. I would have left airline security to the airlines. And I dare say that today, getting on an airplane, would be as safe and less intrusive if the airlines were in charge, as opposed to TSA.

Right after 9/11, we secure the cockpit doors. Well, you know what? That really prevents, for the most part, an airplane ever being used as a missile again. And, more important than anything, passengers right now are not standing by for any shenanigans. And that is more important than anything right now.

So, after 9/11 in New Mexico, what I did is I just stood back and said, “No. No. We don’t need to barricade the FAA building on Louisiana. It’s not going to happen. No, we’re not going to divert 30 years of traffic because of 9/11. No. I’m not going to post sentries on the dam in Las Cruces of the Rio Grande because somebody is going to blow up the dam.”

On and on and on and on, in the name of security, in the name of safety, we’re giving up our civil liberties in this country, just one step at a time. And I’m not that guy. I am not that guy to give up civil liberties. I think this country is about liberty and freedom and the personal responsibility that goes along with that. And that personal responsibility really starts with, can we spend more money? Can you and I spend more money than what government takes in, and then hand that bill over to our kids? I don’t think so.

HAMRICK: Someone says, if the U.S. pulled out of Iraq and Afghanistan tomorrow, as you propose, would you have any concerns about al-Qaeda and Taliban extremists filling the vacuum left by the exit? Does the U.S. have any responsibility to continue providing security for locals there?

JOHNSON: So, if we pull out of Iraq and Afghanistan tomorrow, these are the questions that we’re going to be faced with. What’s going to happen? And that debate and that discussion is going to be totally warranted. It’s going to have basis in fact. And it would be something that would concern us all.

I just argue, we’re going to have this same debate and discussion 25 years from now if that’s when we finally decide to get out. And I hope that’s not the case. I hope to get elected President of the United States and begin an immediate pullout from Iraq and Afghanistan and Libya.

HAMRICK: You said you believe and support the notion of gay unions. Does that translate, then, to gay marriage as well?

JOHNSON: I think government should get out of the marriage business. I think government can be in the civil union business. Get out of the marriage business. Leave marriage to the churches.

HAMRICK: And could you talk a little bit more about how you view the issue of climate change? And what should the government’s role be in mitigating that?

JOHNSON: Well, climate change-- I think the world is getting warmer. I think that it’s man-caused. That said, should we be engaged in cap and trade taxation? No. I don’t think that we should. We should lend certainty to the energy field. We should be

building new coal-fired plants. When you look at the amount of money that we're looking to spend on global warming, in the trillions, and look at the result, I just argue that the result is completely inconsequential to the money that we would end up spending, and that we could direct those monies in other ways that would be much more beneficial to mankind.

We have a long-term view. Should we take the long-term view when it comes to global warming? I think that we should. And the long-term view is that in billions of years, the sun is going to actually grow and encompass the Earth, right. So global warming is in our future.

HAMRICK: Census projections indicate that the U.S. will soon become a majority minority country, the largest minority group being Hispanic. Some critics say that because the GOP has taken a hard line on immigration policies, they are alienating those people, and ultimately will greatly diminish the party's chances of winning the White House in the future. How do you manage that as one who came from a border state?

JOHNSON: Well, I think it's a fair statement. I think that Mexicans-- and I'm talking, now, about legal immigration. Illegal immigration, bad thing. I gave you some suggestions on how we deal with illegal immigration, in my opinion, effectively. But legal immigration is a good thing. We're getting the cream of the crop, when it comes to workers from Mexico. That's a fact.

So I think that-- I think the Republican party has vilified Hispanics. And that it's not necessary to do that. And I have never done that, and I don't intend to do that in the future. I view immigration as something positive. Enact the fair tax. Make this country the only place to start up, grow, nurture business. For those businesses in this country that are going to want to rely on low-cost labor, maybe that is a legal immigrant that can get a work visa to come in and work.

So I think that we should view all of this as positive. New Mexico, for what it's worth, has the highest percentage-- has the highest per capita percentage of Hispanics of any state in the country, about 47 percent. I'm oftentimes asked, "Well, what did you do to attract the Hispanic vote?" Because obviously, I had to have Hispanics vote for me to get elected. And the answer is, nothing. I didn't do a thing.

What I did was I took the job from the standpoint of government should provide a level playing field for everybody. Government should take this position of, look. Make it equal access for everybody. And that means the American dream. You can go from having nothing to having everything if you're willing to work hard and innovate. I just argue that this government, our government really benefits those that are well connected politically, as opposed to the latter, which is what this country is about.

HAMRICK: You talked during your speech about having an “open door after four” policy. Would that extend to the White House? And would you then be favoring additional funding for the Secret Service? [laughter]

JOHNSON: No, I’m looking at a 43 percent reduction in what the Executive spends to be able to live from day to day. I think Air Force One needs to be grounded. I think that that is-- That’s symbolic, I realize. But it’s not really. It’s dollars and cents. And that should take place.

I would like to establish an “open door after four” for waste, fraud and abuse. I think there could be some parameters set up that the third Thursday of every month, I would meet with anybody in government that has-- that can tell me about the notion of waste, fraud and abuse. And I got to tell you, based on my experience as Governor of New Mexico, you can get right in the middle of this stuff and fix stuff immediately.

And yeah, you might say, well, gosh, it’s just peanuts compared to the whole. Well, you know what? You fix the peanuts. I always said, in “open door after four,” I fix it for this one individual, I fix it for 40 others that have had-- that have been subject to the same treatment, but that haven’t come in here and done this. And that being past, and looking future.

HAMRICK: We’re almost out of time. I’d just like to take care of a couple of housekeeping matters and remind our audience that we have some upcoming luncheon speakers. On August 30th we’ll have-- It won’t be a luncheon, it’ll be a news conference, where I’ll conduct the questions with our Labor Secretary, ahead of Labor Day. That’s Hilda Solis. September 6th, the former Mayor of New York, Rudy Giuliani, will be our guest.

And now, as we always do before the absolutely last question, we’d like to present you, as a token of our appreciation, our National Press Club coffee mug.

JOHNSON: Thank you very much.

HAMRICK: So one final question. And that is that, you know, one looks at the history books, and we’re reminded there have been a couple of President Johnsons before. One was the first President to be impeached. That was President Andrew Johnson, who was the 17th President of the United States. The second was President Lyndon Johnson, who last was in office in 1969. How would you be different from them?

JOHNSON: [laughter] I don’t-- I don’t think there could be a bigger difference between Lyndon Johnson and myself as President of the United States. I mean, Lyndon did give us Medicaid and Medicare. And I think he set the course for where we’re at right now, financially. It’s just taken this long to get there.

So, I’m about as opposite, I think-- I know that Lyndon Johnson, when he took office, that New Mexico voters didn’t vote for him, or the Roswell-- Roswell was an Air

Force base at that time. And, because Roswell didn't vote for him, he shut down that Air Force base. That's not me. That's not me. My thing is issues first, politics last. And that's what I would be as President of the United States.

HAMRICK: We'd like to thank you for being here today.

[applause]

END OF LUNCHEON