

I think we should look at three things, basically, in making this decision. First of all, the minimum wage is at a 20-year low. Second, inflation is at a 30-year low. And then we need to analyze whether—so there's an argument—and thirdly, the number one mission of the country in this recovery is to raise incomes.

Now, you can argue, well, there are a lot of people on the minimum wage who are actually young people who live at home with parents, and they're not low-income people, and they don't need it. You can argue, there are also a lot of people who are contributing to the support of their children.

Two years ago we attempted to do something really significant about this through the dramatic increase of the earned-income tax credit, which was made refundable, so that today working families in America with an income averaging \$25,000, \$26,000 a year or less will get an average of a \$1,000-a-year tax cut below what their tax rates were before I took office. For those on the low end of the wage scale, that was in part designed to offset the fact that the minimum wage had fallen so far behind inflation and had not kept up with wage growth. There are those who argue that the structure of the American economy has changed so much that this would be burdensome. That's what my economic advisers are evaluating now. They will give me a recommendation.

But my goal, the reason I focused on the earned-income tax credit and the reason I've said we ought to pass the middle class bill of rights, is that we have to raise incomes. Ultimately, the way to raise incomes in America is to increase the skills of the American work force, which is why the most important thing we can do, more than anything else, is to pass the bill of rights: the education tax deduction, the IRA with education withdrawals, and the training voucher program I've proposed to let all the training programs be collapsed and let American workers have up to \$2,600 a year in just cash money to get training. That will raise their incomes.

But I will seriously consider this recommendation when I get it. I have simply not received it yet.

Q. Any idea what the—[inaudible]—rate would be?

Japan-U.S. Security Arrangements

Q. On Japan-U.S. security arrangements, I understand that you reaffirmed the importance. Now, with regard to host-nation support, I wonder how Japan intends to address that issue? What did you tell the President? And also, with regard to the future, was there any discussion of the possibility of cooperation between the two countries on PKO under the United Nations?

Prime Minister Murayama. The necessity, the need for Japan-U.S. security arrangements was discussed, and we see eye-to-eye with each other completely. Although the cold war structure has disappeared, regionally there still remain numerous unresolved issues. And we believe we should look at the Japan-U.S. security arrangements not simply as something for Japan and the United States. The role that the setup plays for the security and stability of the Asia-Pacific region as a whole is very significant. And therefore, we have to continue to maintain that relationship.

And we should take that security relationship or security setup as the pivot and not simply build on that in the security area but also in the other areas as well. And I think that is very important. And we would like to, therefore, continue to strengthen that relationship from that vantage point.

Your second question was on peacekeeping operations. As you know, Japan is a country that has a constitution, a peace constitution, and therefore we cannot provide cooperation that involves the use of arms. However, we have already sent our self-defense forces to Rwanda and other parts of the world for humanitarian purposes. And for such humanitarian purposes and within the extent that the Japanese Constitution will allow, we have been saying consistently that Japan is willing to cooperate with the world. And I think there is full understanding between the two countries on that.

Japan-U.S. Trade

The President. Let me say that the Prime Minister has to leave. And before he does, I want to make a presentation. Yesterday for the first time, the Japanese market was opened to apples from the United States. And as the Prime Minister left, he was telling me the marketplaces were being filled with the apples, but he didn't have a chance to get any. Now, shortly, the