

The Economic Club of New York

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78<sup>th</sup> Year

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The Honorable Jimmy Carter  
39<sup>th</sup> President of the United States

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Questioners: Jack Regan  
Chairman and Chief Executive Office, Marsh and McLennan

John Torell  
President, Manufacturers Hanover

## Introduction

F. Ross Johnson, Chairman

Ladies and gentlemen, welcome to the 306<sup>th</sup> dinner meeting, as we start the 78<sup>th</sup> season of The Economic Club of New York. It is a great privilege for us, Mr. President, to have you with us this evening, as our guest of honor and our speaker. (Applause)

You have held the highest position in this great nation and you have our deepest respect and appreciation. And we will be listening to you with great attention, and interest. Every American President in modern times, it seems, has been very much his own man. Each one has in effect approached his job with the attitude of take me as I am. And the presidency has a way of testing the independence of incumbents.

Certainly throughout his four years in the White House, there is no doubt that President Carter maintained a firmness of view and a staunch independence. That independence had doubtless been strengthened during his service in the Navy where officers are trained to hold their stations on the bridge come what may. In her book, first lady, from Plains, Rosalyn Carter referred to “Jimmy’s commitment to human rights, and his willingness to take political risks of the possibility of failure in negotiating peace”. We have with us this evening, of course, the president, who made this commitment to human rights, and to peace. I cannot think of a better tribute or a more fitting description of our speaker.

Ladies and gentlemen, it is a rare honor to present to you the 39<sup>th</sup> President of the United States, The Honorable Jimmy Carter. (Applause)

The Honorable Jimmy Carter  
39<sup>th</sup> President of the United States

Thank you very much. I appreciate very much that introduction and the honor of being here with this esteemed and ancient forum for the discussion of economic issues that affect our nation and the rest of the world.

Tonight I am going to talk about a subject of which you may or may not have heard discussed from this dais. Concerning environmental questions as they relate to world economics.

Environmentalists and business leaders seem to live on opposite sides of the world. They often look on each other as irresponsible, either obsessed with predictions of doom on the one side, or with making a financial profit, to the exclusion of everything else. This obsession with one's own point of view can be a dangerous attitude.

I tried to think of an illustration for this, and I heard one at Emory University the other day which may be a \_\_\_ but I think it illustrates a point. A number of years ago, Mrs. Morrow, the mother of Anne Morrow, who married Lindbergh had come into a home for supper. Mr. J.P. Morgan, who as you know is one of the richest, perhaps the richest man on Earth. She wanted to make a

good impression on him. And she and little Anne and Mr. Morgan were going to have a private supper. She called little Anne in the afternoon quite concerned because Mr. Morgan had a fairly prominent nose, and Mrs. Morrow was so afraid that little Anne was going to say something about his features. She said, Anne, honey, I want you to know that people should be judged by their whole appearance and their whole character and their accomplishments on Earth, not by any particular feature of their anatomy. And little Anne said, who was very small, said, yes ma'am I understand. So they sat down for supper, and Mrs. Morrow was on pins and needles the whole evening. And she was so afraid that there was going to be a comment made that would destroy the homey attitude that she had strived so hard to establish. At the end of the supper, little Anne said, momma I've finished my supper, is it alright if I go up to my room and play? And Mrs. Morrow, breathed a sigh of relief, and said, yes, honey you can go upstairs. Little Anne left the table and went up the stairs. And for the first time that evening, Mrs. Morrow relaxed. She poured two cups of tea and she turned to Mr. Morgan and said, would you like one or two lumps of sugar in your nose. (Laughter) I think you could see the problem of excessive obsession with a particular subject.

Tonight I want to outline very briefly some reasons why it is to our advantage to look with favor and with an open mind on the opinions of others. Some reasons why it is to the advantage of American business and financial leaders to listen carefully to a responsible and quite different environmental message than the one that we heard during the 1960s and 1970s. It is important for us to know that it is possible to have economic and sustained growth on Earth in a world that

is more secure and with people living on this Earth with us who have a better quality of life.

Since these beneficent results are not guaranteed, this can be one of the most important subjects we face and one that is challenging and intriguing at the same time. Although I was a founder of the Georgia Conservancy which is my state's pre-eminent environmental institution and deeply involved in shaping environmental policy as a Governor of my state, early in the 1970s, it was not until I became President that I began to understand the global nature, the complexity and the profound importance of decisions I was making and how they also affected the lives of people, not just in my country, but in other nations as well. Almost immediately after arriving in the White House I found that the many departments and agencies of our Federal Government were just not able to provide me with either the information or the advice that I needed. I had to deal with space, oceans, coastal areas, polar regions, water projects, strip mining, Alaska lands, water pollution, foreign aid, the Clinch River Breeder Reactor, population growth, erosion, nuclear and other toxic waste, national energy policy, acid rain, ozone and the CO<sub>2</sub> buildup in the upper atmosphere, and the root causes of world debt and even revolution in some of the developing countries.

Although most of the world at that time was enjoying remarkable economic growth. We could already see that direct and indirect effect of soil erosion, deforestation and particularly of scarcer energy supplies. With oil production in the non-OPEC countries declining steadily and with prices having jumped from \$2 to \$15 a barrel, I ordered the Departments of State and Interior

and environmental agencies as well to give me some idea about the existing circumstances on Earth and trends which might affect our nation and others by the end of the century. And out of this came the Global 2000 Report. With all its flaws, mostly caused by inadequate data, data which we still do not have available, this was very valuable information, which has since then ignored and sometimes even denigrated by our government, but used by Mexico, China, West Germany, Great Britain, Japan, and other countries as a basis for formulating policy concerning research, trade and commerce as well as specific environmental policy. Leaders in government, science, business and finance, need to understand these issues, these long range trends or changes taking place on Earth so that decisions can be made on the most accurate projections of natural resource availability, work forces, capital and debt limitations, demographic data among potential customers, and the basic causes of raw material depletion, unpayable world's debt and even political revolution. I have seen these changes from a personal perspective. As a farmer, a warehouse operator, a state and national political leader and as a very interested world traveler.

Between the time I came home from the Navy in 1953, and the time of the OPEC oil price increase, 20 years later, while I was Governor, an apparently unlimited supply of cheap energy permitted an explosion of food production. Supplies of cheap oil, fertilizer and chemicals increased five-fold and tens of millions of acres of crop land were shifted from producing feed for draft animals to producing food for people. As farms were mechanized.

World-wide green supplies doubled and there was a steady 6% annual increase in both beef and

fish production. This transient time of steady growth has passed. And we have begun to see some serious imbalances, even in our own country. When I left Carter's Warehouse to campaign for President, a ton of 5, 10, 15 fertilizer which is a standard for farmers in our area, cost \$40. Now the same product sells for more than \$140. And the cost of other farm chemicals and fuel have increased in the same proportion. There has been no commensurate increase in prices paid for wheat, soybeans, corn, and other basic crops. Overvalued dollars and debt restraints among customers in foreign nations limit the sale of our own farm products, even with your stable domestic prices. American farmers, and this is a well-kept secret, are now facing a financial crisis, unequalled since the Great Depression.

US farm debt has doubled just in the last five years. And is now ten times as great as annual net farm income. At the same time land prices have plummeted. In some areas, in my own home in Plains, the values of land are now one-half what they were just four years ago when I left the White House. Where there is great natural resources, there is no doubt that our country can survive and also continue to prosper. But the problems are much more serious throughout the developing world. Hungry mouths are now increasing at least as fast as food supplies. And in some areas much faster than food supplies. Topsoil, woodlands, fisheries and fresh water are becoming depleted. Growth in world beef and fish production stopped in 1976, but capital green consumption has remained about the same, has not grown at all, for the last decade. And much of the marginal land has proven to be unprofitable, even when major national efforts have been marshaled behind it. As has been the case in Egypt, Pakistan and the Soviet Union.

Rosalyn and I are involved in an international project known as Habitat for Humanity. Earlier this month we are working on a highly publicized project in lower Manhattan. But most of our effort is in foreign countries. We don't give charity. Families who dwell in the homes we build must be able to make monthly payments without interest so that, that monthly payment can be combined with others to build more homes. And each family who lives in one of our homes, we call them homesteaders, have to contribute as much as 500 hours of labor on their own and their neighbor's homes. We deal with many governments and private organizations and have to understand local materials, local currency and finance, and local customs. By working with community groups and individual families in countries like Haiti, Guatemala, India, Nicaragua, Peru, Zaire, Zambia, Kenya, Uganda, and others, the Habitat volunteers see it firsthand the vicious cycle that afflicts the desperately poor. Increasing population overtaxes the land and the resulting erosion reduces production. Top priced oil must be replaced with firewood and decimation of the forest further erodes the soil and eliminates tropical hardwoods as a possible source of export income for the nation.

Poverty stimulates the desire for larger balance and the circles repeat itself, even worse the second time around. The world population was expected to grow steadily to more than 10 billion people. And of the addition of 5.5 billion more, more than 93% will be in Asia, Africa and Latin America. With fuel wood already scarce in almost 60 nations and farming less attractive, people are moving rapidly to the cities, particularly in those developing countries. Almost one-half of the population by the end of this century will be living in urban areas. This new political pressure



from city dwellers, forces government leaders to hold down the cost of bread and rice. In countries like Egypt which we visited recently, there is an ill-advised shift away from producing food grains on very limited acreage and export crops like cotton to the production of more red meat, a very inefficient way to use land but one in which the farmers can hope to make a small profit.

Two weeks ago about 60 of leading environmentalists and executive officers of some of our large corporations came down to the Carter Center at Emory University to discuss these issues which I have just described to you. Now down to two basic questions, what stake do American business and financial leaders have in these environmental problems? And secondly, what can and should Americans do about them?

For now, we'll ignore the humanitarian, the environmental and the scientific dimensions and just concentrate on a few of the economic considerations. Some of which could even affect our national security. First to be considered is the sustained availability of minerals and other raw materials. We have already seen the adverse effect of an over-dependence on foreign oil and the wasting of fuel. This is one of the most serious questions I had to address as President. And it was an issue of paramount importance at all of the economic summit conferences that I attended in London, Bonn, Tokyo and Venice. We struggled the entire four years of my term to implant into law some conservation measures and to begin a long range shift to alternate sources of energy. Primarily because of economic factors, an early growth of nuclear power production in

the United States is quite unlikely. So we must prepare for the inevitable competition for scarcer oil supplies when the present temporary glut is over. We will have to recycle paper, and wood, aluminum and iron, and other materials requiring a long time or high energy to produce. It is already apparent that arable land, fresh water, fishing rights, toxic and other waste disposal sites are rapidly becoming more precious because of the increasing competition for them. Much of the aluminum production, iron production, has already moved out of our nation because of these considerations. Scientists say there is a genuine problem with ozone and the buildup of carbon dioxide in the upper atmosphere. This will come a long time in the future perhaps, but our recreation, agricultural forest and fishing industries are already beginning to feel the adverse effects of pollution, including the precipitation of acids and oxidants. As an avid fly fisherman I know that acid rain has already damaged many northeastern lakes and it is also reducing the fertility of American crop lands. We used to lyme our land every five or six years in Georgia. Now we put lyme on our land every other year. Recently we detected a significant slowing of growth in southeastern forests. This is a problem still on the back burner in our country. But within the last 24 months, the damage by acid rain to forests in wester Europe like the Black Forest has become one of the paramount political issues.

It is interesting to note how different are the topics now being addressed compared to what they were in the two previous decades. Each new problem usually brings about public demands for government action and regulations can be ill advised and excessively burdensome without the active participation of business leaders at the initiation of corrective action by government. It is

not enough just to complain, and to castigate conservationists and politicians. Confrontation and vituperation can be counterproductive. Business leaders in Europe and Japan are working closely with their governments, with knowledgeable environmentalists, to ensure more efficient use of fuels and also minerals, and to make certain that environmental policies are adequate and reasonable. Some of these foreign businessmen, our most intense competitors, are devoting substantial resources to the analysis of worldwide environmental trends as they make plans for manufacturing, employment and merchandising in the future. There should be a similar relationship in our country. It does not exist.

It is to our advantage to be genuinely interested in the well-being of the developing nations, and for their business and government leaders to be aware of our concern. Competition for international markets is intense and we are faring more poorly now than ever before. Our monthly balance of trade deficits are greater than many annual deficits of the recent years. And few of us believe that protectionism is an adequate response to this problem. Our wealth and power should not lead to American arrogance. Although other nations will suffer more than we, there is no way we can avoid sharing the consequences of their misfortune.

We are already arguing with Canada about such things as fishing rights and acid rain, and we are facing an even more critical relationship with Mexico to the south. Each year, uncounted hundreds of thousands of Mexicans are coming into our country illegally and their 2.7% population growth rate is four times as great as ours. In spite of its great oil reserves, there is no

way that Mexico can support its people if present trends continue.

Some of our southern neighbors like Argentina, Chili, Mexico and Brazil, are required to spend a half to two-thirds of their total export earnings just to pay interest on their foreign debt. And the capital assets as many of you well know, of several major U.S. banks are exceeded by outstanding loans which may never be repaid.

It is obvious, during the last few years, the lenders and the borrowers have not taken leave of their senses, or lost their business and financial judgment, there have been basic economic changes within the debtor countries, some of which have been outlined in my earlier remarks. Population growth, soil erosion and salinity, mineral depletion, deforestation, loss of fresh water supplies, urbanization, in countries like Haiti, Nigeria, Bangladesh, and perhaps 40 other nations, have become issues which directly affect the economic well-being of many Americans who in the past have been almost impervious to such foreign concerns. A reduction in living standards and competition for scarce materials has also affected political relationships in troubled areas like Nicaragua, El Salvador, the Philippines, and the Middle East. Governments burdened with debt or constrained to spend precious resources on weapons, often cannot meet the legitimate needs of their own people. There is no doubt that some of the revolutionary fervor which has been blamed on communist plots from Havana and Moscow, has had its origins in small plots of land, a few sticks of cooking wood, a clear stream of drinking water, or perhaps a market for an only cash crop at a local village. One of the most disturbing results of environmental pressure is

more indirect, but often to me of really greater importance. When a choice must be made by a starving family between bread and freedom, freedom will likely be sacrificed.

On a recent visit to China, Rosalyn and I were impressed with the effectiveness of their Family Planning Program. The Chinese slogan is, one is best, two is most. And strong economic and political pressures are exerted to ensure the success of this effort. Access to daycare centers, housing, the \_\_\_\_ position, or political opportunities, all depend upon the parent's compliance with family planning guidelines.

A young couple is urged not to get married until the man is 30, and the woman is 28. And at the time of their marriage they meet with the village elders, they prepare a contraceptive program based on their plans for a growing family, with two being the ultimate. And the family is expected under rigid regimentation to comply with this plan.

These constraints and a close monitoring of marriage age and the use of contraception or an abortion would not be possible in more free societies like those in Egypt, Mexico, Kenya or Nigeria. It would be a tragedy if democratic governments are unable to meet the growing environmental challenges largely brought about by population explosion. The peaceful competition between democracy and totalitarian regimes may not be so advantageous for us in the future as it has been in the past. These comments are not a prophecy of doom or despair because I know as well as anyone the tremendous capabilities of this nation, its people, and an

enlightened and competitive free enterprise system. There are no easy answers to the questions I have raised, but it is possible for us to join forces in research for some answers. What we have to understand is that the most favored country on Earth must provide the leadership, but we have the least motivation to do so. The word environmental itself is anathema to many American business leaders. Onus regulations are more easily addressed by curses and condemnations. With our wealth and power we don't have to cooperate in stabilizing markets for raw materials, in proper utilization of space, Antarctica, the open seas, or the ocean floors. There is a tendency to believe that if we ignore pullulation, toxic waste or other environmental problems, they will go away. Right wing philosophy ensures that we will probably remain for a long time, the only industrialized nation on Earth without a central statistical agency.

In closing, let me reiterate a few points. Business and environmental leaders have most goals in common but each individual nation weakens the others by verbal attacks and lack of mutual respect. U.S. leadership is crucial for any substantial progress to be made in improving the long-term prospects for economic and sustainable growth and development. Foreign leaders and industry and government have great admiration and respect for American business executives. This potential influence is unequal from any other source but now we are defaulting on that responsibility. We need to follow up the Global 2000 report with a sustained series of more accurate and current studies. Either centered within the government, the scientific and education community, or private industry. There needs to be a forum within which these issues can be discussed in a responsible manner. In general we have little interest or knowledge in countries

such as Togo or Zaire or Nicaragua, Haiti, Jamaica, El Salvador, even Mexico. It would be in our best interest to know about them and some of our major universities could fill this role with great benefit and relatively little cost. We discussed these issues at length at Emory University. And the business leaders made some interesting comments. Action to comply with environmental constraints one said often brings surprisingly beneficial economic results. Another said, it is much better to anticipate environmental concerns and be involved in the preparation of effective regulations than to have them presented to us, by legislators without our involvement. Another said, desperate foreign leaders will respond favorably to U.S. interest in their problems. Another, American business is most likely to prosper when there is economic and political stability. Another said, inevitable there will be different markets, different manufacturing techniques, different places where manufacturing plants should be located, different labor forces. It is valuable to understand the societal changes that are already becoming apparent and which we cannot change.

A concerted effort by government and business leaders, scientists and educators, can pay rich dividends. Among some of our most effective foreign competitors, this coalition is already formed. Dr. Frank Press who heads up the National Academy of Sciences said, new technologies and expanding business will be necessary to meet future world's needs, wise managers can prosper. Another one in observing my administration and the current administration said, presidents may come and presidents may go, but the same environmental issues remain and will not go away.

Well, these are some of the comments from environmentalists, scientists, and business leaders. Are these messages of trepidation or anticipation? Of failure or future success? Of despair, or confidence? Of gloom or hope? We Americans are blessed beyond all others, can help to determine the answer to some of these questions.

Thank you very much. (Applause)

#### QUESTION AND ANSWER SESSION

F. ROSS JOHNSON, CHAIRMAN: Thank you Mr. President. Now in the tradition of the Club we have two appointed interlocutors who are picked for their great wisdom, articulation and depth of thought. Tonight on my right, Mr. Jack Regan, Chairman and Chief Executive Office of Marsh & McLennan. On my left, Mr. John Torell, President of Manufacturers Hanover, who accepted your remarks on Mexico I am sure lightly. (Laughter) We will begin, in that case, with Mr. Reagan. Jack...

JACK REGAN: Mr. President, I would like to ask this question on behalf of those present. Last week's cover story in *Time Magazine* compared America's upbeat mood today with what you described, I believe in 1979, as a national malaise. President Reagan says, America is standing tall and patriotism seems again to have become popular. How much of this, in your opinion, is due to the strong turnaround in the economy and to what extent can the current administration



rightfully take credit for the change.

PRESIDENT JIMMY CARTER: Well in the first place, I have never used the word malaise at all, that was a contrivance of my political opponents and also the press. The speech that I made in July of 1979 was following two and a half years of frustration in not being able to get through to Congress a definitive energy policy. We had been frustrated, month after month with an absence of action. And the subject of my speech, and it is available in the public records and I think you might be interested in reading it, was accepted very well by the American people at the time it was made. What I pointed out was at that time there had been a division between the people and our government. Beginning back when John and Robert Kennedy and Martin Luther King were assassinated. Later because of Vietnam and then the Watergate scandals and then the revelations about the CIA. And this division between the people and the government was unwarranted in our great country. Now we had before us, at that time, a challenge of tackling a very difficult subject, how to address the growing worldwide dependence, in particular, over dependence on foreign oil, how we could deregulate oil and gas. How we could instigate more production of oil and gas in this country, how we could shift our economy both in individual homes and large manufacturing plants to a more efficient use of fuel. And I said, this is a test of America's will, and that the people and the government must work together as a symbol, a tangible symbol of our resolve and I called upon the people to help me induce this Congress to pass the legislation and they did. I think we have seen a substantial reduction in the amount of energy used in totality in this country, partly because of price increases, partly because of

deregulation and partly because of the conservation measures that we have inscribed.

I think the country...in most of my own term, was also prospering well. We presented a balanced budget to the Congress for instance in the Spring of 1980. But the seizing of the hostages was the most serious embarrassment to our nation in many years. It equalled only by the withdrawal from Vietnam without any success there. And the day after day high publicity about the hostages being held, and the most powerful nation on Earth being unable to extract them from Iran, did prey on the conscience of me and other Americans and it was a very debasing sort of thing for our country to face. I had to have two simultaneous goals in mind, as Ed Muskie well knows; he shared this responsibility with me. One was to protect the honor and integrity of our country. The other was to preserve the life of the hostages and bring them home to freedom. We finally succeeded in both efforts. But it was much later than I would have wanted.

I think another point has been that President Reagan is remarkably impervious to the responsibility for anything that goes on in the government that is not pleasant or popular. I think it is a part of his demeanor. It is part of the way he has been able to manage the press and I think it is partly because of his aversion to becoming involved in the details of government and this is quite different from the attitude that I took to the White House. It obviously makes him much more popular and I think this gives the attitude from the Oval Office that everything is okay. That a \$200 billion deficit is fine. That it is alright to have a \$100 billion trade imbalance. It is okay, not okay, but it is not his fault to see 240 marines killed in Lebanon and so forth. All of

these things are looked upon as being no great concern of his or no responsibility of his. So I think a large part of it is circumstances at the time, a large part of it is the masterful way that President Reagan has handled his own position, political position in the White House and I would say that the problems that our country faces are just as great now as before, but I have a great confidence in the future of this country, now as I did then, and I think that, that confidence is justified regardless of who happens to be in the Oval Office. (Applause)

JOHN TORELL: Mr. President, the federal deficit has been front and center throughout the recent presidential campaign. And almost everyone agrees that it is too large and that high interest rates in the United States pose a danger to world economic growth. The Democrats and the Republicans attacked the problem differently. One focusing on revenues, the other on expenditures. Mr. President would you rule out further cuts in federal spending as a long term solution to the deficit and beyond that, do you feel the American taxpayer will support a platform that seeks higher taxes as the answer to our problems?

PRESIDENT JIMMY CARTER: I think there has to be cuts in federal spending of a substantial degree and I would advocate substantial increases in taxes as well. I think the long range affect of these \$200 billion deficits has so far been underestimated. We have a massive in pouring of

financing from Europe and other countries that have money and we are robbing, in my judgment, the developing nations about whom I talked tonight. So I think that the reduction of the deficit ought to be addressed with courage even if it does require some cuts in defense expenditures on the one hand which is the most sensitive of all issues, and also some increases in taxation. I had to address this question all the time I was there and as I said earlier in my remarks, we presented a balanced budget to the Congress in March of 1980 and Dennis as you know we had this explosion in oil prices, it doubled in one year, more than doubled in one year. And we were not able to hold the line there. But we had a budget deficit of \$28 billion in our best year. The highest deficit before Reagan came in office was President Ford's last deficit which was \$66 billion and now we seem to accept borrowing about a billion dollars every working day to pump into the economy. So to answer your question, I don't think that the Democrats can be held responsible for the enormous and I think excessive defense expenditures on the one hand, or the enormous tax reductions that took place the first year of Reagan's term. I think both of those mistakes should be corrected. Cut spending, and also increase taxes where necessary. And I would not concentrate just on defense spending. We had a 3% annual growth above and beyond the inflation rate when I was in office, which I think was reasonable. At that time our European allies and NATO allies agreed to do the same. They have long ago abandoned that commitment under this administration. I think we ought to insist that they read it, and at the same time I would do away with some of the entitlement programs which artificially increase federal expenditures based upon the inflation rate. Now of course the real interest rates above and beyond inflation I think are the highest in history. And that is what is wrecking havoc with

foreign countries already. In the future I think the chickens are going to come home to roost in our country. It requires courage on both ways and I hope that whoever the next president is, after the campaign rhetoric is over, will bite the bullet, cut expenditures, also raise taxes, get the deficit down. (Applause)

JACK REGAN: Mr. President Americans know you to be a deeply and openly religious man. When president you made it clear how important your religion was to you. And yet the danger of mixing religion with politics never became a major issue then. Could you share with us your thoughts as to why the matter has now become so important to political and religious figures?

PRESIDENT JIMMY CARTER: Well this is a subject I tried to avoid when I was President of a public forum, but I am not President anymore. Let me just speak to you frankly. When I was President, I went to church every Sunday. I taught Sunday school fairly regularly. If we didn't worship at the First Baptist Church in Washington, we had services at Camp David in private. I teach Sunday school every Sunday now. Which I have been doing regularly since I was 18 years old. So religion is an integral part of my life and my church is, as it is with many people in my region, kind of a focal point, not only for religious activities but also for social activities. I am a Baptist who believes deeply in the separation of church and state. It is almost equal to my other religious convictions. And I think it is a serious mistake for there to be the exaltation of one religion in this country in preference to others, or even in preference to those who prefer not to profess a religion. I don't look upon Americans as people of God to the exclusion of others. I

don't believe that the Russian people themselves comprise a "evil kingdom". I don't think that anyone has a right, particularly television evangelists to define what a Christian is. For Jerry Falwell to say that a Christian is someone who is against the Panama Canal Treaties or who does not favor a Department of Education, or who is one who will not negotiate with atheistic communist soviets on nuclear arms control. Or even who equates Christianity with an attitude on homosexuality. These things are obnoxious to me. And I have seen in my own denomination a right wing intrusion into the political realm of the Southern Baptist convention. I would not disavow my relationship with the Southern Baptist convention, but one of the main reasons is that each Baptist church is absolutely autonomous. There is no hierarchy at all in our church and so our religious base is based upon a personal relationship between us and God through Christ. Well, I just think it is a mistake for our country to violate what I consider to be an historic position that we should not tie secular issues with the definition of Christianity. Thomas Jefferson for instance even opposed having a Chaplain for the House and Senate, as you may or may not know. And I think it is a serious mistake that is being made to inject the religious issues into politics or vice versa. (Applause)

JOHN TORELL: Mr. President, one of the hallmarks of the Carter administration's foreign policy was its emphasis on human rights. Do you feel that your efforts succeeded in advancing this cause on a longer term basis? And closer to home, do you feel that you had a lasting impact

on American foreign policy particularly as it relates to Central America?

PRESIDENT JIMMY CARTER: I have been asked several times what would you like to be remembered for 200 years in the future. And I would like to be remembered for peace and human rights. If I had the presidency to live over again and made any change in my human rights policy, it would be to strengthen it, certainly not to weaken it. You can't deal with a human rights issue in a uniform manner because you are dealing with patently oppressive regimes that are totally surrounded in secrecy like say, the Vietnamese and Cambodia, or the North Koreans, to a lesser degree the Chinese and the Soviets and Cuba. At least you know some of the things going on in those countries. You are also dealing with American friends, like in the Philippines and South Korea, where human rights standards don't equal ours. So in some cases it is better to deal with human rights questions in a very open way to keep this issue at the forefront of the world's consciousness. Sometimes it is better to deal privately. The last few months before the election, and after the election in 1980, there was a man in South Korea, Kim Dae Jung who was opposition leader to Premier Chung. He was condemned to death because of political activity and I didn't want to see him executed because I felt that this would damage severely our nation's commitment to the defense of South Korea in case of an intrusion by the North Koreans. So, Ed Muskie and I worked very hard on this. We sent the Chairman of the Joint Chiefs of Staff and we sent diplomats as well to talk to Jun. To let him know that this would be a serious mistake if he executed Kim Dae Jung. He sent me word back, if you don't make this demand public then I will act and the execution was ordered withheld and Kim Dae Jung has since been down to Georgia

to thank me for that act. But it was part of our overall national policy. We are going down next week to see Mr. O'Fousane (50:38), the new President of Brazil. He has said in an interview with the *New York Times* that he and several thousand other Brazilians are alive today because of the American human rights policy. And I have had delegations come to me since then from Paraguay, Uruguay, Indonesia and other places, to say that it made a profound difference to them. And some of the so called refuseniks in the Soviet Union sent me personal messages while I was President and since then, saying that our voice for freedom and democracy and for protection of persecution and murder from ones own government, was what sustained them and saved their lives. So I think in many ways keeping this issue a burning issue was compatible with our nation's ideals and principles and it made me very proud. As far as Central America is concerned, here again, you have a culmination of factors. The Somoza regime in Nicaragua was extremely oppressive and so was the El Salvadoran leaders, particularly up until the last election, still to some degree. My emphasis here was to demand that they correct their gross human rights violation if the United States was to provide them with economic aid. When the Sandinistas took over from the Somoza, after a long and very costly revolution, their young diplomats came to Washington, they also visited London and Mexico City. They went Caracas and to Bogota and other places to present themselves or to ask for economic aid. I felt then, and I still feel, that our nation adopted the proper policy under Ed Muskie's leadership which was to compete with the commonest challenges or competitors on a peaceful basis and put forth the best elements of freedom and democracy. Mexico and Venezuela sold the Sandinistas oil for \$10 a barrel when the going price was \$28. We provided them, with the Congress approval, \$65 million to be used



for economic purposes only and I felt that it was a mistake to drive them into a position where their only friends were in Havana or Moscow. I don't think our country will ever prevail in its present attempt to overthrow the Sandinista government. This is a counterproductive effort in my judgment. And I think we should have stuck with my own policy of demanding basic reforms, land reform, open election, the trial of known murders and into the death squads in El Salvador. It is hard for us in this country to realize what a growing issue human rights is and so I can't say that we were always successful, because we weren't. I can't say that we were always wise in our judgements because we were not. We made our best effort and I think we put the best foot of America forward. We saved a lot of lives, and I think we made some corrective actions necessary in various countries and even the Soviet Union, we were relatively successful. This year we will probably see less than 1,000 Soviet Jews be permitted to leave Russia. In 1979 50,000 came out of the Soviet Union. Whether it was our policy that did it, I can't say, I hope it contributed. But I have no apology to make for it, and I believe that in the future our country will be better served if we go back to the posture of raising high the banner of human rights, which is freedom and democracy at its best. (Applause)

JACK REGAN: Mr. President, judging from the convention speeches in San Francisco, Jesse Jackson's campaign and his success in bolstering minority voter registration, has had a profound impact on the Democratic Party. What affect do you think Reverend Jackson's lukewarm support will have on the Mondale Ferraro ticket in November? And perhaps more importantly, what do you see as longer term implications for the Democrats in the south and among minority voters?

PRESIDENT JIMMY CARTER: Well my election in 1976 was due to a substantial degree to the firm and unshakeable support of black voters in this country. I think they felt, and I hope accurately, that I understood their problems, I dealt with them as equals, I respected their rights, I didn't give them special favoritism and treatment, but they knew that I understood them. And even in 1980 when I was challenged from the left by Ted Kennedy, the one group in this country that never left me in support was the blacks. And I still have that easy going relationship with them, including, I might say, with Reverend Jackson. I think that it wouldn't be accurate to say that his support of Mondale is lukewarm. You know everyone has their own duties to perform, and I know from experiences as a winner and as a loser, that when you are defeated as a nominee you can't spend full time supporting the winner. You asked about registration. Obviously both the Republicans and the Democrats are striving for registration. And I think that the blacks that have been registered and the minorities and others as a result of Jesse Jackson's campaign will be a beneficial factor for Mondale. One of the most startling statistics that I know is on the voter turnout, among those who register; in 1980 we had a relatively low turnout. It was not by far the lowest in history, but it was relatively low. But of all the blacks who are registered to vote, 83% voted. Of all the whites in this country who were registered to vote, 86% voted. So contrary to the general belief, once an American is registered, that person votes. I have tried as a Governor and as a President, to change the restrictive laws that are deliberately designed to prevent registration. But quite often the major opponents to automatic registration or registration on the day of election, or postcard registration, and so forth, all the liberal or conservative, Democrat or Republican, senior members of a state legislature of the Congress, because they are senior

because they have been there for so long. They are the ones that are Chairman of the Means Committee and so forth because they have been elected repeatedly by a known constituency. The last thing they want is a new group of voters, young people, women, Chicanos, Puerto Ricans, Blacks and so forth to come in and register. So it is almost impossible in this country to get easier voter registration laws passed, I wish that would take place. But I think you would see if you looked at the statistics in November that people who do register will vote. So Jesse Jackson's influence might be, I think will be beneficial, but I would guess that the Republicans know what I am saying and they also are registering as many as they can. It is hard to know how it is going to come out in November. I have my hopes, but as of right now I wouldn't bet my farm on the outcome. (Applause)

JOHN TORELL: Mr. President with the Camp David accords, your administration made great strides toward restoring stability in the Middle East. You relied upon direct personal negotiations at the highest levels. But the leadership has changed in Israel, Egypt, and America, week by week the troubles continue. How do you assess the current administrations Middle East policy and what new recommendations do you have to help bring peace to that region?

PRESIDENT JIMMY CARTER: If we have a policy in the Middle East I have not detected it. (Laughter) There is no policy in the Middle East, as far as I know. I have to say this; I have spent a lot of time in the last couple of years continuing to study this question. At the Carter Center at Emory University, President Ford and I had been co-Chairman of a project that started at the

beginning of 1983 and we have brought it into Emory in a long definitive sessions, top leaders from Saudi Arabia, Egypt, Jordan, Syria, Lebanon, the Palestinian community and six different leaders representing different points of view from Israel. And I am now finishing a book on the Middle East. The thing that impresses me most is that the people in the Middle East are at peace. The leaders are the obstacles. I used to debate for hours with Prime Minister Begin and he would say, my people would never agree to this and I will say, last month, 63% of your people said that they would accept this for peace. I never want to debate with him using that tactic, but it is a fact. And there has to be some powerful integral element to bring these people together and the only source of that influence is the United States of America. Under Presidents Nixon, Ford and me, Secretaries of State Kissinger, Muskie and Vance, constantly working the Middle East. On occasion the president himself was directly involved in bringing people who despised each other to the negotiating table. In the absence of that powerful influence there is no hope that you would ever see \_\_\_ and Paris voluntarily sit down to discuss the problems between Syria and Israel. But in the last four years there have been no efforts at that level with the single exception when Secretary Schultz went over for a while to negotiate a withdrawal agreement between Lebanon and Israel. So there has to be this American involvement in the Middle East. I think our actions in Lebanon were horribly and provably a misjudgment. We went in, in what was in effect a civil war, we took sides, and now we are more despised in Lebanon than the Israelis. So I think we failed all along in brining these people together. My hope now is that the Israelis will withdraw from Southern Lebanon, that Syria, the Palestinians and Lebanese officials will guarantee security of innocents near the northern border of their country, that ultimately King Hussein who

desperately wants to resolve some of the problems that we brought to the negotiating table, that the Saudis and Egyptians will also be supportive, and that somehow or other he can speak for the Palestinians, but absent, the top level of the United States being involved in the negotiations will not make any progress. And I believe that it is not a hopeless prospect, because it underlines a factor that always impressed itself on me was the people want peace. The people of Syria want peace, the Palestinians want peace, the Israelis want peace, the Jordanians and the Egyptians want peace. And they are waiting for some triggering device to bring them together again.

Kissinger, Nixon and Ford did it; Muskie, Vance and I did it, this administration has not made that effort. And it is not, if you'll pardon I make one gratuitous comment, there is a philosophy presently extant in the White House that there is a great impediment to negotiations per se. It is not an easy thing to negotiate with someone that you distrust and despise and who disagrees with you. There has to be an element of equality there. You have to admit in effect, okay I don't agree with you, but you might have a good point. And our countries success, our reputation as a peace maker, I think is one that indicates strength. It allows us support for the American way of life; it enhances our reputation in the world as being a champion of peace. To resolve disputes by diplomacy, by negotiation and only to use military threats or military force as a last resort. In the last four years we have seen this partly reversed. In spite of all of the troubled areas on Earth now, the Persian Gulf, Lebanon, the West Bank, El Salvador, Nicaragua, the relationship between the U.S. and the Soviet Union, there are no negotiations underway anywhere. And haven't been for a long time. I don't mean to stand here and say that all the fault is ours, but we are so powerful and so influential politically, economically, militarily and I think morally, that

the world kind of sits back and waits for the United States to take the initiative and when we don't take the initiative for peace, through negotiations and diplomacy, there is no alternative for and that is a serious mistake that our country is presently making which I hope will be corrected after the next election, no matter which candidate occupies the White House. (Applause)

JACK REGAN: Mr. President could you comment on your perception of intelligence gathering as it relates to terrorism. Is President Reagan correct as he was quoted the other day in the *New York Times* in saying that "The only defense you have against terrorist activities is if you can infiltrate and intercept and know in advance where they are going to strike".

PRESIDENT JIMMY CARTER: Well I have to refrain from disagreeing with President Reagan. He has the responsibility now, and he has access to the latest information and I am sure he is being briefed by the CIA and others on what information is coming in to Washington and what they reveal to him. Terrorism is an almost impossible thing to control. Unless you can deal with the root causes of it. A great deal of the terrorism now originates in Iran with the Shiite fanatics. And the second thing I would like to say is sometimes the word terrorist is used to describe one who disagrees with you. There is a temptation to describe a whole people as terrorists because it makes it possible to look upon them and to treat them as subhuman. And we should be careful whom we identify as a terrorist. Third, I think in some cases, it is possible to single out terrorists within a country as those who have been particularly persecuted by an existing government and who have a reason for their hatred or vituperation. There is a problem with terrorism now for

instance in Peru. Rosalyn and I are going to visit Peru next week. And we have been briefed this week on the origin of some of the terrorist activities. Terrorism is a very difficult thing to understand. It is a very difficult thing to prevent, it is most often apparent after a horrible act becomes known. There are sometimes, however, when it can be done. I will just give you one example. When we went to the Bonn Summit Conference, I believe in 1978, at that time you may not remember, there was a wave of worldwide terrorist activity in the taking of airplanes and landing them in Libya. Helmut Schmitt, Giscard d'Estaing, Jim Holloway, and the rest of the group, I think Fucuda was Prime Minister of Japan, and others, tried to see how we could get at this one instance of terrorism and for one time do something about it. So we notified Gaddafi, all seven of us did, that if there was another plane that landed in Libya controlled by terrorists, that we would prevent any flights to or from Libya to our countries. Since then there has never been a single plane taken by terrorists and landed in Libya. So there are rare occasions when concerted international action can get to terrorism at its source, but I have to add hastily that, that kind of opportunity is rare. But Gaddafi knew that we meant business. We made it an official notification, all of us, wrote identical telegrams. In fact I worded the telegram. And so all seven of us made Gaddafi know that we would not let planes either fly to his country or from his country to our country if another plane landed and he stopped it at the source. So I don't know how to answer your question well because there is no answer. I don't think anybody has been able to handle terrorism. Even in the countries that sometimes instigate terrorism, they are quite often the worst victims and they live in constant terror of a successful terrorist strike. Do you have one more?

JOHN TORELL: Last question. It has to be political.

PRESIDENT JIMMY CARTER: First one tonight. (Laughter)

JOHN TORELL: Public opinion polls notwithstanding the Mondale/Ferraro campaign continue to draw large crowds and significant contributions. Clearly a lot of people still believe. Bigger leads have been overcome in less time but the campaign appears to be an uphill climb. Mr. President, what advice would you give your former running mate to regain the initiative and at the risk of asking for a projection, how optimistic are you about the outcome of your party this November at the state level and Congress and at the White House?

PRESIDENT JIMMY CARTER: Well I think at the state and local level and the Congress Democrats will do very well. Obviously the polls now do not look well for Mondale and Ferraro but as I said earlier, I have seen from experience on both ways, that things could change very rapidly. And there are three or four factors that might become significant in the next month or 40 days, whatever it is. One is, on the international scene, the President of the United States can't control unpredictable events. And quite often an event of that kind is not beneficial to the incumbent. I am not predicting and certainly hope we don't have a catastrophe overseas but you always have to be aware that, that is a possibility. The second thing that needs to be remembered is that if the Democrats can project the outcome of the election on issues and not personalities



and generalities, it will enhance our chances to win. Not long ago one of the most famous pollsters in a small private group gave us the results of polls that he and his associates had run. They tried to identify the issues that would be debated between now and the election and they tried as best they could and are quite knowledgeable to say this is the democratic position without identifying it as such and this is a republican position on issues. And in almost every case the public favored the democratic approach to these kinds of issues concerning nuclear arms control, relations with the Soviets, reduction of the deficit, taxation and so forth. So to the extent that the Democrats can predicate their campaign on the issues themselves, we will also gain some opportunity to win. I have already mentioned that the registration and the fact that there is an extraordinary turnout of people who want to register, that is another factor. And the final one I think that I would like to mention is concerning the presidential debates. I said a number of months ago that I predicted that President Reagan would do all he could to reduce the number of debates and the substance of them. And I think that he would like to have debates as few as possible, as late as possible, as brief as possible and as non-substantiative as possible. I think this is, I don't criticize him for it, it is a good strategy (laughter and applause) because if he can confine the debate to a discussion of personalities or generalities or impressions, then he will obviously prevail over Mondale. If the debate is centered upon Lebanon, the Mid-East, deficits, taxation, nuclear arms control, agricultural economy, things of that kind, I think that....environmental quality and so forth, I think Reagan would come out very poorly. Well I don't know what kind of debates they will have, I think maybe two, Mondale wants six, but I think two. Ford and I had three as you remember. I think Nixon and Kennedy had three. That

would be my preference. But anyway those are some of the issues that might be effective. Who know how the debates are going to come out. So issues unforeseen foreign possibilities, the results of registration drives, debate results, could change the picture in favor of Democrats. So we are still hopeful and I think we have the issues on our side, and I think the country will be well served if my hopes are realized and I hope you agree. (Applause)

F. ROSS JOHNSON, CHAIRMAN: Mr. President in the tradition of the Club, and for this wonderful evening that you have given us, we have a symbolic gift which is from the New York Economic Club, it is the Big Apple, which we hope that you will take and leave in Plains and perhaps not down to Peru, and our thanks to you Sir. (Applause)

End of Meeting