

groups. They agreed that Section 907 of the Freedom Support Act limits potential cooperation between the United States and Azerbaijan. President Clinton reiterated the Administration's strong support for repeal of Section 907.

Azerbaijan is at a critical juncture in its development as a democratic and market-oriented state. President Clinton praised President Aliyev's success in strengthening Azerbaijan as a state, implementing economic reform and spurring growth in recent years. Azerbaijan's deepening commitment to an economic reform program, including recent decisions to move forward with broader and faster privatization in cooperation with the World Bank and IMF, is central to its successful transition to a market-based economy. The two Presidents agreed that democracy, economic reform and the observance of human rights play an essential role in ensuring Azerbaijan's continued stability. President Clinton also welcomed President Aliyev's commitment to strengthen market freedom, rule of law and political pluralism in Azerbaijan, including the holding of free and fair elections.

Both Presidents support expanded economic and commercial relations, including greater bilateral trade and investment. The two Presidents noted the importance of rapid development of Caspian energy resources and highlighted the extensive participation of U.S. companies in the development and transport of Azerbaijan's oil and gas resources. This has already contributed to a thriving bilateral commercial relationship. The Presidents welcomed the establishment of an official dialogue on energy policy and commercial issues. They also agreed on the vital importance of the Eurasian transport corridor to the economic future of Azerbaijan and the entire region. The two Presidents welcomed the

signing of the U.S.-Azerbaijani Bilateral Investment Treaty and the U.S. Export-Import Bank Project Incentive Agreement. The United States encourages Azerbaijan's integration into the global economy, including early completion of its application for membership in the World Trade Organization on commercial terms generally applied to newly acceding members.

The United States recognizes the challenges facing Azerbaijan in assuring its national security and strongly supports Azerbaijan's active integration into newly emerging European security structures, including NATO's Partnership for Peace and the Euro-Atlantic Partnership Council. The Presidents expressed satisfaction with the entry into force on May 15, 1997 of the CFE Flank Document and agreed on the importance of the U.S.-Azerbaijani Joint Statement released in that connection. They also welcomed the adoption of the CFE Basic Elements decision in Vienna July 23, 1997 and agreed that the adaptation of the CFE Treaty should enhance the security of each state party.

The two Presidents also discussed security threats posed by international terrorism, narcotics trafficking, international criminal activity, and proliferation of weapons of mass destruction. They agreed to explore the expansion of security cooperation, including through the bilateral security dialogue inaugurated in March 1997.

Both Presidents underlined their support for increased parliamentary, cultural, scientific and educational exchanges, as well as contacts between individual citizens to enhance relations between the United States and Azerbaijan.

NOTE: An original was not available for verification of the content of this joint statement.

The President's Radio Address

August 2, 1997

Good morning. This week we reached agreement on a bipartisan balanced budget that honors our values, invests in our people, and gives middle class families a well-deserved tax cut. With overwhelming bipartisan support in both Houses, the Congress has sent me this measure, and next week I will sign it into law. This is

an historic achievement, a plan that will strengthen our economy and prepare our people for the challenges of the 21st century.

There has been a lot of cheering here in Washington, but there has been cheering on Main Street as well, for the real impact of this budget will be in the lives, the dreams, and

the futures of families all across America. Today I want to talk to you about how this balanced budget will affect millions of American families. I have asked some of them to join me here in the Oval Office today.

For 4½ years, our goal has been to keep the American dream alive and to expand opportunity for all Americans who would work for it. In 1993, when I took office, our economy was not creating that opportunity, and I vowed to change our Nation's course. We put in place a new economic approach, cutting the deficit to create the conditions for growth; investing in the education and health of our people, so that all Americans could reap the rewards of that growth; and opening foreign markets to American goods and services through tough trade agreements.

That strategy relied on tough cuts and hard choices. It produced 4 straight years of deficit cuts and slashed our deficit by 80 percent. We had well begun the work of putting our fiscal house in order before this budget agreement. And in a real sense, what was done back in 1993 made it possible. The low interest rates we've enjoyed have produced economic expansion as well as real benefits for the middle class in the form of lower car payments, mortgages, and credit card rates. Now, we learned yesterday that unemployment is at its lowest in 24 years. The economy created 316,000 new jobs last month alone. Investment is up, and inflation is low. And family incomes finally have begun to rise.

Our new balanced budget law gives us a chance to make sure all Americans have the tools to prosper in the hopeful new century ahead. For parents who work at home, there is an increase in the home office deduction. For family farmers who buy their own health insurance, there is a provision allowing them to deduct their health costs, just like other small-business people. For parents whose children go to schools that are crumbling, this budget helps them and their communities to repair those schools or build new ones. Most important, in its core provisions, this balanced budget will help working families live up to their re-

sponsibilities to their children, their parents, and their communities.

One family has three children. He's a carpenter; she cares for his mother, who lives at home with them. The \$1,500 a year they will receive from the child tax credit will be the biggest increase in take-home pay they have seen for some time. In another family, the mother wants to go back to school but can't afford to until her own children finish college. The new HOPE scholarship tax credit would make it possible for her to live out her dreams and return to school. Another mother works full time but has no health insurance for her two children, one of whom has a heart ailment. She was told she works too many hours to receive Medicaid. This budget invests \$24 billion in children's health care, so that parents like her can have greater peace of mind, knowing their children can get health insurance.

This balanced budget is a victory for every parent who wants a good education for his or her children, for every child in our hardest pressed households who needs health care, for every family working to build a secure future. After years in which wages did not rise as fast as they should, this tax cut will clearly provide a direct increase in take-home pay for millions of families. It is the best investment we can make in America's future. It is the achievement of a generation, and all Americans should be proud.

This is a moment of profound hope for our country. As the new century approaches, we've come together to conquer one of our most persistent problems, and we've done it in a way that benefits all our people and our future. I hope that's how we'll meet all our challenges in the years to come, because when Congress and the President put aside partisanship and find common ground, when they act together for the common good, America can meet any goal and master any challenge.

Thanks for listening.

NOTE: The President spoke at 10:06 a.m. from the Oval Office at the White House.