

invested too little. And we have had lower incomes because we have run ourselves into too much debt.

But there is a right way and a wrong way to balance the budget, because the Government's deficit is not the only problem in this country. There is also an education deficit in this country. There's a safe streets deficit in this country. There's an adequate affordable health care deficit in this country. There's a welfare reform deficit in this country. There are other deficits.

Our proposal to balance the budget says don't cut education because that's important to our future as well. If we want good jobs and higher incomes, we should increase our investment in education, from college loans to Head Start, while we balance the budget.

Our proposal says, of course we can't continue to increase health care expenditures at 2 and 3 times the rate of inflation; we have to slow it down. But be careful because there are a lot of people, the elderly, the disabled, the poorest children in our country, who depend upon Medicare and Medicaid for their medical care, and we dare not put them in a position to have to either give up health care or pay something they can't afford to pay when they don't have enough money to live on in the first place.

And so we say, yes, let's have big cuts in other things; let's balance the budget. But if you balance the budget in 10 years instead of 7, if you cut the size of the tax cuts and target them to middle class people for education and raising children and not just give tax cuts to people like me, who don't really need it, if you do that, you can balance the budget and increase our investment in education, be kind to the people who need health care help, from the smallest children to the disabled to elderly folks who don't have enough to live on, and still bring the American economy back and go

into the 21st century with good jobs, higher incomes, and an educated citizenry, including all the little children in this audience today.

You know, we all have preconceptions, and sometimes preconceptions can be bad things. They can be stereotypes about people and places. I always had a preconception about Oregon that I think has been confirmed by all my trips out here. I always felt that the people of Oregon had an astonishing ability to maintain their idealism and be practical, to be practical and idealistic at the same time. That's why we were pleased to give Oregon permission to get out from under all kinds of Federal rules and regulations, to change its welfare programs to move people to work, to change all kinds of other programs, because we knew this was a State where people had good values and common sense.

And so, I ask all of you join us in the fight to preserve education and balance the budget. Join us in the fight to develop the economy and preserve the environment. Join us in the fight to encourage people to be better citizens and to behave better and to have better values but also to give people who deserve it a helping hand and a hand up. In other words, keep your idealism intact. Bring your common sense to the table. Give power back to communities so that the young people here can have the kind of future, can have the kind of American dream that my generation took for granted.

The 21st century will be the most exciting time in all of human history, especially for the American people, if we can bring to the task today the compassion, the values, and the common sense that I believe is at the heart of what it means to be a citizen of this great State.

Thank you, and God bless you all.

NOTE: The President spoke at 4:10 p.m. in the Courtyard at Portland State University.

Remarks on the Japan-United States Trade Agreement

June 28, 1995

Thank you very much, Wolf [Wolf Blitzer, CNN], for that introduction. [*Laughter*]

Ladies and gentlemen, for 2½ years, I have worked hard to open markets and expand trade

around the world for one simple reason: It is good for America. When we open new markets, millions of new consumers buy American products. And when we sell more American prod-

ucts, we create more American jobs. We created the largest market in the world with NAFTA. We passed GATT, the most comprehensive trade agreement ever.

The plain truth is, our products are now the best in the world, high quality, low cost. And our job here, and my job as President, is to make sure they can be sold fairly and freely throughout the world. That's how we create prosperity here at home.

One of the largest obstacles to free and fair trade has been the artificial barriers erected by Japan, especially around its auto and auto parts markets. For over 20 years, Presidents have tried to fix this problem without success. This unfair situation had to end.

After 20 months of negotiations, I ordered my Trade Representative, Ambassador Kantor, to impose sanctions on Japan unless they agreed to open these markets. Today Japan has agreed that it will begin to truly open its auto and auto parts markets to American companies.

This agreement is specific. It is measurable. It will achieve real, concrete results. And I have insisted on it from the start. In 1993, the Japanese and I agreed at our meeting in Japan on specific negotiating goals in the framework agreement. We have now achieved those goals. Now, through 2 years of steady and determined negotiations, we have done what we set out to do 2½ years ago.

Trade must be a two-way street. After 20 years, we finally have an agreement that will move cars and parts both ways between the United States and Japan. This breakthrough is a major step toward free trade throughout the world.

Japan will take specific steps that we expect will increase the number of dealers selling non-Japanese cars by 200 next year and 1,000 over the next 5 years. In the United States, 80 percent of our car dealers sell foreign cars right next to American cars. But in Japan, only 7 percent of car dealers sell American cars or any non-Japanese cars. That is unfair, and this agreement makes a strong start in fixing it.

Japan will begin to undo the rigid regulations of its market for repair parts. This agreement breaks the stranglehold Japanese manufacturers have had over repair shops and garages. It means more U.S. parts will be sold in Japan.

Finally, Japanese carmakers will expand their production in the United States and buy more American parts both here and in Japan. These

measurable plans should increase purchases of American car parts by almost \$9 billion in 3 years, a 50 percent increase. Japan is going to make half a million more new cars in the United States by 1998, an increase of 25 percent.

Sixty percent of our entire trade deficit with Japan is the result of a car and car parts deficit. This agreement helps to close the gap. This commitment means thousands of new jobs for American workers, jobs for Americans making parts sold to Japan, jobs for Americans making parts for Japanese cars manufactured here, jobs for Americans making American cars now sold in Japan, and jobs for Americans making Japanese models made in the United States, which will increase substantially in number over the next few years. It is therefore a victory for our hardworking families. But make no mistake, it is also a victory for Japanese consumers, because it will mean lower prices for good products for them.

I want to commend the leaders of Japanese auto parts companies and auto companies and the leaders of the Japan Government for the courage and vision it took for them to reach this agreement. I personally want to thank Prime Minister Murayama and Minister Hashimoto for their leadership. And I especially want to thank Ambassador Mickey Kantor and his extraordinary team for the exhaustive efforts they have made to reach this successful conclusion.

In just a few moments, as soon as I conclude here, Ambassador Kantor and Minister Hashimoto will have a statement in detail about this agreement and will answer questions about it. I'm sure you can understand that they are in a better position to answer detailed questions than I am.

I had a long conversation with Ambassador Kantor about an hour ago, and I congratulated him.

I want all of you to understand that there is still much to be done. This agreement will not solve every problem in our relationship. But for today we have proved that hard bargaining and good faith can overcome apparently insurmountable conflict. This is important. And what it means is that sanctions are not necessary because we have achieved our goals. I am very proud of this negotiating team. I want to say that again. We set out a strategy, we held firm to our principles, and we achieved our goals. And those goals will lead to more jobs for Amer-

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icans. Discipline at the negotiating table once again has proved that we can be successful.

And I want to say finally, again, this is a great victory for the American people. It is also a victory for the Japanese people. We both won. And as a result, the global economy and American jobs are better off.

Thank you.

Q. Is this a voluntary agreement, or are there any guarantees, Mr. President?

The President. Mr. Kantor will be speaking in just a moment, and he'll answer all the questions.

NOTE: The President spoke at 12:20 p.m. in the Briefing Room at the White House. In his remarks, he referred to Ryutaro Hashimoto, Japanese Minister of International Trade and Industry.

Memorandum on the Combined Federal Campaign

June 28, 1995

Memorandum for the Heads of Executive Departments and Agencies

I am delighted that Secretary of Health and Human Services Donna Shalala has agreed to serve as the chair of the 1995 Combined Federal Campaign of the National Capital Area. I ask you to support the campaign by personally chairing it in your Agency and appointing a top official as your vice chair.

The Combined Federal Campaign is an important way for Federal employees to support

thousands of worthy charities. This year our goal again is to raise more than \$38 million. Public servants not only contribute to the campaign, but assume leadership roles to ensure its success.

Your personal support and enthusiasm will help guarantee another successful campaign this year.

WILLIAM J. CLINTON

Memorandum on Upgrading Security at Federal Facilities

June 28, 1995

Memorandum for Executive Departments and Agencies

Subject: Upgrading Security at Federal Facilities

I have received from the Department of Justice a study entitled, "Vulnerability Assessment of Federal Facilities." In order to ensure adequate security for Federal facilities, I am adopting immediately a number of the recommendations of the Department of Justice Study.

I hereby direct that:

1. Each Federal facility shall, where feasible, be upgraded to the minimum security standards recommended for its security level by the Department of Justice Study;

2. All executive departments and agencies ("agencies") shall immediately begin upgrading their facilities to meet the recommended min-

imum security standards, to the extent possible within currently available funding;

3. By October 15, 1995, the General Services Administration (GSA), those agencies with facilities in Security Level IV GSA space, and the Office of Management and Budget (OMB) shall identify funding, no later than in the FY97 budget cycle, for the cost of upgrading Level IV facilities to the minimum security standards recommended by the Department of Justice Study;

4. By February 1, 1996, GSA and all agencies shall consult with OMB regarding funding mechanisms for upgrading all remaining Federal facilities to the minimum security standards recommended by the Department of Justice Study; and