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**REMARKS BY THE PRESIDENT
IN CATHOLIC ROUNDTABLE**

The Cabinet Room

12:15 P.M. EDT

Well, welcome. I'm glad to see you.

Q Thank you.

THE PRESIDENT: I know you have a lot of questions, so I want to get right into it.

But before we start, I thought I'd like to just say a couple of things.

First of all, I'm happy to tell you that when the Pope comes here next month, I will have the opportunity to meet with him up in New Jersey; I'm looking forward to that. I think it will our third meeting; the first in Denver and the second at the Vatican. I'm very, very happy about that.

As you know, we're having a lot of interesting budget discussions here in Washington today, and a lot of you because of your particular interests are deeply familiar with the various issues in play. But I would like to just make a couple of observations.

First, I think when the history of this era is written, people will look back on it and say it was the period of most profound economic and social change since the industrial revolution came to America 100 years ago.

And when we became an industrial and more urbanized society, moving out of a rural, more agricultural society, it took us about 20 years, from more or less the end of the 1890s to the beginning of the end of the teens -- 1916 to 1919, to work out what we thought the responsibility of our nation's government was and what our common responsibilities were to deal with that. Now, that was defined all the way up and through the Great Depression and then after World War II. But essentially, the pattern was set in that 20 years.

Now we've moved away from the Cold War to an economy of -- a global economy, instead of local conflicts that may have global implications rooted in religious and ethnic and racial tensions. We have moved -- in the United States, we see an economy which is amazing. I having nothing to add, much to the terrific statement issued by the Catholic Bishops on Labor Day about it. But essentially what you've got is global integration of the economy with forces to disintegration and family life and work life. So you've got this anomalous situation.

Since I've been President, and we put in our economic policy, we've had 7.3 million jobs, 2.5 million new homeowners, two million new businesses -- record numbers -- a record number of new, self-made millionaires, the stock market at 4,700, record corporate profits, the unemployment of African Americans below 10 percent for the first time in 20 years -- since the end of the Vietnam War -- and the median wage dropped one percent -- almost inconceivable.

In the midst of all this economic growth, another million Americans each year lost their health insurance. So the country, after coming together throughout most of the 20th century -- once we -- making allowances for the Great Depression -- once we worked out what our arrangements were going to be, how we were going to try and grow and come together, it's now come splitting apart; families are under more stress and incomes are under more stress.

Now, having said that, that the big numbers all look better -- even the social numbers -- the murder rate's down, the crime rate's down in virtually every part of the country, the divorce rate's down, the abortion rate's down -- but a lot of it's demographics.

If you look at what's happening to very young children -- drug usage is down among people 18 to 34, but casual marijuana use is up among children 12 to 17. The crime rate's down among older people but violent crime among teenagers is up.

So we have all these pressures that are operating on our people, even as we seem to be moving in the right direction economically and socially. So the great challenge for us, if you look at the -- in this budget debate -- I think we ought to balance the budget. I don't think the Democrats or the Republicans should be in a position of giving this country a huge structural deficit for current expenditures, which is what happened between 1981 and 1992, for the first time in American history; it never happened before.

But how we do it needs to reflect this fundamental reality of our time. And we need to be asking

ourselves the big questions: Why do you balance the budget, what is the purpose of it? It's to lift the debt off our children and grandchildren, to free up money for people in the private sector to borrow to create jobs and opportunity, to strengthen the quality of life in the United States.

Therefore, if you do it, you should do it in a way that further those objectives. And that's why I am opposed to the specifics of cutting education; undermining environmental protection; overburdening the elderly, who are already, even with Medicare and Medicaid, already because of medical inflation, spending the same percentage of their income on health care they were spending in 1965, before Medicare became a reality.

I'm opposed to destroying the research and development in technology budgets of the country. I think that's a mistake. That's what creates those good-paying jobs that will strengthen America again. And I'm opposed to the tax proposals in the aggregate because I think, a, they're too large and, b, they propose to pay for their tax cut that will go to people like me, who don't really need it, in part by reducing the working family tax credit -- the earned income tax credit, which President Reagan said was the most pro-family, pro-work measure adopted in the last 20 years. It's the one thing we got through in 1993 that helped to close this income gap.

So I just paint that picture to say that we shouldn't -- none of us should be too dogmatic. We ought to realize that everybody, including the President, is going to be -- we're going to balance the budget within a fixed period of time. We'll have to cut some things we'd just as soon not cut, there will be some difficult decisions to be made.

But at least we ought to keep in mind that what -- we're going through a period of transition, what has sustained America in difficult periods is when we work together and look to the future. And that's important now. We need -- that's why I've tried to emphasize this common ground thing because if we work together and look to the future, we nearly always come out alright.

And if we forget why we're balancing the budget; if we forget the ultimate objectives, the values that underlie it -- our obligations to protect our children and our future -- then I think we run a serious risk. So I think this is a very exciting time. I think the next 90 days will tell a lot about what America will look like for the next 20 years.

And because of the role the Catholic Church has historically played in this country in defending the interests of those who were not defended by anybody else,

and looking out for the poor, looking out for the children, looking out for the future, trying to remind us that we have more in common than we have dividing us, I think that it's very important that the Catholic community in this country be immensely well informed about this debate and intensely involved in it.

Who's first?

Q I've been here before so I'll go first. (Laughter.) The Beijing Conference that was just completed, there was a little of the U.S.-Vatical tensions that were a big factor in Cairo. Could you tell us maybe a little bit what went on behind the scenes to erase some of those differences of opinion and maybe talk about what does that signal in terms of future U.S.-Vatican collaboration -- cooperation on social issues?

THE PRESIDENT: Well, I would say, I think there were two reasons for it. Number one, I certainly was -- and the First Lady -- both of us were far more sensitive to the potential problems and the difference in perception of what was going on and what the language problems were, and all of that, leading into Beijing, as a result of what happened in Cairo. And we were just determined to do everything we could not to let that happen.

So the First Lady, for example, had a very good meeting with the Vatican Delegation in Beijing. And we went out of our way to -- not only to make sure we had good, strong Catholic representation in our delegation, but also to emphasize that we thought that the interests of women and little girls could not be elevated apart from a commitment -- of reaffirming a commitment to the integrity of the family as the primary unit of society. I think that's one reason.

The second reason I think it worked so well is that because of what Hillary said in her speech there and the conviction and strength with which she said it. And we talked a lot when we were in Wyoming and before we knew whether -- for sure whether she would go or not, about what she would say if she went. And it's remarkable that the first draft of her remarks we reviewed in Wyoming were remarkably similar to what she ultimately said. The only thing that was really added to her remarks was the concern about some of the people not being let in -- that whole issue.

But in terms of our position on countries that have forced sterilization or abortion policies or countries that engage in bride-burning over dowry problems and the kinds of abuses of women and mothers that have occurred around the world, that was always uppermost on her mind and mine. And I think that came across.

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So those are the two reasons that I think that those tensions didn't happen. And I hope that, with careful advance work and continuing cooperation and kind of candor on all sides, we can continue to do that. Because I believe that the Vatican has a role to play -- a very positive role to play in a lot of these international issues that the world will have to come to grips with.

In South Asia now -- in all of Asia, I guess -- there are now 77 million more young boys than young girls or men than women -- but most of them are young, because these little girls are being killed in childbirth -- just being killed because they're not working. That's a stunning, stunning number. And it bodes ill for the future of what could otherwise be very great nations with very great futures to the world. So we have a lot to do, I think, together, in the world on this.

Q Mr. President, the press has made quite a target of what it calls the "religious right." I wonder, sir, if you could tell us what that phrase means to you and what role you think the religious rite might play in next year's election?

THE PRESIDENT: Well, you know, I have a -- it's interesting, because since I have been their favorite target, or some of them. anyway, I suppose I've been the most explicit and consistent defender of the right of people of religious convictions to also be public citizens and be active in the political process.

I don't think that -- I think people come into the public arena motivated by all kinds of things, but I think there is no higher motivation than to seek to be on God's side in your own life. So I personally have no problem with people of deep religious convictions being involved in public life.

I think the -- as a matter of fact, I think one of the most important things we've done recently and this -- not very much -- well, it got pretty good coverage, I guess, in the mainstream press when it occurred was issuing those guidelines for public schools in terms of religious practices. That was a very important thing to me, personally. And we worked very hard on that to try to clear up misunderstandings, make sure people of faith in our public schools knew what they had to do or what they could do to practice their faith.

Now, I think the religious right has become sort of a catch-all -- not -- just for people who are pro-life and anti-choice and that's the -- a sort of litmus test and the only issue for them. I think that it goes way beyond

that.

I don't think -- for example, I think most Catholics who are very strongly anti-abortion are not in that appellation. I think the religious right, as the term is used in Washington, anyway, generally refers to people who are either directly or loosely affiliated with the Christian Coalition, who will serve basically that there is a Christian position on a number of issues going way beyond abortion. And if you see the whole litany of issues you know what they are. And on some of them, they're quite at odds with the traditional position taken by the Catholic Church, for example.

And insofar as there have been negative connotation, I think the negative connotation comes out of a feeling that, on occasion, they take position on issues, which it's difficult to believe, if their scriptural basis for some of those issues -- but they take the liberties in characterizing their opponents, which may be inconsistent with Christian charity. I think that's really the problem that some people have with the so-called religious right.

But I think it's important -- my own view is that it's important not to attack people, generally, like that because otherwise you wind up getting into some name-calling that you deplore.

I notice -- I favor expressing my disagreements with groups and individuals as specifically and narrowly as I can and always hoping to leave open the possibility of finding some common ground.

For example, I hope that we'll get some support out of people who otherwise identify with the Christian Coalition for our anti-smoking initiative, for example, because I would think that's something that they would -- our anti-teen smoking -- I would think that's something they would be willing to support.

So, anyway, that's kind of my take on that. But I do think it's important, particularly if you're going to put the mantle of God around your shoulders that you be very careful in being exceedingly fair with your opponents because we are all counseled not to bear false witness and it's important that we don't.

Q Mr. President, as Governor, you supported school choice and as a parent -- as a good parent, you practice it. And I was wondering if you had any plans to support a more liberal and universal application of school choice in the future, especially for disadvantaged families in our inner cities?

THE PRESIDENT: Well, yes. Let me first of all

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say what I have done and what I do support. I supported an extensive public school choice program when I was Governor. I supported, as President, also, the establishment of what are called Charter Schools, in which public school districts have the authority to grant private persons, in effect, a charter to establish a school and other things that I thought would generally promote competition among schools for excellence because I think it's important. I also strongly support the benefits that flow to children in parochial schools, like the School Lunch Program and the Title I program.

I did not support any kind of federal voucher system because I think that the same financial pressures that the Catholic schools are under today, and which I regret very much because I think this country is well served by a strong, vibrant Catholic school -- but those same financial pressures are also affecting a lot of our public schools, the kind of services they're giving up, the kind of options they're giving up. And since the funds are so limited and they're about to become even more limited as public budgets go down. I think sort of federal system, frankly, since we only support about six or seven percent of the total public school budget, it's not a right thing to do, not a good thing to do.

But I do support the programs that presently flow federal funds into the students who are in the Catholic school system, and I will do everything I could, at least as an advocate, to try to encourage others to be supportive so that we can maintain a strong school network. But I just don't think the voucher system is the way to do it.

Q Mr. President, there have been some articles recently, saying that the Catholic vote in 1996 could be a key swing vote. And I'm just wondering how you approach the Catholic vote as you come up to the next election. Won't a very divisive issue like abortion always be a stumbling block to getting that key part of the vote?

THE PRESIDENT: The answer to the second question is yes. The answer to the first question is, I will do just what I try to do as President and what I did in 1992. I will go out to America and say that I think our policies and this administration's basic fundamental concern for the welfare of American families, of American children and the future of this country deserves the support of the majority of American people, and we have -- our fundamental obligation is to try to preserve this country for the future, to try to protect our children, to try to give -- to help people who are trying to help themselves, and to help those who, through no fault of their own, are incapable of helping themselves, and I think that is consistent, and it's what Catholics in America have always believed, and with the basic ethical foundations of the Catholic faith.

But I'm not so sure that Catholic voters aren't like a lot of others. I think it's hard to generalize, but there's a lot of different kinds of Catholics, just like there are a lot of different kinds of Baptists and a lot of different kinds of Jews. I think our religious faiths affect how we vote, but don't necessarily control the vote. I'll pretty much run the way I always have.

I could run -- I could make -- like I said, I could make the letter that the Bishops put out on Labor Day, I could make that the platform of my reelection campaign. (Laughter.) At least I have -- I don't suppose I've read it with Jesuitical care, but -- (laughter) -- when I skimmed it, I didn't see anything I disagreed with.

Q Well, I am an editor who has been sidelined to the U.S. Catholic Conference, so I'll let the working journalists assume the questions.

Q In Detroit right now, the newspapers are on strike, and replacement workers have been invited in, and the Cardinal has spoken out about that. I wonder how you feel about -- I think you've talked a little bit about how you feel about religious leaders speaking out on maybe union and government issues, and basically sort of what do you think about the separation of church and government?

THE PRESIDENT: I think a fair reading of the First Amendment is that the states should not seek to establish a religion, and that has been interpreted as the states should not pay for or promote a specific, religious view. Neither should the state impede the free exercise of religion.

Now, if a religious leader takes a political position, that does not involve -- the states shouldn't impair -- the government shouldn't get in the way of a religious leader expressing that political position, and that doesn't constitute the establishment of religion by the state. So I don't think that there's anything wrong with that.

The only thing -- I will say again, I will go back to the remarks I made in response to Gerald's question -- I think that if you say what you -- you know, I believe this -- and if you believe there is a moral and ethical basis for your belief, you can say that. I think that when you go beyond that, I just think those views have to be expressed with care and consistency.

If you read, just generally, the letters that the Catholic Bishops put out, interestingly enough, are written, I think, in a way that -- they are consistent, they don't vary from year to year in the sense of the tone and the

direction they take, even though the subjects may be different, I think there's nothing wrong with that; I think we should encourage that. I think that's good citizenship.

I think it's like everything else. When you realize you have an extra added dimension to your position, you have to exercise extra added responsibility in the way you speak and the way you act. But I don't think there's anything wrong with it.

Q Mr. President, let me change the tone just here for a second and ask a personal question. I'm wondering if you could share with us how you come to making difficult decisions. And it has a little bit to do with the sense of conscience, and how one acts upon conscience, and whether the decision is made in your head, your heart, or how you come to it. And, finally, what is maybe the most difficult decision you've made as President?

THE PRESIDENT: I think -- first of all, let me see if I can answer all of the questions -- (laughter) -- when there is a difficult decision to be made, I start with my head. That is, I try to make sure I know what I'm doing. And, you know, you may think that's easy, because the President has access to all of the information in the world. But in a funny way, it can be very difficult because, particularly if it's a decision in an area where you and your team have been going in a certain direction, you know, and working for a long time, the longer you work on something, without even knowing it, the more you're sort of factoring out opposing views and different information, because you've set a course and you're going down that course; and all of a sudden, the decision comes and you may have to change a little bit.

I try to make sure that I know everything that can be known about it, and then I try to search my heart and soul and do what I think it's right, particularly if it's a big decision or has obvious or moral applications. And, oftentimes, I know it's -- I try to always disregard whether it will be popular or unpopular in the moment, because I believe -- first of all, I think all big decisions have to be viewed in the light of history; you have to imagine what it will look like 10, 20, 30 years from now.

And, secondly, I think the time in which you live makes that especially so. That is, when you're going through a period of profound change, you can't worry about whether something is popular in the moment, because the moment will change dramatically from week to week, month to month, to year to year.

So I simply try to first of all do it with my head. Obviously, I listen -- you know, I have staff members who know about all these things, and they tell me what they

think the political implications are. I listen to all that; I mean, in a democracy, you have to maintain -- at least at election time, you've got to maintain the support of more than half the people or you can't stay in.

But I basically try to make all of the big decisions based on what I think is right, and I'll give you an example. I'll give you several examples.

When I did the teen smoking initiative, all of my political advice was that this was a big loser, because while it would look popular and everybody would think it was good, the people that hated it would do everything that they could to defeat our administration and destroy this and everything we tried to do. The tobacco companies have a lot of money a lot of influence.

The tobacco farmers are good people, they are good as gold. But you know, they would be told by the tobacco companies I was trying to put them out of business and bankrupt them and ruin their way of life, and they'd be stirred up, and that it would be a terrible mistake politically, because a lot of people like things you do, but they don't remember it at election time -- these people who try to give us a gut shot.

And a lot of our people reminded me that when I became the only president in history to stand up to the NRA over the Brady Bill and the assault weapons ban, it was a political disaster. Because even though big majorities of the American people agreed with us, they walked away from all of those congressmen who put their lives on the line, and the NRA took them out.

The Republicans are in the majority today in the House of Representatives. Maybe not the Senate -- you can argue that both ways -- but, certainly, because 20 Democrats at least were defeated by the NRA. And there's no doubt about it -- not even close. So a lot of the people -- so they said, remember that. You know, you were the only one who took them on, and it was a huge loser.

Well, I said, it may have been a loser, but it was the right thing to do. There are people alive today -- there are already 40,000 people who had criminal histories and mental health backgrounds who didn't get guns because of the Brady law. There are people alive today because of that. There are people alive today because of banning these assault weapons.

So I would do it all again tomorrow. I would try to be more articulate in trying to force the citizens of our country to consider what they were doing when they threw people out of Congress who put their lives on the line and were being gutted in the last election by the NRA. I should

have maybe done a better job of defending them over that and -- trying to make that a voting issue. But it was the right thing to do; this teen smoking thing was the right thing to do. And we'll see -- in 1996, it may be a political disaster, too, but it was still the right thing to do.

If we get it done, we're going to keep a lot of kids alive. Three thousand children start smoking every day, 1,000 of them are going to have their lives shortened because of it. It's not complicated.

The thing I've done that had the least popular support, not so much opposition, but the least popular support, was giving financial aid to Mexico when it was about to collapse. And on that day that I did it, there was a poll that came out that said that the people were against it 81-15. Half the people in the country who supported it were in the room with me. (Laughter.) But I made that decision in two minutes. I mean, I didn't even have to be briefed about it, because I knew about it.

I mean, I understood exactly what would happen. I said, there's no way I'll ever be able to convince the American people it's the right thing, but it's the right thing. Because if Mexico collapses, we'll have a much bigger illegal immigrant problem, we'll have even more animosity toward immigration than we have in this country today, even more anxiety within our country. We'll lose an enormous potential partner for the future in Mexico, it could cause the economic collapse of Argentina and Brazil and other countries because of the way the global financial markets work. It was an easy thing. That decision was made in two minutes. I didn't even want to hear the debate; I knew exactly what I had to do. If it had been 99-1, I still would have had to do it, because it's the right thing for the United States, and I knew that.

So those are the -- so you ask: What are the -- the hard decisions are the ones where the morality is not clear and we have genuinely competing considerations. Let me just give you -- I'll give you one, one of the hardest decisions -- because it's working out right now, so I can talk about it a little bit. (Laughter.) Today -- tomorrow, it might be terrible again.

The hardest thing that I've had to do is to deal with, I think, broad, at least, is to deal with Bosnia, because I have felt for a long time that the only thing that would work in Bosnia is what we've been doing in the last few weeks -- that we should not put our American forces in and we should not involve the United Nations in fighting the war on the ground in behalf of the Bosnian government. I did not believe that we should do it, I did not believe that they should do it.

But I did believe that unless the world community said that there has to be a limit to the slaughter of innocent civilians and we have recognized this government and we're not going to let them be dismembered anymore, that we cannot make peace.

On the other hand, I also thought it was very important that in the first security crisis in Europe after the end of the Cold War that the Europeans be supported, be permitted to take the lead, as they asked to do before I became President, and that we had to preserve our ability to work with the United Nations and with NATO for the long run, even beyond Bosnia -- there will be other issues and other days, and we're trying to make the U.N. work for the first time. And at the end of the Cold War, we've really got a chance to make it work in important ways, and it has in Cambodia -- the U.N. has played an important role in Angola and a lot of other places.

So there were times where I had to sit and watch things occur in Bosnia that I thought were wrong, that I thought more aggressive policy might prevent. But I knew that the French and the British were on the ground there with the Dutch and others, and I knew they were feeding people who would be dying otherwise. I knew that the very presence of the U.N. forces there were keeping people alive who would not have been alive otherwise.

And so I had to live in a kind of political purgatory for some weeks and months when things were going on that I didn't agree with because of the utter competing and offsetting -- where there seemed to be two moralities and two practicalities and two sets of facts that were completely at loggerheads with each other. Those are the most difficult decisions for me -- not the ones that are clearly unpopular or clearly likely to provoke a terrible reaction, but when there really are these competing considerations which cannot be easily sorted on one side or the other.

Q Mr. President, we've talked tangentially about the issue of abortion as one that many Catholics are very concerned about. You've said that you would like abortion to be safe, legal and rare. But many people see your administration as having consistently moved in the direction of making abortion more accessible in the direction of more funding for abortion as being, quite frankly, pro-abortion in various ways.

Could you point to some things that your administration has done, or could do, to make abortion rare?

THE PRESIDENT: Well, first of all, we've maintained what I think was basically the present policy with regard to the operation of the Medicaid program, except

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I thought -- I do believe that we should -- for a while, we had a rape and incest addition to the life of the mother exception, and we repealed the Mexico City policy because I thought it was inconsistent with what the law was in this country and, therefore, what our policy ought to be.

The best example of it is the work I've done to try to increase the number of adoptions, and I hope to do more of that, and to try to remove the barriers to cross-racial adoptions, which I think are a pivotal factor in succeeding in getting America into a situation where we can do that.

I think we also need to do more than we have done, but I want to do more to speed up the process of adoptions, to move them so that we can begin then to hold out to young people who aren't married but who do get pregnant the possibility of having adoption as a real and viable, immediate alternative that we can push and publicize.

Hillary wrote a column -- interestingly, Hillary wrote one of her newspaper columns about what we wanted to do in adoption and about what we were trying to do to strip away the barriers to cross-racial adoptions. And it got a bigger response than all of the newspaper columns that she's written by far, since she started writing the column; the adoption column got way the biggest response. So I think that there is out there in the country a kind of a yearning for doing something about this, and maybe a lot of people who haven't thought about it before would be willing to take responsibility for some of these children if they were brought into the world, and my own view is that that is something we could do that would -- I think has the potential to substantially reduce the abortion rate, because people thought -- began to focus on and see adoption as a real, viable alternative, and to see an American system that has some integrity and speed to it -- I mean, appropriate speed, not just throwing these kids in any kind of situation.

But I think the whole adoption process in America has been overly bureaucratized and is also somewhat arbitrary in terms of who is successful or not in getting a child, and I would like to see this thing moved very rapidly.

I think it is an area where the government and the Catholic Church, and even a lot of people who would otherwise never support us on anything might come together and find a common ground. And I would very much like to see it done.

Q Mr. President, there is a thought in some members of the Catholic community that with regard to some

of our Catholic hospitals, Catholic health care agencies, some of our social service agencies, the people are almost, in a certain sense, questioning our right to exist. For example, the proposal that hospitals will be denied government funding if we fail to provide abortion counseling, that kind of things, those rules and regulations. What is your administration going to do, or could do to affirm not only our right to exist, but also to continue to support us and the services we provide?

THE PRESIDENT: I think you should have a conscious exemption; I've said that all along on everything. I don't think that any Catholic health facility should ever be required to do anything that violates your religious convictions -- ever. I think you should have a conscious exemption across the board.

I also hope you're not put out of business by the Medicare and Medicaid -- (inaudible) -- but the Catholic church, over the life of this country, has probably done more to help the poor than any other institution in America, and to help people who were otherwise bereft, and I do not believe that you should have to give up your religious convictions to continue to do that. I feel very strongly about that.

And if there is any example where you believe that is occurring in our administration, I would urge you to just make me aware of it, tell Alexis or someone else and let us go forward to deal with it.

You know, it is assumed, I think -- I'll tell you a story that has nothing to do with religion -- (laughter) -- but it makes a point. I've found an interesting thing. Since I have been President, it's assumed that when something happens in the bureaucracy, then I know about it and approved it.

When Presidents Reagan and Bush were in office and things happened in the bureaucracy that seemed whacky, people didn't assume they knew about it. (Laughter.) I was always perplexed by this for a long time. So I'll give you a totally off-the-point story. I was meeting -- the other day, I was in the San Joaquin Valley in California, which is a conservative farming area, the most productive agricultural area of the country, I guess, and it's basically a Republican area, although I ran pretty well there -- mostly because I was the first fellow that knew one tractor from another. (Laughter.)

So I was out there, and I don't know if you remember this, but a few months ago, there was an immigrant farmer from Taiwan who was actually indicted because he killed a kangaroo rat on his farm. Remember that? And the kangaroo rat was an endangered, protected species. And this

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farmer killed this rat and wound up indicted.

I read about it and, frankly, had a fit. And the end -- but the thing had gone on a long time, and I had heard about it. And the end of it was, the Interior Department was able to lift -- against the gentleman was dropped and there was the charge leveled against his farm, which was incorporated; he paid the fine and they went away.

But I told the story to these farmers, that they were out there in the area. And after it was over, these guys said, you really didn't know about that? (Laughter.) And I said, no, I didn't know about it. I said, let me ask you something. Did crazy things like this happen when Ronald Reagan and George Bush were president? They said, yes. I said, did you ever think they knew about it? They said, no. (Laughter.) So why did you think I knew about it? They said, well, you're a Democrat, you like everyone. (Laughter.)

It was so enlightening, it was like a light went on in their minds. All I'm saying, is things may have been done which are inconsistent with that, but I strongly believe that no one should ever -- (inaudible.)

Q Mr. President, I feel like I'm in a candy shop and I have one nickel. (Laughter.) But I would like to make the comment, simply saying for what you're saying about wanting to get input about things, that in my state, Connecticut -- I'm from Fairfield County -- the school choice including Catholic and private schools is becoming a key issue and a bipartisan issue. Both Senator Lieberman and the Governor are supporting it. And just so you know, in a town I know you know, New Haven, 75 percent of the kids in our Catholic schools there come from families making under \$35,000. And nationwide, 23 percent of our kids are minorities, more than double of what it was 20 years ago.

And I know your argument about federal funding is not the main source, but whatever you can do in your party, I would urge you to do. Because Catholic schools are closing and it's -- Senator Lieberman said, our only Orthodox Jew in the Senate -- he said, it's hurting our cities when Catholic schools close because it's one thing that has worked in the cities.

But I cannot avoid -- my question has to be -- I also work in a seminary -- every priest has about three hats these days. And I remember hearing that when you were at Georgetown one of your Jesuit professors, thinking you were Catholic, asked if you had ever considered a religious vocation, which makes me think that perhaps -- I don't know about President Kennedy, but it's very possible you are the first President in American history that was ever asked to

consider a vocation to the Catholic priesthood. (Laughter.)

If you remember, sir, I would love to know for the record, for the American Catholic Church history, what was your reaction when it was suggested to you you may have a vocation to the priesthood?

THE PRESIDENT: I remember like it was yesterday. It was over 30 years ago, but I remember it like it was yesterday. (Laughter.) Father -- (inaudible) -- who still teaches at Georgetown, he had not yet completed his transition into the priesthood, but he was teaching -- he taught me philosophy. And he invited me to go to dinner, go get a hamburger. I think it was a Howard Johnson Restaurant on Wisconsin Avenue. (Laughter.) And, anyway, it was someplace up on Wisconsin Avenue, we went out and got a hamburger. I thought I'd died and gone to hell when I had a professor ask me to go get a snack.

So we're talking along and he said, I've been reading your papers. He said, have you ever considered becoming a priest. And I looked at him and I said, well, don't you think I'd have to become a Catholic first? (Laughter.) And he said, what do you mean? And I said, I'm not a Catholic. He said, I don't believe you. (Laughter.) I said, what do you mean? He said, I've read your papers, you think like a Catholic; you write like a Catholic; you reason like a Catholic. I don't believe you're not a Catholic, I just don't believe it. He said, you could not have written these papers if you're not a Catholic.

I said, well, I went to a Catholic gradeschool for a couple of years. And I told him -- and I said, I don't know, the rules are pretty tight. (Laughter.) That's what I told him. (Laughter.) I was 18 years old. (Laughter.) And we began what has, thankfully, been a lifelong friendship. But that's what happened. And that's an almost verbatim account of what happened. It was over 30 years ago; I remember it very clearly. I was very flattered, very moved.

I have a good friend who's been my friend also for over 30 years who is a priest here in town, Fred Cameron*. Some of you may know him. And one of the most moving letters I ever received in my life was a letter he wrote to a number of his personal friends after he'd been a priest for 20 years about how he kept his vows and what it meant to have lived a life that he had lived. And I still -- it was an overwhelming experience for me and for Hillary reading this letter. It's nice to have him around here in town now.

Anyway, that's what happened. I could have -- if I had converted and done that, it would have saved the world from my -- (inaudible.) (Laughter.)

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Q That's great. Thank you, Mr. President. We work a lot with young adults in our area, and when I told them I had been asked to come to this brief and asked them what they wanted to ask their President, they said that they have some very difficult things facing them in their relationship with government. They say they feel powerless. They say when they hear the news and see the struggles going on, that they seem to think there is more a struggle for power than a struggle for what is right.

Now, some of that, of course, is to be laid at the feet of the media, the way the media handles things. They sometimes say they get the impression that there's more emphasis on the reelection of officials -- not just the President, but all officials here in Washington -- than there is truly on seeking the truth in controversy. So they feel, in a sense, morally disenfranchised in relationship with their government. And if you had an opportunity to sit with that group of young people, what might you tell them in this regard?

THE PRESIDENT: I would tell them, first of all, that on balance, it may not be quite as bad as they think; that I've been involved in this in and around public life for a long time now, and most people who do this work are honest and work hard and try to do the right thing. I would also tell them that if they don't want people in public life to behave in ways that they don't agree with, that they and their parents also have to work hard at being good citizens. They can't say on the one hand they want people to make courageous decisions and then punish them when they do it. They can't say on the one hand they don't want people to be too political and then they, themselves, may react to some 15-second blurb they see on the evening news.

The worst things about politics in this town -- there are -- I will say this: In Washington, politics are too partisan, too divisive, too negative, and often superficial in terms of what comes across on the evening news. But one reason they are is that people see that they get rewarded for that.

And I don't want to be -- I have to be very careful what I say now, but I don't want to be self-serving. For example -- and to be fair to the politicians, it's hard to get through.

Let me just tell you one other story. I have a -- well, let me say first, in the first two years I was here, when we asked people after the election why did you vote the Democrats out, they said, well, they had two years, they didn't do anything. That's what they said -- they didn't do anything. Well, the fact is that in the first two years of my presidency was only the third time since World

War II when a Congress adopted over 80 percent of the President's program. The fact is that they broke 12 years of rampant deficit spending and reduced the deficit three years in a row for the first time since Truman was President, and produced a remarkable period of economic growth.

The fact is that they broke seven years of political stalemate and passed the Family Leave Law, six years of political stalemate and passed the best crime bill the Congress ever passed. They broke five years of political stalemate and passed the motor voter legislation. They passed more trade legislation in less time than in any period in American history, expanding America's trade.

I mean, that's just for openers. They did a lot of other things. It was a dramatic thing. But they weren't very good at talking about it. They said, you want people to take -- (inaudible) -- the last Congress stepped on the NRA, and it never had been done before. What happened? They lost their seats.

One of my friends in Congress -- who used to be in Congress, lost his seat last time. He was riding home with a guy on the airplane that didn't know that he was his congressman. The guy says, I'm pro-environment and I'm for this gun control legislation that passed, and I'm going to vote for every Republican on the ballot, because I hate the federal government and I want my taxes cut.

So what I would say to these young people is they have to realize in a democracy, the politicians they get in part are a reflection of the people who vote for them. Now, the customer is always right in a democracy. So I'm not being critical of the public, and part of it is the media. But this is a frustrating time. It is very frustrating when you do things that you know will have a positive impact and you wonder whether you can ever have your constituents know.

I'll tell you one more story -- an interesting story. Carol Browner, my EPA Director, from Florida, is the child of Irish immigrants. And she has -- we were talking about the earned income tax credit, something I'm sure you're all very familiar with and you know how much we increased it, you know how important it was. Carol Browner has a sister who benefitted from it. I don't think I've ever identified her before; I've told this story before. I shouldn't have done it to you.

Anyway, her sister calls her and her sister works and has children. Her sister calls and says, I'm so happy, my income tax bill went down. So my Cabinet member says, I know; it's a big part of the President's economic program, to give people like you a tax cut who are working hard, have modest incomes, raising children. She said, no, it wasn't.

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She says, it was, too. I'm in the Cabinet; I know. She said, look, all you do is defend him. (Laughter.) She said, I was in the Cabinet Room -- this room -- and he went around the table and he made all of us give up money to fund this earned income tax credit, so working people on modest incomes could raise their children. And she said, I watch the news every night; if anything that important had happened I would know. (Laughter.)

This is somebody -- so what we have to do is, I think what we need is -- the young people and their parents should be skeptical of all of us and they should hold us to a high standard. But they should count ten before they form a fixed view of anybody -- me or Newt Gingrich or anybody else on the other side -- based on a sound bite or an excessively partisan attack. In other words, if we don't like these things, we simply have to stop rewarding them at election time. And if we want something, if we want people to take on the tough issues and try to work through complicated things, we have to be willing to listen to their defense long enough to decide whether we should reward them at election time. Because, ultimately, elections determine the kind of politics we get. Ultimately, the voting of the American people determines the kind of politics we get.

The other thing I would say to those young people is that this country does have a lot of serious problems, and the political system can't solve them all because a lot of them deal with whether young people and their parents are exercising the kind of responsibility they have to exercise to make the most of their opportunities. And one thing that is going to require a political response, however, that requires a lot of thought is whether or not we're all going to keep going forward together. The think I'm profoundly worried about is this splitting apart of the middle class, the stagnation of income, the fact that people might be trapped in poverty.

We'll always -- as long as we have immigrants in this country, as long as we have an open society, we're going to have a significant number of poor people. When in America, as the story of the Catholic immigrants in America makes abundantly clear, it's always when people kept their families together and worked hard, they could achieve greater opportunity.

If we're going to shrink the role of the government in our country dramatically in a more entrepreneurial age, which I've been a part of, by the way -- there's 160,000 fewer people working for the federal government than there were the day I took office; I've supported that -- we still have to say how are we going to preserve the American ideal that somehow everybody has a fair chance; that we're going forward together? And the young people of our country should -- what they should do is

not be so cynical, not be so negative, but they should say to us, here's a problem you guys haven't solved yet. And this problem has been developing for 20 or 25 years, so it's okay if you don't solve it in two years. But it's not okay if you don't solve it.

I realize there may be no instant solution, but I think one of the things that I'd like for the young people to do -- I think, for example, young people are much better on the environment than most of their parents and grandparents. So I think what really -- the constructive thing young people could do is to say, okay, here are the things -- like I would say, I wish every young person in every classroom in America would sit down and write a list: Here are the things that are my responsibility. Here are the things that start with me. I've got to work hard in school. I've got to learn. Nobody can teach me anything if I don't learn. Here are the things that are the responsibilities of my family, my school. Here's what those folks up in Washington, here's what they ought to do. I think it would be very helpful, you know -- protect my environment, fix my economy, give everybody a fair chance -- the poor, the old, the disabled, people who through no fault of their own -- somebody's got to do something about it. And I'm tired of seeing people sleeping on the streets.

I think it would be very interesting -- in other words, I would I say to those young people, be positive. Come out with something -- tell us what you want us to do, and then hold us accountable for moving on it. But don't think we're all a bunch of slugs. Most people here in both parties are more honest and work harder than sometimes people think.

Q Mr. President, in last November's congressional elections, for the first time in our nation's history, a majority of the nation's Catholics voted Republican. During the New Deal, about two-thirds of the nation's Catholics traditionally voted Democrat, year after year. What are you going to do to stem that tide and to bring these Catholic voters back? And why do you think that happened?

THE PRESIDENT: Well, I think it happened partly because a lot of Catholics didn't vote. The majority of those that voted voted Republican. I think it happened because the Catholic vote originally was an immigrant vote that voted on economics, on a common economic agenda. And I think that now Catholics are much more widely dispersed in our society and vote on other issues or for other reasons -- or may vote economically for the Republicans.

I think it happened because the Catholic voters were like a lot of voters -- they were probably in a great frenzy of wanting a great change because they thought things

were going wrong and the Republicans had a simple message -- the government's the problem; vote for us and we'll give you less of it and cut your taxes.

And, you know, they said all those things that young people say they hate. They said the Democrats are sort of a godless bunch. They love all the things we hate. Vote for us and we'll be tough on welfare, crime and immigration, and give you your money back. It's simple. They had a simple, clear message that there was some merit to, but mostly it was wrong in terms of the prescription. But it was effective.

And I don't think there is a Catholic approach to this election. I think what I've got to do is to go out and tell the American people what I think is best to build bridges to the future and to build bridges to each other and what I'm trying to do about it and let the voters make their judgments about it.

But I do believe that, on balance, Catholics tend to have a very strong social conscience about what obligations we owe to one another. And I think a lot of American Catholics are alarmed about whether this Congress is going too far and are probably supporting my efforts to get them back more in the middle of the road.

Q Thank you, Mr. President. I'm from Boston where you're born a Democrat and you have to become a Catholic when you get baptized. (Laughter.) But, shifting ground, would you say a few word about the role the Holy See plays in international things? Have you found it helpful at all? And some examples maybe.

THE PRESIDENT: Very. Well, just on balance, I think that the role of the Holy See has been basically constructive in Bosnia, and in every place where we need another voice for peace has been a positive voice. You know, I've spent a lot of time trying to, for example, work on the peace process in Northern Ireland and working on the peace process in the Middle East. I have found that basically an aggressive willingness on the part of the Holy See to stake out positions that would support the peace process.

There have been one or two times when we've been not quite singing off the same hymnal. (Laughter.) But not all that often. And, even there, I think you have to expect that if you want someone to be an active or strong voice. But I think the moral position of not only the Pope but of the Catholic Church and what it stands for really -- and the world we're living in, where we're being, you don't have this huge Cold War that you had where the security of the world is threatened basically destructive groups and destructive states who were preying on the anxieties of

people around their differences, whether they're ethnic, racial or religious, and where they can do an awful lot of damage with proliferation of chemical, biological and small-scale nuclear weapons.

I think the end of the Cold War will give the Holy See more opportunities, not fewer, to be a positive role in the peace process. I think it will make a big difference because you don't have the dynamics of -- all these international crises won't be so thick since the end of the Cold War. They'll require certain entrepreneurialism, if you will, a certain creativity to deal with one after the other, which someone who has a great deal of spiritual weight may have more influence on getting people to give up their old hatreds.

Q We're happy that you could be in Los Angeles with Mrs. Clinton for Palm Sunday this past year.

THE PRESIDENT: We loved that.

Q It was a tremendous honor for all of us, and I wanted to just say that again. My question concerns illegal immigration. We know what your administration has done to try to stem the flow of immigrants from other countries. But what do you think we ought to do about the immigrants that are here already illegally? Is Proposition 187-style legislation something that you would favor, or do you have another course that --

THE PRESIDENT: Well, you know I oppose Proposition 187. And I oppose it for two very distinct reasons. One is I didn't want -- I thought it was unwise to turn the schools into sort of eviction officers because if the kids are going to be here illegally, better to have them in schools than on the street. That's what I believe. And I opposed it because I didn't want to deny access to all health facilities because it was inhumane for the people involved and bad for the larger community -- expose the larger community to more health risks. So, on those two grounds.

In general, I don't believe we should spend public money on illegal immigrants. And we don't. For example, they're not eligible for welfare payments and other things. I think if people make a decision to come to this country outside the law, I don't believe they have the right to then claim the benefits of the law and the law-abiding taxpayers' money. But I didn't support 187 for the reasons I said.

Now, what we're trying to do is to accelerate the rate at which we can send people back to their country of origin if we can find them, either in the workplace or in the court system. And in L.A., for example, we've

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dramatically increased the number of people we're sending back out of the country when they get caught up somehow in the court system. I don't think it should be necessary for people to be convicted, either -- I mean, if they're found out and they came here illegally.

The United States has had an interesting -- we've always been a country of immigrants. We tightened our immigration laws between the '20s, '30s, '40s, '50s and '60s. And in the mid-'60s we developed more liberal immigration approach. And then we went way up on our immigration quota in 1990 to try to accommodate the end of the Cold War.

But I think that this commission I appointed, headed by Barbara Jordan, I thought they did a very good and balanced job in trying to come to grips with how we could deal with the problems of illegal immigration and the question of whether we should, for the next few years, while we're dealing with all these low-wage workers who are already in America, we should lower the quotas back to some level more consistent with where we were before the huge increase in 1990.

And so we're looking at ways -- I'm working with the Congress -- ways that we can have a responsible immigration policy that will keep America immigration-friendly and minimize the abuses of the laws, but also deal with the realities of today that are significantly different than they were just a few years ago.

Q Thank you, Mr. President. In the last two years, you've issued three directives aimed at facilitating the practice of religion -- the Religious Freedom Restoration Act, the Equal Access Act, and the executive order recently on religious expression in public schools. Can you tell us what the ramifications of those directives have been to date and whether you think that those ramifications will influence other related issues, such as vouchers, school choice, and those kinds of things?

THE PRESIDENT: Well, I think that each of them on their own terms have had different ramifications -- all positive, I think. The Equal Access Act, I think, is pretty straightforward. The Religious Freedom Restoration Act goes back to something that Monsignor Lee asked me about in terms of Catholic hospitals. The Religious Freedom Restoration Act is still having ramifications because what it seeks to do is essentially to tell our national government that you have to bend over backwards to avoid interfering in anybody's free exercise of religion.

And we've had some interesting cases. For example, we have the case of whether a man who was in bankruptcy who gave money to his church, as he regularly

did, whether the church should have to give up the last tithe because the man was aware that he owed more than he could pay at the time that he gave the last money. And I argued that the spirit of the Religious Freedom Restoration Act, if not the letter, the spirit would argue that the church should not have to give the money back. We've had a lot of interesting, other kinds of cases there.

But I think the Religious Freedom Restoration Act is very, very important, but is something that you have to work all the time because it is general in its principles. It was meant to reverse a particular Supreme Court decision, basically put the burden back on the government when you interfere with anybody's free exercise of religion. But if you think about all the myriad ways we come in contact with people as they express their convictions, everything from, as I said, from prison to bankruptcy, I think it's something that if we can keep a commitment to vigorous interpretation of it, it will have a huge impact over the long run.

And on the schools, I think that, in the near-term, has had the biggest impact of all because a lot of people did not know what the law was. And all they ever hear about is, to be fair to them, people of faith, is when the Supreme Court decides one more time that you can't have an invocation at a high school commencement -- by the way, that's a decision I don't agree with, but I understand why they did it. But there is so much room for people to practice their faith in schools, whether it's having access to school facilities, being able to distribute flyers in schools, being able to pray in groups of like-minded people outside of -- being able to have religion taught as a part of a history course as long as no particular religion is advocated, having young people be able to express their own religious convictions in their homework where appropriate without being sanctioned.

There are lots of things -- and what we saw there was this great sigh of relief. I had a public school teacher from Maryland come up to me and tell me that her principal, totally out of a lack of knowledge, not because he was a malicious man, but because he was afraid, actually took a Bible away from a student who was simply reading it quietly during lunchtime because he had this vague apprehension that the law would not permit these sorts of things. So all three of those things are good.

Now, I think they do -- whether they have any implications for going forward, I don't know. But my instinct is that our country is trying harder than it did for a very long time to make a good-faith reconciliation, if you will, of the forces of religion with the government and our civil society generally; that we understand that the First Amendment does not mean that our government should be hostile toward religion.

You know, de Tocqueville said in the 1830s that America was great because America was good, and if we ever stopped being good we'd no longer be great. This has always been a -- this is still the most religious country in the world. And I think -- one of the reasons it is the most religious country in the world is because we have faithfully observed the First Amendment both not to stifle religious expression and not to try to establish any particular religious point of view.

It's always been difficult and controversial to apply those two things in specific instances, and I guess it always will be. But I think we have, all of us have the sense that our culture got a little out of hand, that too many of our institutions weren't working, that we had too many families breaking down, we had too many people walking away from their family obligations, that that was a part of a lot of the other social problems we had from welfare dependency to illegitimacy to crime and violence and drugs, and that people of faith basically don't do those things, and that we'd be better off if we could find the right sort of reconciliation. And I think that's what the Religious Freedom Restoration Act is all about. I know that's why I was motivated to do what we did on the school guidelines. And I think that it's coming back in that direction. And we'll all just have to try to work out the specifics as we go along. But it's a very healthy thing for society.

Q A campaign is being mounted, Mr. President, to petition the United Nations to withdraw the Vatican's permanent observer status. This issue is likely to receive more attention in the next few weeks when the Pope comes to address the United Nations. I'm wondering if you support the permanent observer status of the Vatican. And if so, will you be instructing your U.N. Ambassador to discourage efforts to strip this status from the Vatican?

THE PRESIDENT: Yes, I support it. And this is the first I've heard of the effort.

Q There's a petition being circulated --

THE PRESIDENT: -- kind of like a kangaroo right, I don't -- (laughter). I'll see what I can do to head it off. I don't support it.

Q Mr. President, I'm from Baltimore, where we have the headquarters of Catholic Relief Services, the international charity and humanitarian aid service for the Catholic Church. And I wanted to ask a couple of questions related to foreign aid. Your administration has mounted a very impressive advocacy campaign to protect already record-low funding. And I was interested in what you intend to do to sustain public interest and support for that.

Secondly, however, our friends at Catholic Relief Services runs a program called Food for Peace, which serves about 3.3 million people worldwide. And surprisingly, you have consistently offered cuts and so that in the last three years we are now providing about 50 percent of the tonnage of food to foreign countries than we did three years ago. And I was just wondering if you could explain this. It seems to be an inconsistency where your --

THE PRESIDENT: I like the Food for Peace program. It was cut because of the budget pressures we were under to cut things and because of the -- particularly in the Agricultural Department -- and the whole issue of food subsidies. But I like it. And I wish we hadn't had to cut it at all. I can't defend it, other than to say we had to cut something.

On the foreign aid program, I think you, with all respect, asked the question a little wrongly. This is one of those questions that Tom asked about. We cannot build public support for foreign aid. That is, we can't -- particularly can't build it in the context of cutting all these other things. What we have to do is to convince the Congress to do it because it's right.

Because -- one of the reasons is, we could build public support for foreign aid -- excuse me, if we had \$100 million in advertising and two months of intensive effort, we could build public support for foreign aid. The University of Maryland did a study in which they asked -- they did a poll. They said, what do you think is about the right amount of foreign aid? And they said, oh, three percent of your income. What do you think is too much? Over five. How much do you think we're spending? Oh, between 15 and 25 percent of the budget. And in fact, it's one percent. And then they when they were told we were spending one percent, is that too little? They said yes.

So the public believes we're spending about somewhere between 40 and 50 percent of their tax money on foreign aid and welfare, and we're actually spending about a nickel or less on foreign aid and welfare. So if we had time to -- so if you ask -- we could build public support insofar as you could do that. Unfortunately, we don't have either the time or the concentrated advertising money that it would take to tell people that right now. So this is one of those things that's kind of like aid to Mexico or the Brady Bill or the teenage smoking. But we need to go to the Congress and say, look, we know this is popular, but it's only because people don't know the facts; they don't have access to it. But we're really going to hurt our country, our national interest, as well as walk away from a lot of humanitarian projects if we cut this budget this much.

That's what I think. I think we have to go back and just say, this is the morally right thing to do, and it right for the United States.

Hillary took this trip through South Asia, and all over South Asia, there are these little AID projects that are making a huge difference. She just got back -- after she went to China, she went to Mongolia, because it's a fledgling, budding democracy, and it's desperately poor, and they've been hurt so bad by the collapse of the Soviet Union in basic ways, like the maintenance and medical care and things like that. The AID projects, the money you put in there, a little bit of money has a huge impact on these brave people who struggling to try to be free. And I think we just have to say, this is the right thing to do. It is wrong to cut this anymore. You know, I feel badly that it's as little as it is. And we ought to be doing twice as much as we are. And that's what I think.

I think you can -- if the people in Congress are worried about the political impact of it, you could tell those people -- they would feel this way, and you cite the Maryland poll, but I think the most important -- just take it on the moral ground and this is the right thing for America.

And also, on practical terms, it will undermine dramatically our influence if countries see that here we are, supposed to be the greatest country in the world, and we won't spend a nickel to see the cow jump over the moon. And when you've got the lives of thousands and hundreds of thousands of children and others depending upon it. I think it's just terrible. Well, you know how strongly we feel about it. We weighed in pretty hard about it.

Q Mr. President, you were talking earlier, and I think it was an important issue, about public perception, media, government. You gave example and inspiration to young people. This question -- maybe it's rather poignant and not even a good one -- but I wonder today, especially with what's going in the news, do you, if you were a betting man, would you say that there will or will not be mounted a third-party candidacy? And what do you think about that personally? Would you welcome it, not welcome it, and your ideas on it?

THE PRESIDENT: I think it's 50-50, if I were a betting man. I think -- but I believe there are -- and I think are reasons that argue for the likelihood of it. And if I might mention two or three. One is, we're living in a time where there's more of everything. There are more magazines, and there's more -- you've got 50 channels on your television. So if you ask somebody, would you rather have three than two, they'd say yes. (Laughter.) True, I mean, we live in a time where the one thing we are advancing

in this world of ours with all of our other problems is consumer choice, right? So, sure.

Secondly, there is this -- I think the way politics is covered -- and, frankly this goes back to one of the questions one of you asked -- the short-term benefit to the politicians of playing on the negative, the emotional, divisive, is you may win your election, but you undermine the long-term faith of the people in the system. So what you -- and the best of all systems have short-term and long-term benefits working in the same direction. If what you have to do in the short-term to succeed undermines the long-term liability of your enterprise, you're in deep trouble. And that's basically what's happened, that the politics of isolated elections and isolated issues have worked even from people may reward certain things they know better. And that's what you're telling me. They know better. The people of this country are fundamentally good, sensible, honest, hard-working people. And they know that it somehow hasn't worked.

The third thing is, just objectively, is we are in a period of great change where we have to change our policies. And so it may seem -- it has a certain appeal to think, well, maybe we need another party, or two or three more, to come up with ideas for this period of change, because it a historic period.

And having said all that, I will have to tell you, if you look at Europe, if you look at other countries with multiparty systems, on the whole, this country has been very well served by having for 200 years two dominant parties that had the capacity to change but also to coalesce. It has minimized extremism. It has put an emphasis on practical progress. It has actually increased accountability, not decreased accountability, that we have had two great parties. So on balance, I think that we should do it.

And the Democratic Party, for example, one of our problems is that -- I always say, the Democrats are a lot better at doing than talking. It's killing them in the talking world and in the information, communication age. But the Democrats have defied almost every conventional attempt to run against them. I saw an article in the paper the other day that said the Democratic Party is no longer an ultraliberal party, but the Republicans keep saying it because they have to keep running against Lyndon Johnson. But maybe it's fair because the Republicans ran against Herbert Hoover for 50 years. (Laughter.) I mean, the Democrats ran against Herbert Hoover for 50 years.

So I think there has certainly been in my experience a rather dramatic change in the focus of both of the parties for good or ill in the last, I'd say, five, six

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years. And so I hope that the country will settle on -- and this may not be in my interest. I mean, I won in a three-way race four years ago, which is part of what made it difficult for me to reach the rest of the American people, to access the rest of the American people. But arguably, it may make it easier for me to win again. So I don't know what would help me or not to win reelection, but I think over the long run our country will be more stable and do better in the world if we have two parties that are generally different in approach but close enough so that they have to work together to find common ground and consensus. If you have a gazillion parties, I just don't know if it will work as well. I think -- it's hard to say that anybody else's democracies work better than America's has for the last two centuries.

Q Mr. President, you began by telling us this was a dramatic time for you, parallels something coincidentally, I'm sure, that Pope John Paul II has said approaching the year 2000. If you could prepare -- and given the fact that Americans get the government they deserve to some extent -- if you could do three things to prepare the country for the future, what would those things be? If there were three pieces of legislation, what would they be?

THE PRESIDENT: I would, first of all, make sure that every person in this country be given a high-quality education for a lifetime, because I think people will have to keep coming back to it over and over again.

Secondly, I would have an economic policy that would raise the incomes of working Americans and bring us back closer together, not divide us. And it would be hard to make the American people continue to believe in the American Dream if we continue being divided.

And the third thing I would do legislatively would be to take actions that would -- while we continue to grow economically would preserve and enhance the environment and the public health of this country for a generation, because I'm very worried. I don't know if you saw in the paper this week, there was a story that said that now virtually every scientist in the world has now reached a consensus that we are destroying the ozone layer and the Earth's climate is going up, the temperature is, and it might go up as much as eight degrees in 100 years, which is phenomenal -- it would change the whole -- you know that means my great grandchildren will live in -- conceivably, could begin to live in a world that looks like those old Road Warrior movies and stuff.

So I think legislatively now -- but I think more important than any of that is -- and I don't know that I have the ability to do it or any president, but what I wish

I could do is to affect the spirit of the American people so that they could -- the American spirit needs, I think, three things. It needs to -- people need to recover their optimism and their own little childish wonder and all. We don't need stifled kids. We need to stop looking at each other and even -- I'm not trying to escape, I think I've shown I'm willing to assume my responsibilities. But the truth is, there

MORE

are a bunch of things that I don't have a lick to do with. The American people -- this country starts every day with the hard work of every American. So we need to develop a real renewed sense upon -- in the minds of people in the field disenfranchised legitimately, that no matter what anybody else does, they still have to do their part.

And then the third thing that I would do, and maybe the most important thing of all is to -- I wish there was something I could do that would strengthen family life and community ties in this country, because I think that's really what -- the genius of America is still in the strength of the families and the strength of the communities. And both of them are under great stress because of the changes in the global economy.

None of that has anything to do with legislation, but if I -- legislation affects it. I mean, the family leave law will help that. You could do something about the declining wages, that would help that. But those things don't have anything to do with legislation, but they may have a great deal to do with how well we deal with the challenges of the 21st century.

Thank you.

END

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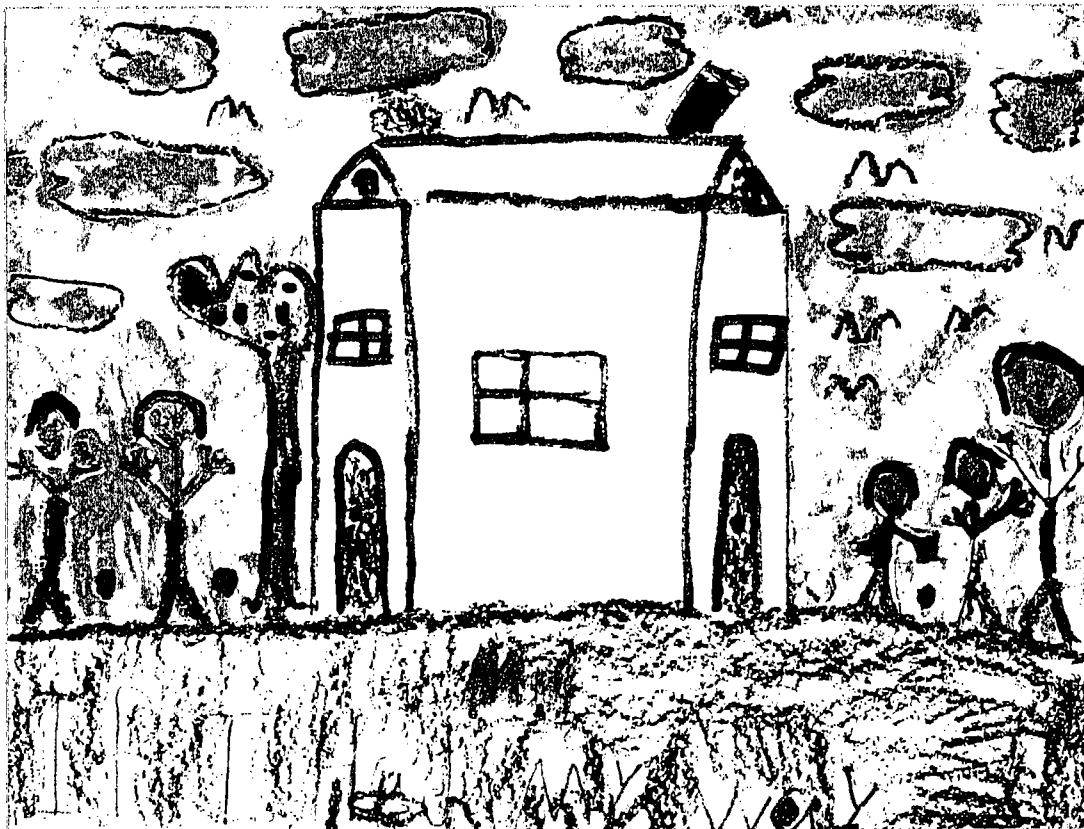
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Families for Kids: Building the Dream

HOW NINETEEN COMMUNITIES PLANNED ADOPTION REFORM
THAT PUT THE NEEDS OF CHILDREN FIRST



The Cultural Policy Studies Project

July 27, 1995

WHY SERIOUS WELFARE REFORM MUST INCLUDE SERIOUS ADOPTION REFORM

INTRODUCTION

With the national out-of-wedlock birthrate heading toward 40 percent by the year 2000, and 50 percent around the year 2012, lawmakers are concerned about the increase in abused and neglected children which likely will accompany this disturbing trend. There now are close to 500,000 children in the foster care system,¹ but only about 50,000 are cleared for adoption each year. Because of bureaucratic obstacles, many of these children cannot find a permanent, loving home.²

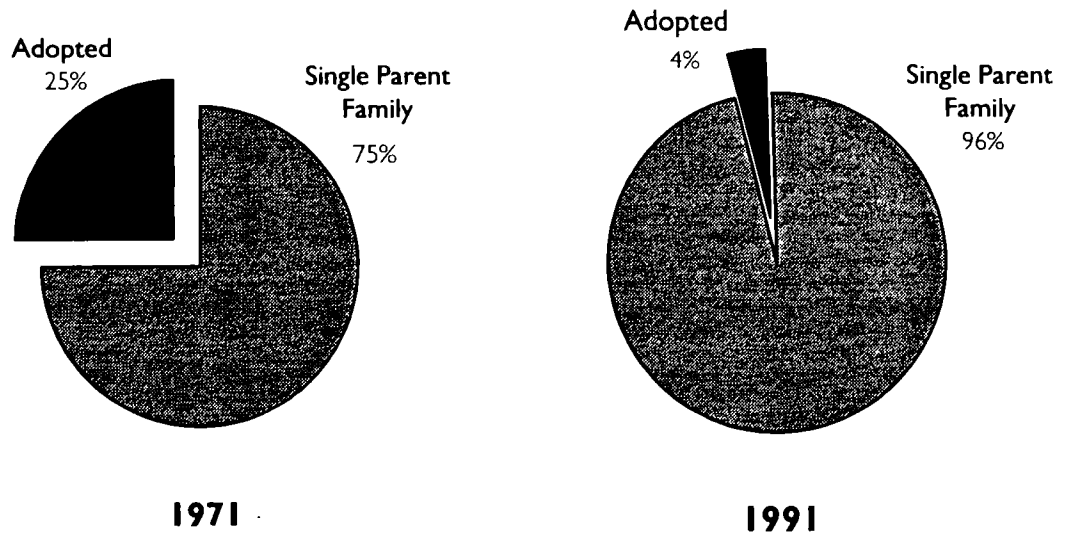
The comprehensive House welfare reform bill (H.R. 4, the Personal Responsibility Act) tries to address this problem by rewarding states for reducing their out-of-wedlock birthrate without resorting to abortion. But another way is to increase early adoptions of neglected children. During the congressional debate, some Members balked at trying to reduce the illegitimacy rate, fearing they might appear harsh or uncaring toward the young unwed mother and her child. For these lawmakers and others with similar apprehensions, adoption is a solution that is kind to both mother and child. Its advantage is well documented: a better life.

The House-passed tax reform bill (H.R. 1215) also encourages adoption. To help defray the significant costs involved, a couple whose income is below \$60,000 receives a \$5,000 tax credit. This credit is reduced gradually for couples with incomes between \$60,000 and \$100,000 and phased out at incomes above \$100,000. While significant,

- 1 In FY 1992, a total of 659,000 children were in or passed through substitute care (foster care and specialized homes for foster children) during the year. The 421,000 children in substitute care at the beginning of the year had grown to 442,000 at the end of the year. From American Public Welfare Association, *Voluntary Cooperative Information System (VCIS) Research Notes* No. 9, August 1993.
- 2 For an excellent overview of the anti-adoption bias in government agencies, see Conna Craig, "What I Need Is a Mom," *Policy Review*, Summer 1995, pp. 41-49.

Chart 1

Proportion of Unwed Births Adopted



Sources: *The Adoption Factbook*, National Committee for Adoption, June 1989; NCFA Memos.

however, this step will not lead to a major increase in adoption unless the barriers to adoption in the social service bureaucracy are removed by congressional and state action.

Adoption rates have declined in recent decades as adoption has fallen out of favor with state governments and the social services establishment. In 1979, 598,000 babies were born out of wedlock; almost one in four was adopted. In 1991, of the 1,225,000 born out of wedlock, only one in 25 was adopted (see Chart 1). Yet public interest has increased: close to two million couples would like to adopt these children. Clearly, the problem is far more basic than any financial burden that may be involved.

Because of the vast need for adoption and the large pool of parents willing to adopt, Congress not only should encourage adoptions through generous tax relief for adopting parents, but also must change the public social service ethos by eliminating all barriers to speedy and permanent adoption.

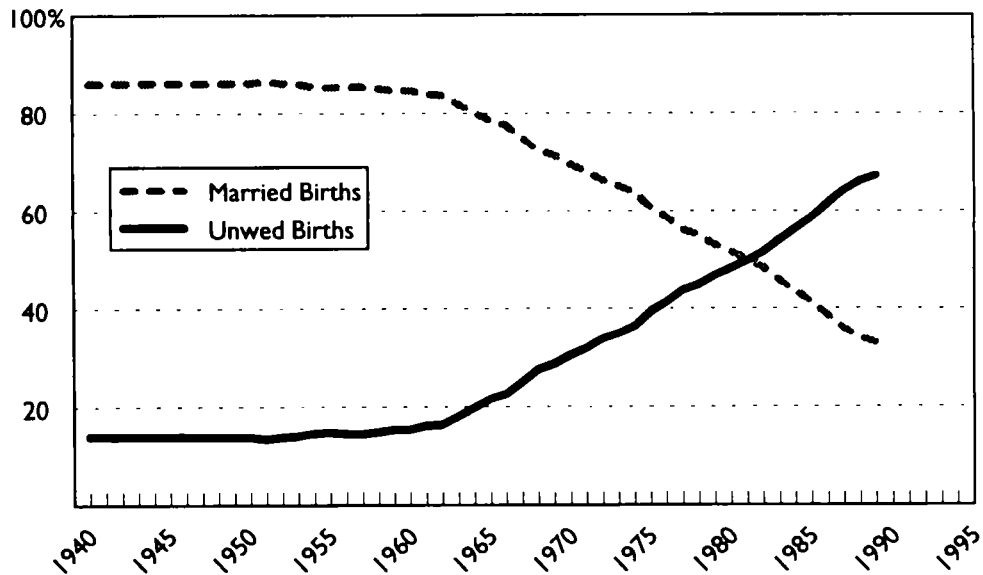
The simplest and fastest way to bring about these improvements is to privatize all adoption services. Government agencies have institutional strengths in applying and enforcing the law, but private institutions can better harness the human qualities needed to nurture and develop children. To encourage adoption through private organizations, and to reduce barriers to adoption through government agencies, Congress, the Administration, and the states need to take several important actions.

What the federal government should do:

- ✓ **Enact** a means-tested, fully refundable, inflation-adjusted tax credit of up to \$5,000 for non-recurring adoption expenses.

Chart 2

Unwed Births Are Increasing for Women Under 20



Source: U.S. Bureau of the Census, *Current Population Survey*, 1991.

- ✓ **Hold** hearings on the Clinton Administration's blocking of a very effective drug testing and treatment program for cocaine-addicted pregnant mothers. If necessary, pass legislation to reverse the Administration's action.
- ✓ **Issue** annual report cards on the rate of adoption in each state.
- ✓ **Require** federally funded family planning services to provide clear and accurate information on the benefits of adoption to all out-of-wedlock teenage mothers.
- ✓ **Make** it easy for all churches, particularly black churches that serve the poor, to affiliate with adoption agencies and become involved in the adoption process as outreach to prospective adopting parents.
- ✓ **Ensure** the civil rights of all children in foster care and modify the Multi-Ethnic Placement Act to prohibit any use of race or ethnicity to deny or delay the placement of a child for foster care or adoption.
- ✓ **Change** the Indian Child Welfare Act to curtail the reach of Indian Nation law over those who have emigrated from those communities and societies.
- ✓ **Reject** the language in the U.N. Charter on the Rights of the Child.

What the states should do:

- ✓ **Privatize** adoption services.
- ✓ **Change** the way public welfare agencies are financed so that they are obliged to contract for all public adoptions.

- ✓ **Establish** separate units at the county level to assist the courts in making speedy and appropriate judgments.
- ✓ **Maintain** special Medicaid coverage for all special-needs adopted children.
- ✓ **Remove** obstacles to transracial adoptions.
- ✓ **Use** leadership opportunities to encourage adoption.
- ✓ **Establish** separate units for termination of the parental rights of convicted abusing parents.
- ✓ **Enact** a strict 12-month timeline for adjudication of the long-term parental status of every child in foster care.
- ✓ **Centralize** the collection of state data on all formal adoptions and foster care actions.
- ✓ **Enact** legislation subjecting public social service agencies to the same licensing standards and requirements as those imposed on private adoption agencies.
- ✓ **Mandate** drug testing of pregnant mothers suspected of drug abuse, particularly cocaine abuse.
- ✓ **Prohibit** the removal of a child eligible for adoption from foster parents who are willing to adopt, except when the child is being returned to his legal parents. Enact legislation to permit foster parents to initiate adoption proceedings.
- ✓ **Enact** laws requiring child welfare agencies to initiate adoption proceedings for any child who has been abandoned by his parents for six months.

Adoption works. It increases the emotional, physical, and cognitive capacities of the children who are adopted. It improves the life chances of the biological mother. It saves vast amounts of money for the public. It brings much happiness, both to the adopting parents and to the adopted child. It is good for all involved.

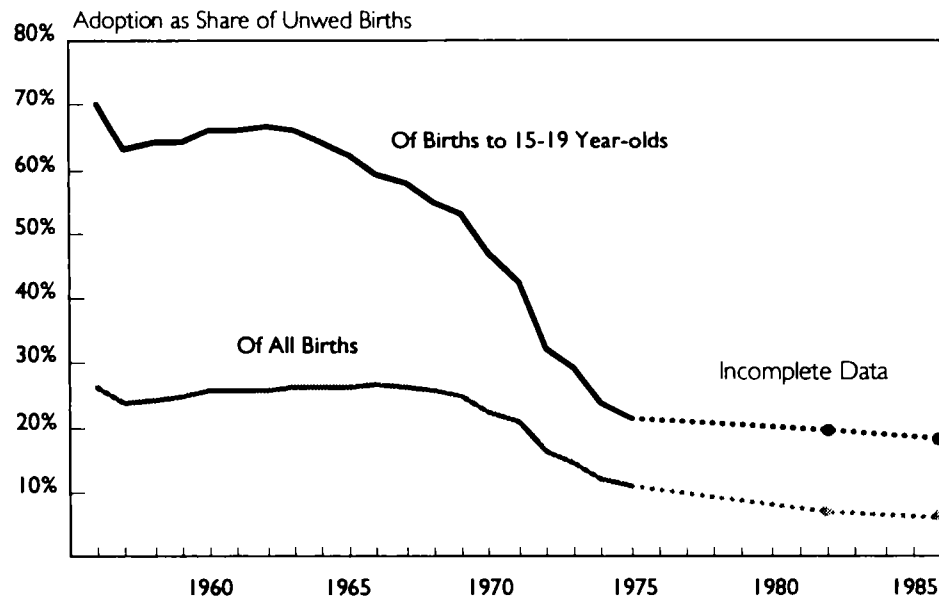
The current welfare reform debate in Congress offers one of the best chances in decades to promote adoption. Sharply rising out-of-wedlock births add steadily to the long-range costs of welfare, because being born out of wedlock significantly increases the chances of ending up on welfare. At the same time, up to two million couples waiting to adopt frequently find themselves hamstrung by government agencies and government practices.

THE NEED FOR ADOPTION

Over the past 25 years there has been a dramatic increase in the numbers of children born out of wedlock, children being raised by single parents, families on welfare, and children entering the foster care system because of abuse and neglect. Family disintegration is widespread. There also has been a sharp decrease in the number of children being

Chart 3

Adoptions Are Decreasing: Especially for Women Under 20



Source: *The Adoption Factbook*, National Committee for Adoption, June 1989.

adopted, with formal adoptions dropping by almost 50 percent: from 89,000 in 1970 to a fairly constant 50,000 annually throughout the 1980s and into the 1990s.³

The National Council for Adoption estimates that of the 50,000 children adopted annually, 25,000 are healthy children under age two, 10,000 are healthy children over age two, and 15,000 are children with "special needs" (the social work term of art for children considered difficult to place because of their age, physical or mental condition, race or ethnicity, or need to be placed with siblings).⁴ About one-third of these adoptions are arranged by government-funded and government-managed public agencies, some by contract with private agencies. Another one-third are arranged by private, mostly nonprofit agencies, and the rest are contracted outside of agency auspices, mostly through lawyers in private practice. International adoptions accounted for an additional 8,000 adoptions during 1994.

Adoption fell out of favor among social workers during the 1970s, even as single parenthood and abortion became more widespread. Advocates of government-sponsored social programs argued that increases in welfare would make it possible for unmarried

³ This number does not include informal adoptions by relatives that frequently take place within families—something extended families have always done for other members in need.

⁴ However, the term often causes initial resistance or apprehension on the part of potential adopting parents, who may fear having enormous burdens placed upon them. Many experts complain of the unnecessary and inordinate use of the term by state workers, the consequence frequently being the loss of a home for the child.

mothers to rear children without the assistance of a father.⁵ Yet, as is evident from the skyrocketing foster care numbers⁶ and from the chronic problems associated with the absence of fathers, such as crime, poor school performance, poor health status, and low income,⁷ that view has turned out to be a tragic mistake. By contrast, children adopted by two parents are doing as well as their peers raised in their own intact families.⁸

PATTERNS OF PARENTAL NEGLECT

The rapid increase of illegitimacy and the staggering problems of children born out of wedlock and raised without fathers are well documented.⁹

☞ In 1991, 29.5 percent of all births and 68 percent of minority births were out of wedlock.¹⁰ In 1970, 10.7 percent of all children and 37.6 percent of minority children were born to unmarried mothers.¹¹

☞ In 1986, 66 percent of unintended pregnancies ended in abortion and 33 percent ended with a woman choosing to be a single parent. Only 1 percent ended in adoption.¹²

☞ In 1992, 659,000 children were in state-sponsored foster care and institutional care for all or part of the year. On any given day, half a million American children live in government-sponsored substitute care.¹³

☞ In 1982, 7,100 infants were in substitute care outside their homes; in 1988, there were over 17,000.

☞ In 1991, 2,000 children died from abuse or neglect. Some were murdered. Between 30-50 percent of children killed by their parents or caretakers were known to child protective services before their murders took place.¹⁴

There has been a sharp increase in the number of infants abandoned by their frequently drug-addicted mothers. According to the Department of Health and Human Services (HHS), 12,000 infants were abandoned in 1991.¹⁵ In response to this crisis, there has been a proliferation of "boarder baby"¹⁶ homes to care for these children until their par-

5 Robert Rector, "Combating Family Disintegration, Crime, and Dependence: Welfare Reform and Beyond," Heritage Foundation *Backgrounders* No. 983, March 17, 1995.

6 These numbers rose from 262,000 in 1982 to 406,000 in 1990. American Public Welfare Association, *VCIS Research Notes*, November 1991. Further data from APWA show that the number rose to 444,000 in FY 1993.

7 Patrick F. Fagan, "Rising Illegitimacy: America's Social Catastrophe," Heritage Foundation *F.Y.I.* No. 19, June 29, 1994.

8 See section on "Benefits for Children," *infra*.

9 Fagan, "Rising Illegitimacy: America's Social Catastrophe."

10 *Ibid.*

11 U.S. Department of Commerce, Bureau of the Census, *Statistical Abstract of the United States: 1994*, 114th Edition, 1994.

12 National Committee for Adoption, *Adoption Factbook*, June 1989.

13 Data from American Public Welfare Association series, *Voluntary Cooperative Information System (VCIS) Research Notes*.

14 *Ibid.*

15 Report to Congress, "National Estimate on the Number of Boarder Babies, the Cost of Their Care, and the Number of Abandoned Babies," DHHS/ASPE, August 1993, p. ii; hereinafter cited as DHHS/ASPE Report.

16 Boarder babies are babies left in the hospital by absconding mothers. Most frequently, these mothers are drug addicts with

ents can be located and rehabilitated. A 1993 General Accounting Office report showed that 10,000 infants were being boarded in hospitals for no medical reason. Less than 40 percent of the boarder babies—and none of the abandoned babies—were expected to leave in the care of their parents.

The average total cost of caring for these babies in hospital after their medical treatment is almost \$13,000.¹⁷ Nonetheless, only 2.5 percent of the boarder babies and 6 percent of the abandoned infants were expected to go into adoptive placements.¹⁸ The vast majority of these children will spend years in and out of the foster care system while the biological mother attempts to get her life together.¹⁹

Federal efforts to deal with this have been small and swamped by the size of the problem.²⁰ When Representative Harris Fawell (R-IL) introduced the At-Birth Abandoned Infants Act (H.R. 2936) last year to help move abandoned babies out of the system and into permanent adoptive homes, the child welfare establishment lobbied against it, arguing that creating a two-tiered system—a fast track for new-born abandoned babies and a slower, less responsive one for older children—was unfair.²¹ The bill was not enacted.

WHY ADOPTION SHOULD BE ENCOURAGED

Benefits for Children

Adopted children do as well as or better than their non-adopted counterparts, according to a 1994 study by the Search Institute, a Minneapolis-based public policy research organization specializing in questions of concern to states and cities.²² This study, the largest examination of adopted adolescents yet undertaken, concludes that:

- ✓ Teens who were adopted at birth are more likely than children born into intact families to live with two parents in a middle-class family.²³
- ✓ Adopted children score higher than their middle-class counterparts on indicators of school performance, social competency, optimism, and volunteerism.²⁴

multiple serious problems.

17 HHS/ASPE Report, p. ii.

18 "Report to Congress: National Estimates on the Number of Boarder Babies, the Cost of Their Care, and the Number of Abandoned Infants," U.S. General Accounting Office, August 1993; hereinafter cited as GAO Report.

19 Most boarder babies are cases of neglect of a severity which easily would justify termination of the parental rights of the mother. However, "family preservation" guidelines (as opposed to the best interests of the child) lead to prolonged and frequently futile efforts at maternal reform.

20 GAO Report, *op. cit.*

21 The opponents, the Child Welfare League of America and the American Public Welfare Association, also argued that the child's first right is to his biological family, not to care and nurturance, and that family preservation services must first be attempted with the mother—even if she had abandoned her baby.

22 Peter L. Benson, Anu R. Shorma, and Eugene C. Roehlkepartain, *Growing Up Adopted—A Portrait of Adolescents and Their Families* (Minneapolis: Search Institute, June 1994).

23 This finding illustrates the power of early adoption and the need to reform agency practices which keep children in prolonged foster care during their early infancy, when they are highly adoptable.

24 Benson *et al.*, *Growing Up Adopted*.

- ✓ Adopted adolescents generally are less depressed than children of single parents and less involved in alcohol abuse, vandalism, group fighting, police trouble, weapon use, and theft.²⁵
- ✓ Adopted adolescents score higher than children of single parents on self-esteem, confidence in their own judgment, self-directedness, positive view of others, and feelings of security within their families.²⁶
- ✓ On health measures, adopted children and children of intact families share similarly high scores, and both those groups score significantly higher than children raised by single parents.²⁷
- ✓ Adopted children do well at school. In 1981, only 7 percent of children adopted in infancy repeated a grade, while 12 percent of children living with both biological parents repeated a grade.²⁸
- ✓ Compared with the general child population, children placed with adoptive couples are better off economically. Their parents are better educated and older than the parents of other children.²⁹
- ✓ Adoptive parents are less likely to divorce.³⁰

Virtually all of these findings have been replicated by Nicholas Zill, Vice President and Director of Child and Family Studies at Westat Research Corporation of Maryland, in his analysis of data from the federal government's 1988 National Health Interview Survey on Child Health.³¹ Results from the survey were compared across four groups: adopted children, children of unmarried mothers being raised by the mother, children of intact families, and children being raised by their grandparents. The data indicated that adopted children:

25 *Ibid.*

26 Kathleen S. Marquis and Richard A. Detweiler, "Does Adoption Mean Different? An Attributional Analysis," *Journal of Personality and Social Psychology*, Vol. 48, No. 4 (1985), pp. 1054-1066. An interesting anomaly has emerged from an analysis of adoption studies. Clinical studies traditionally have shown adopted adolescents to be overrepresented in psychiatric settings. The same occurred here, but these adolescents were found not to have emotional or psychological problems at these rates. Adopted adults are less likely to receive treatment than the general population. This seeming contradiction occurs because adoptive parents are more likely to refer their adopted children for possible treatment. Of all adopted children referred by parents for clinical treatment, only 27 percent had a clinical diagnosis. The remainder—almost 75 percent—received counseling for normal adolescent issues.

27 Nicholas Zill, "Behavior and Learning Problems Among Adopted Children: Findings from a U.S. National Survey of Child Health," Child Trends, Inc., Washington, D.C.; paper presented to the Society for Research in Child Development, April 27, 1985.

28 Nicholas Zill, "Adopted Children in the United States: A Profile Based on a National Survey of Child Health," testimony before the House Ways and Means Subcommittee on Human Resources, May 1995.

29 Carole H. Depp, "Characteristics of Biological, Step and Adopted Children," *Journal of Marriage and the Family*, February 1965. This early finding is replicated in the Search Institute study.

30 National Committee for Adoption, *Unmarried Parents Today*, June 25, 1985.

31 See Nicholas Zill, Mary Jo Cairo, and Barbara Bloom, "Health of Our Nation's Children," *Vital and Health Statistics*, Series 10, No. 191, U.S. Public Health Service, 1994, and Zill, "Adopted Children in the United States."

- ✓ Enjoy a quality of home environment superior to all the other groups;³²
- ✓ Have superior access to health care compared to all the other groups;³³
- ✓ Enjoy health similar to that of children of intact families and superior to that of the other two groups; and
- ✓ Do better in educational attainment than single-parent children and children raised by grandparents.³⁴

When compared with those adopted later, born outside of marriage and raised by the single mother, or raised in an intact family, children who are adopted in infancy:

- ✓ Repeat grades less often than any other group;
- ✓ See mental health professionals less than all other groups, except children of intact families;
- ✓ Have better health status than all other groups;
- ✓ Have a better standing in their school classes than all other groups, except children raised in intact families; and
- ✓ Have fewer behavior problems than all other groups, except children raised in intact families.

Benefits for Mothers Who Give Up Children for Adoption

Significantly, teenage mothers who choose adoption also do better than mothers who choose to be single parents.

- ✓ They have higher educational aspirations, are more likely to finish school, and less likely to live in poverty and receive public assistance than mothers who keep their children.
- ✓ They delay marriage longer and are more likely to marry eventually.
- ✓ They are more likely to be employed 12 months after the birth and less likely to repeat out-of-wedlock pregnancy.
- ✓ They are no more likely to suffer negative psychological consequences, such as depression, than are mothers who rear children as single parents.³⁵

32 As measured by regular bedtime, use of seatbelts, and absence of an adult smoker in the household.

33 As measured by insurance coverage, dental visits, and regular provider of sick care.

34 As measured by rank in class, repeating a grade, or being suspended.

35 Steven D. McLaughlin, Diane L. Manninen, and Linda D. Wings, "Do Adolescents Who Relinquish Their Children Fare Better or Worse Than Those Who Raise Them?" *Family Planning Perspectives*, Alan Guttmacher Institute, January-February 1988.

All the goals of liberal government programs like job training, supplemental education, and family planning are attained with greater ease, and at lower cost, through adoption.³⁶

HOW MANY POTENTIAL PARENTS ARE THERE?

Although growing numbers of children need adoption, there are more than enough families to meet the demand. The National Council for Adoption estimates that at least one million infertile couples and an additional one million fertile couples would like to adopt.³⁷

Couples who want to adopt are not looking just for healthy, Caucasian infants, despite assumptions to the contrary. The National Down's Syndrome Adoption Exchange reports a waiting list of over 100 couples who would like to adopt a child with Down's syndrome—more than enough to accommodate parents who want Down's children given up for adoption. Nor is it difficult to find families for children with spina bifida and children who are HIV positive. For example, the National Council for Adoption is identifying children who will be orphaned when their parents die of AIDS, so that appropriate plans can be made before the parents' death. The response by individuals and families willing to adopt such children has been overwhelming.

Americans are also willing to help with children from overseas, especially because of the anti-adoption bias in the United States. When the communist regime in Romania fell, ABC-TV's "20/20" reported that thousands of children were warehoused in government orphanages. Pictures showed many children with health and developmental problems. ABC received over 25,000 self-addressed, stamped envelopes from people who wanted more information, and within six months 2,000 Romanian children were adopted by Americans,³⁸ many of whom had not considered adoption until this need became known. This suggests that the pool of parents willing to adopt could be expanded significantly.

In 1993, over 56 percent of the 7,348 children from other countries adopted by American parents were over the age of one. Of these, 9 percent were between the ages of five and nine, and 5 percent were over the age of ten.³⁹ In addition, many of these foreign-born children have physical and emotional problems at the time of their adoption.⁴⁰

Despite the evident readiness and desire to adopt, many families report a lack of support or encouragement from the social services establishment. They report such things as unanswered phone calls, inadequate networking with other agencies which may have children ready for adoption, a disinclination to identify children with needs that corre-

36 See Patrick F. Fagan, "Liberal Welfare Programs: What the Data Show on Programs for Teenage Mothers," Heritage Foundation *Background* No. 1031, March 31, 1995.

37 National Committee for Adoption, *Unmarried Parents Today*.

38 U.S. Immigration and Naturalization Service data from National Council for Adoption, 1994.

39 *Ibid.*

40 There is strong evidence in U.S.-foreign adoption patterns that Americans do not seek Caucasian children only. Of all the foreign adoptions in 1987 (total: 10,097) 122 were from Europe; 7,614 were from Asia; 22 were from Africa; and 1,363 were from South America. The rest were from Canada, Mexico, and the Caribbean. Non-white couples in the United States have a pattern of adopting at a higher rate than do white couples. See section on "Black Families and Adoption," *infra*.

spond to the gifts of the family, and a general lack of support to bring couples successfully through the adoption process.⁴¹

THE BARRIERS TO ADOPTION

Although adoption meets the interests of the needy child better than any other option, Elizabeth Bartholet of Harvard Law School concludes that “our adoption system has failed to live up to even its own limited vision.... Laws and policies that are supposed to protect children have created barriers to adoption that function effectively to prevent these children from getting the kind of protection they most need ‘a loving, nurturing and permanent home.’”⁴²

The legal system often resolves cases in ways that trouble many Americans. In two widely publicized recent cases, for example, children were wrested from their adoptive parents on the basis of biological ties. Baby Jessica was given to her biological father, who had failed to support two previous children, and Baby Richard was given to his biological father, with whom he had never lived, instead of being allowed to remain with the adoptive family which had nurtured him from birth for three years. In both cases, the overriding “biological ties” of the fathers prevailed over the needs of their children.

Several barriers make it very difficult for many families to adopt children.

BARRIER #1: Anti-Adoption Bias in Pregnancy Counseling

Only 1 percent of women who experience an “unwanted pregnancy” choose adoption for their children.⁴³ A University of Illinois study explains some of the causes:

- ✕ Some 40 percent of individuals in a variety of settings (health, family planning, social services, and adoption agencies) who identify themselves as “pregnancy counselors” do not even raise the issue of adoption with pregnant clients.
- ✕ An additional 40 percent provide inaccurate or incomplete information to clients.
- ✕ By contrast, 38 percent of the clients whose counselors offered adoption went on to choose adoption.⁴⁴

Congress’s efforts to require adoption information and counseling in one federally funded program providing services to pregnant women have met with resistance from family planning professionals. For instance, the Adolescent Family Life Act⁴⁵ was

41 Personal communication from Mary Beth Styles, Vice President for Professional Practice, National Council for Adoption, summing up the complaints of parents to NCFA.

42 Elizabeth Bartholet, *Family Bonds: Adoption and the Politics of Parenting* (Boston: Houghton Mifflin, 1993); quoted in Judith D. Vincent, “Reforming Adoption: Putting Children First,” Center of the American Experiment, Minneapolis, March 1995, p. 2.

43 National Committee for Adoption, *Unmarried Parents Today*, p. 66.

44 Edmund V. Mech, paper on “Orientations of Pregnancy Counselors Toward Adoption,” University of Illinois, 1984.

45 Part of the Omnibus Budget Reconciliation Act, P.L. 97-35, August 13, 1981.

passed in the early 1980s to provide a modest (\$7.8 million), more “pro-life,” adoption-friendly alternative to the pregnancy counseling provided by established Title X and Title XIX family planning services (typically over \$300 million per year). The bias among professionals against adoption can be seen in the evaluation of the program’s effectiveness. Some 7 percent of the grantees violated the most basic terms of their grants by not providing any information on adoption to their clients. Most grantees failed to provide either adequate adoption information or counseling.⁴⁶

BARRIER #2: Misuse of the Foster Care System

In 1980, Congress enacted P.L. 96-272, the Adoption Assistance and Child Welfare Act. This legislation sought to provide permanent homes for children at risk of abuse and neglect by establishing a hierarchy of services for these children and for their families. In order of priority, these services were:

- ① Family preservation;
- ② Short-term foster care with a goal of family reunification; and
- ③ Long-term foster care or adoption.

This legislation requires that each child’s situation be reviewed every six months. Within 18 months of opening every case, a permanent plan for the child’s future must be in place. This placement plan embodies a decision by the child welfare agency as to whether the child will be returned to the family or placed for adoption. Such decisions and plans must be in place before the work of clearing the child for adoption can be undertaken. Only after both steps have been taken can the search for adoptive parents begin.

During the 1980s, these permanency planning guidelines evolved into the operating principle of “family preservation”—keeping families intact through early, intense, comprehensive social services. The goal was to keep families united and thus avoid the high costs of foster care.

Because of their own high costs, however, family preservation services cannot be sustained for long periods; and because of high demand, caseworkers move quickly to take care of the next family in crisis. This approach did succeed in stopping the removal of children from the home, but not necessarily in preserving them from further abuse.⁴⁷ In fact, there is evidence that children fare worse under these new practices. In New York City alone, during the 12 months of 1992, 21 children were killed by a parent or mother’s boyfriend after the Child Welfare Administration had intervened.⁴⁸

46 “Why Won’t the Public Health Service Talk About Adoption?” *National Adoption Reports*, National Council for Adoption, October 1994.

47 Peter H. Rossi, *Evaluating Family Preservation Programs*, report to the Edna McConnell Clark Foundation, Social and Demographic Research Institute, University of Massachusetts, September 1990; Michael S. Wald, “Family Preservation: Are We Moving Too Fast?” in *Public Welfare* (Washington, D.C.: American Public Welfare Association, Summer 1988).

48 Rita Kramer, “In Foster Care, Children Come Last,” *City Journal*, Autumn 1994, pp. 63-70.

A study by John Schuerman and his colleagues at the University of Chicago found that the "Family First" program did not realize even its central goal: preventing the removal of children.⁴⁹ Neither did it protect children from further abuse. There is evidence that some families continue to abuse their children even during the period of intensive state intervention.⁵⁰ By contrast, there is strong evidence that children do better when left in foster care than when they are returned to abusive families.⁵¹ This evidence leads to a simple and commonsense conclusion: children need a permanent home to which they can belong. For children at serious risk, an adoptive home is their best chance for real permanence.

Some child advocates challenge the principle of applying the "family preservation" approach in all cases. At a 1994 conference sponsored by the National Council for Adoption at Boys Town, Nebraska, Dr. Richard Gelles of the University of Rhode Island, a pre-eminent child abuse researcher and an early and optimistic supporter of family preservation programs, presented the following paraphrased views on these practices in light of recent evaluation data:

There are now a number of studies of children who were returned home only to be abused again or even killed. These studies show dramatically that some abusive parents cannot be rehabilitated.⁵² In these cases the appropriate care of such a child is to terminate the parents' rights as quickly as possible and place the child with a permanent caring adoptive family.

The Boys Town conference highlighted the central problem of family preservation services. The first logical step should be to assess whether the child should be removed immediately and whether the parents are likely to benefit from support services. Instead, family preservation services are assumed to be the best first treatment. Though these services are activated because of abuse to the child—sometimes very severe abuse—they must fail before the child can be protected from the abusing family.

The foster care system is the aggregate network of parents who work for state and local social service agencies by taking abandoned, abused, or neglected children into their homes. They receive a set amount each month with which to feed, clothe, and nurture these children. Foster parents try to function as substitute parents. Prudently, they are admonished not to expect that placement will be permanent. However, from among the couples who take on this work come many who would like to adopt, particularly as they get to know these children and their lack of prospects for a happy and safe life in their families of origin.

49 John Schuerman, Tina Rzepnicki, and Julia Little, *Putting Families First* (New York: Aldine DeGruyter, 1994).

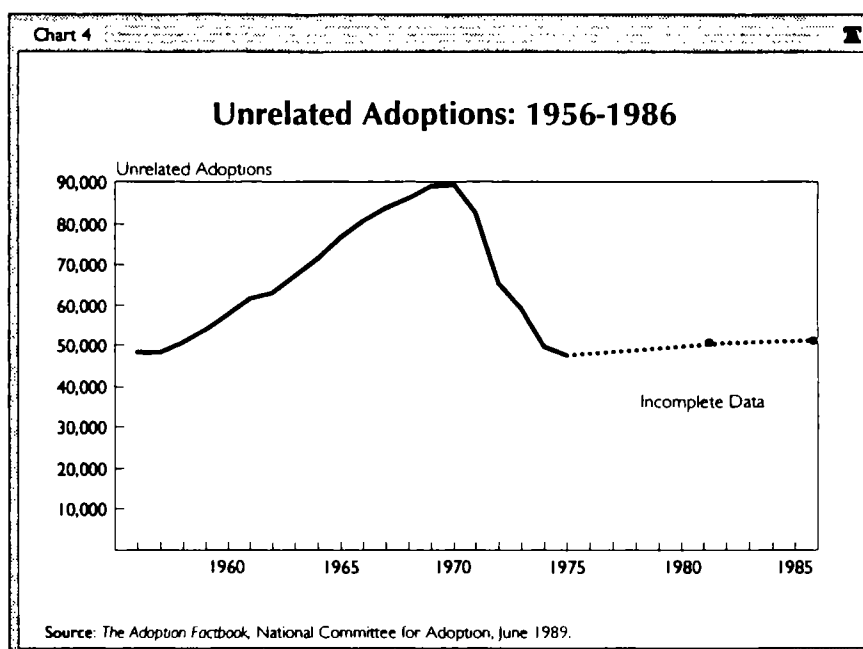
50 Mary Elizabeth Seader, "Do Services to Preserve the Family Place Children at Unnecessary Risk?" in Eileen Gambrill and Theodore J. Stein, eds., *Controversial Issues in Child Welfare* (New York: Allyn and Bacon, 1994).

51 Carol Statuto Bevan, "In Search of a New Child Welfare Paradigm"; unpublished paper presented at Boys Town conference on Child Protection: Old Problem, New Paradigm, May 20-22, 1994.

52 Richard J. Gelles, "The Doctrine of Family Reunification: Child Protection or Risk?"; paper presented at Boys Town conference on Child Protection: Old Problem, New Paradigm, May 20-22, 1994.

Government funding reinforces an anti-adoption bias by supporting "family preservation" programs with free technical assistance and generous grants while providing only restricted support for adoption. The National Council for Adoption and the Institute for Justice report that numerous families, including foster fami-

lies, have had their attempts to adopt waiting children rebuffed by the social service agencies for whom they work.⁵³ Conna Craig of the Institute for Children in Boston reports receiving hundreds of letters from foster parents who are willing and able to adopt their foster children, some of whom have been eligible for years.



BARRIER #3: Overload and Confusion of Social Service Roles

According to Douglas J. Besharov of the American Enterprise Institute, the rising incidence of reported child abuse keeps local child welfare agencies extremely busy on policing activities, diverting time and resources from adoption.⁵⁴ Often the same staff must investigate abuse reports, provide family preservation services, file for the termination of parental rights, and recruit and prepare adoptive families.

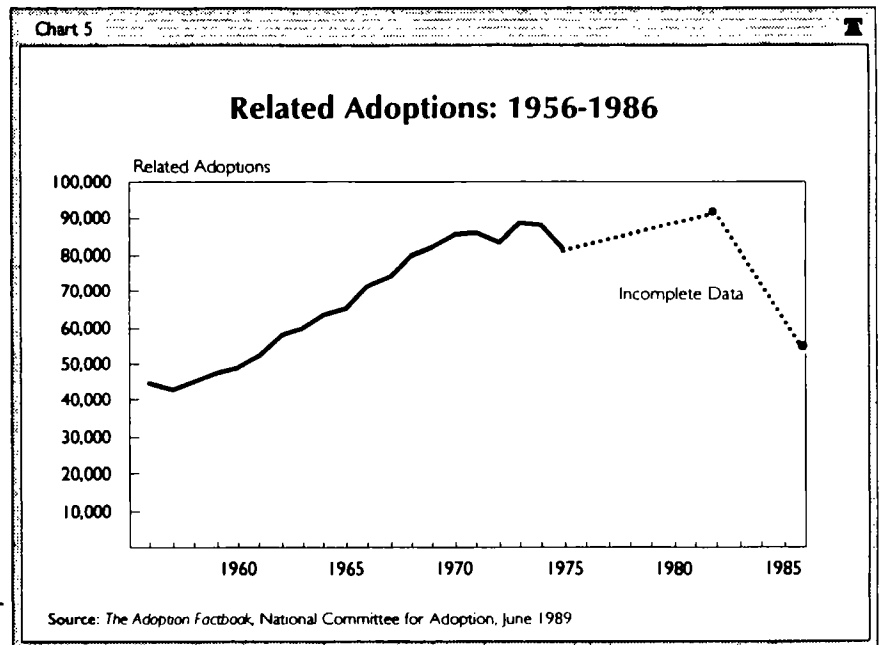
The child welfare system typically does not separate the responsibility for terminating parental rights of parents who continue to abuse and neglect their children from the responsibility to help those parents who can be helped. Deaths of children result, as in the cases of the 21 who died in New York in 1992. By contrast, in Arizona and Oregon, separate professional units are used to make initial determinations and to justify the necessary court proceedings. Professionals are not trapped in the role confusion caused by simultaneous demands to reunite every family while also protecting the child.

If units like those in Arizona and Oregon were in general use, a number of benefits would result:

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- 53 Donna G. Matias, "Separate But Not Equal: Striking Down State-Sanctioned Barriers to Interracial Adoption," Institute for Justice, Washington, D.C., April 1995.
 - 54 Douglas J. Besharov with Lisa A. Laumann, "Don't Call It Child Abuse If It's Really Poverty," American Enterprise Institute, Washington, D.C.; paper prepared for conference on Social Policies for Children, Woodrow Wilson School of Public and International Affairs, Princeton, New Jersey, May 1994.

- ✓ Courts could separate those children more decisively and quickly from parents unlikely to reform or benefit from family preservation services.

- ✓ Children in danger of severe abuse would be separated more quickly and expertly from their families and made available for adoption.



- ✓ Social workers involved in helping the more tractable parents would be free to pursue that work with much less likelihood of endangering the child.
- ✓ Local government agencies could turn to the adoption services of nonprofit agencies much more quickly and frequently. Private agencies do not have the immense burden of child protective services and related policing requirements that public agencies have. Their mission is to recruit and prepare adoptive families, and they tend to have great expertise in this work.

BARRIER #4: Unsatisfactory Protection of Confidentiality

State adoption laws generally guarantee the confidentiality of the identity of the mother, the inviolability of the internal intimacy and harmony of the adoptive family, and the peaceful development of the adopted child.

In adoption law and philosophy, there has arisen a view which parallels the modern revisionist view of marriage and parenthood embodied in "no-fault" divorce. New relationships between parent and child are imagined, and a new type of contract is forged between parents. Open adoption is akin to no-fault divorce, and the "birth parents" take on the role of the visiting parent who has not yielded up all his rights to the child, particularly rights of visitation and vacations together. The adoptive parents are bound not just to their adopted child, but also to the birth parents and must facilitate the continuing relationship between the child and his birth parents. This form of open adoption exists in Oregon from birth and in Indiana for children over two years of age.

Open adoption provides no seal of confidentiality regarding the identity of the birth parents, the adopting parents, and the child. It essentially blends birth families with adopting families, directly undermining the creation of a permanent new family for a child. The professional literature shows a frequent confusion of roles when the birth family continues a relationship with the child. This also interferes with parent and child

bonding⁵⁵ in the adoptive family and inhibits the birth parents' grieving process.⁵⁶ There are parallel experiences and research findings with respect to divorce and the increased risks of being raised in blended families.⁵⁷ Confidentiality, especially in infant adoptions, helps minimize these risks.

Oregon is an example of a state in which open adoption allows birth parents to take adoptive parents to court to uphold visitation agreements. This policy undermines the rights of adoptive parents to make parenting decisions. It also changes the nature and dynamics of a close, intact, inviolably intimate adoptive family, exposing it to the disruptions, conflicts, and anxieties characteristic of divorced and blended families. The professional literature on childhood emotional and behavioral development shows that children of blended families do less well than children of single parents and intact families.⁵⁸ If successful, the growing push for open adoption⁵⁹ could cause similar difficulties for adopted children, undermining the generally strong mental health reported by the Search Institute and Nicholas Zill.⁶⁰

Proponents of open adoption even recommend abolishing adoption in favor of "guardianship," which does not offer the same permanency of family for the child.⁶¹ Like any other government policy which treats the adoptive families differently from intact families, this undermines the very essence of adoption.

Understandably, many children become interested in knowing about their birth parents as they reach early adulthood. Their desire may be fulfilled if everyone involved is prepared to cooperate in lifting the veil of confidentiality. Most states try to maintain confidentiality if there is not full agreement among all concerned. Others do not. Two, Alaska and Kansas, will release the original birth certificate with the names of the biological parents to the adopted person after the age of eighteen, regardless of the birth mother's desires.⁶²

Proponents of opening adoption records seek legislation at the federal level. Senator Carl Levin (D-MI) has introduced various versions of a "national reunion registry" to help connect birth parents with persons who are adopted. The National Council for

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- 55 Kathleen Silber and Patricia Martinez Dorner, *Children of Open Adoption* (San Antonio, Tex.: Corona Publishing Company, 1989); Marianne Berry, "The Effects of Open Adoption on Biological and Adoptive Parents and the Children: The Arguments and the Evidence," *Child Welfare*, Vol. 70, No. 6 (November-December 1990).
- 56 Mary Elizabeth Seader and William L. Pierce, "Should Parents Who Give Up Their Children for Adoption Continue to Have Access to Their Children?" in Mary Ann Mason and Eileen Gambrill, eds., *Debating Children's Lives: Controversies on Children and Adolescents* (Thousand Oaks, Cal: Sage Publications, 1994).
- 57 Blended families are composed of children of two former marriages or unions. The rate of family conflict is higher, and the children have higher rates of emotional and behavioral problems, in blended families than in original intact families.
- 58 Nicholas Zill and Charlotte A. Schoenborn, "Developmental, Learning, and Emotional Problems: Health of Our Nation's Children, United States 1988," *Advanced Data from Vital and Health Statistics of the National Center for Health Statistics*, No. 190, November 1990.
- 59 The major proponents of open adoption are the American Adoption Congress and Concerned United Birthparents.
- 60 Benson *et al.*, *Growing Up Adopted*, and Zill, "Adopted Children in the United States."
- 61 Reuben Pannor and Annette Baran, "It's Time for a Sweeping Change," *American Adoption Congress Newsletter*, Summer 1990; Carole Anderson, "Response to 'It's Time for a Sweeping Change'," *CUB Communicator*, Concerned United Birthparents, Des Moines, Iowa, September 1990.
- 62 National Council for Adoption, *On the Confidentiality of Adoption Records*, 1992.

Adoption and many of its affiliated private adoption agencies have challenged the vagueness of the legislative proposals which do not assure confidentiality. They also have questioned the need to federalize a state issue.

BARRIER #5: Unknown, Uninvolved, or Unmarried Fathers

Another major barrier for unmarried women considering adoption for their children is the need to obtain the consent of uninvolved fathers. Fortunately the Supreme Court, in a series of opinions,⁶³ has clarified and restricted the rights of uninvolved, unmarried fathers. According to current federal law, these rights correspond to the effort the father has made to establish a relationship with his child. The unmarried father who is unknown, is uninvolved, or has otherwise demonstrated no responsibility or interest in the child may not be entitled to the same consideration as an involved and responsible unmarried father. Federal courts have ruled consistently⁶⁴ that ignorance of a pregnancy is no excuse for uninvolvedness, because the father was present at conception and could have followed through to assure adequate care for the child.

A growing trend in state legislatures, upheld by the Supreme Court in *Lehr v. Robertson*,⁶⁵ is the establishment of father registries which make the father responsible for asserting his parental rights. The registry usually requires the father to file a paternity action within 30 days of the child's birth. This will result in his being notified of a pending adoption. He then will have an opportunity to demonstrate that he has tried to establish a relationship with the child and to take responsibility for the child's care. If he fails to meet any of these requirements, he forfeits his rights to contest the adoption of the child, and the adoption can proceed. While many conservatives think an absent unmarried father should never be an obstacle to adoption, this procedure at least frees the mothers to place children without registered fathers for adoption.

The House welfare bill requires paternity establishment at birth for all fathers. This is a major step in the right direction. Fears that efforts to locate unknown, unmarried fathers will slow down, and possibly stop, adoption are unfounded. If the mother is not seeking AFDC support (and she will not if she is placing her child for adoption), she will not need to identify the father. Simultaneously, the putative father registry protects the due process rights of all fathers. Those who do not register, however, cannot benefit from the protection it would have given them.

BARRIER #6: Race of the Child and Adoptive Parents

Two forms of racial discrimination take place within adoption: against adoptive parents and against children waiting to be adopted. Potential black parents lose the chance to give their love to needy children of their own race. Black children in foster care are deprived of new parents and a stronger foundation in life, in addition to being exposed to the risks of retarded social and intellectual development. Both forms of discrimina-

63 *Stanley v. State of Illinois*, 405 U.S. 645 (1972); *Caban v. Mohammed*, 447 U.S. 380 (1979); and *Lehr v. Robertson*, 463 U.S. 248 (1983).

64 National Council for Adoption, "Putative Fathers' Rights," 1992.

65 *Lehr v. Robertson*, 463 U.S. 248 (1983).

tion must be eliminated. Fortunately, the means to accomplish this already exist within the private sector. There is no need for coercive race-matching legislation.

THE SPECIAL PLIGHT OF BLACK CHILDREN

There are more black children waiting in foster care than there are prescreened black families ready to adopt them. With the need for permanent adoptive homes growing more acute and the exit rate from foster care slowing continually, the likelihood of multiple placements for black children increases.⁶⁶ Indeed, some 24 percent of the children in foster care today have been in three or four different homes.⁶⁷ According to Ira Schwartz of the University of Michigan, 53 percent of all children in Michigan who entered the foster care system as newborns are still in foster care at age four.⁶⁸ A number of regional studies confirm this trend and demonstrate that black children typically wait two to three years longer than white children for adoptive homes.⁶⁹

The length of stay in foster care is very important. The longer the newborn stays in foster care, the more at risk he is of approaching the "difficult to adopt" age and the greater the problems associated with long-term foster care become. If half the children who arrive in foster care at birth are still in it at age four, the system is not serving their needs.

This statistic highlights the need for termination units—specialized units of social workers who work with the courts to determine whether the parental rights of an abusing or neglectful parent should be withdrawn so that the child may be placed for adoption. If the "best interest of the child" principle is used, this decision will be made quickly. If the "family preservation" principle is used, the decision will be delayed again and again, often until repeated neglect convinces the authorities that parental rights must be re-

66 "Actual numbers and percentages of substitute care exits among minority children did rise significantly during the 1980s, but any gains in the numbers of exits among black and Hispanic children were totally nullified by continued increases in the total numbers of these minority children in the substitute care population during the same period....The fact that the exit numbers of minority children are smaller than those of white children will result in additional increases in the proportion of minority children in care. If current trends continue, minority children will become the clear majority in the nation's substitute care population in the next few years. There already are more minority children than white children in the substitute care systems of several large urban states today. Social policy implications of minority children becoming the numerical majority in the U.S. substitute care population are profound and complex and should be seriously examined." From Toshio Tatara, "A Comparison of Child Substitute Care Exit Rates Among Three Different Racial/Ethnic Groups in 12 States, FY 84 To FY 90," *VCIS Research Notes* No. 10, American Public Welfare Association, Washington, D.C., June 1994.

67 Data supplied by the David Thomas Foundation for Adoption, P.O. Box 7164, Dublin, Ohio 43017.

68 Ira Schwartz, Robert M. Ortega, and Gideon Fishman, "Michigan Infants in the Child Welfare System," report from the University of Michigan Center for the Study of Youth Policy; data from Department of Social Services CSMIS Data Event History File 12 89.

69 Richard P. Barth, Mark Courtney, and Barbara Needel, "The Odds of Adoption vs. Remaining in Long-Term Foster Care"; paper presented at the Second Annual Child Welfare Conference, Washington, D.C., March 17, 1994. See also S. Kossoudji, "Race and Adoption in Michigan," in D. Mont and R. Avery, eds., *Public Agenda Adoption Policy* (Westport, Conn.: Greenwood Press, 1994), and D. Mont, "Race and Gender Differences in the Adoption of Special Needs Children," unpublished manuscript (Ithaca, N.Y.: Department of Consumer Economics and Housing, Cornell University, April 1993), both quoted in Barth *et al.*, "The Odds of Adoption vs. Remaining in Long-Term Foster Care."

moved. At this point, in addition to having suffered even more, the child is older and more difficult to place.

Given these figures, public welfare agencies are a major source of neglect of young black children. The bias against adopting early, when the child is most adoptable, feeds the foster care system and ensures a larger clientele for public agencies. The present system of financing foster care and not financing adoptions perversely rewards this form of government neglect.

Black Families and Adoption

There is evidence that blacks adopt at a much higher rate than whites if one controls for family structure, income, and age of parents.⁷⁰ A 1983 Department of Health and Human Services study⁷¹ put these comparable rates at:

- ♦ 7 adoptions per 10,000 black families for all black families;
- ♦ 2 adoptions per 10,000 white families for all white families; and
- ♦ 2 adoptions per 10,000 Hispanic families for all Hispanic families.

Controlling for age of parents (below 55), family income (above poverty level), and family structure (intact families), the rates change to:

- ♦ 18 adoptions per 10,000 black families within the range;
- ♦ 4 adoptions per 10,000 white families within the range; and
- ♦ 3 adoptions per 10,000 Hispanic families within the range.

These figures convey the reality of much higher adoption rates among blacks than among whites or Hispanics for children in public welfare agencies who are available for adoption.⁷²

To meet the needs of all children within their own racial communities by placing them in couple-headed families above poverty, the same study suggests that the response rate among black families would have to be far higher than it is. It would need to approach 44 per 10,000 families for blacks, compared with 6 per 10,000 families for whites and 6 per 10,000 families for Hispanics. This would require an enormous increase in the rates of adoption by blacks and Hispanics. Richard Barth of the School of Social Welfare at the University of California at Berkeley sums up the conclusions to which these data lead:

The growth of African-American adoptions have increased by 92% in the last 5 years and Hispanic adoptions by 80%. The growth of African American adoptions would have to grow four times faster than that during the next five years in order to give African American children parity of

70 There are no ongoing survey data which sample for adoption rates. This makes the estimation of incidence and rates spotty over time and more difficult to estimate accurately.

71 Charles P. Gershenson, "Community Response to Children Free for Adoption," *Child Welfare Research Notes* No. 3, Children's Bureau, Administration for Children, Youth and Families, March 1984.

72 However, if blacks are serving at a rate much higher than their presence in the nation, then the issue of bias against blacks either does not hold up or, at a minimum, is more complex.

access to adoption. For Hispanic children, the growth rate would have to double for their opportunity to be adopted to reach parity with Caucasian children.⁷³

To achieve these levels of adoption will require a great community effort by black and Hispanic people.

As well-run private agencies demonstrate, large pools of adoptive parents can be developed over time. Even pools of parents for "harder to place children" can be developed when the effort is made by a committed organization. For instance, Down's syndrome children are adopted quite quickly because there is a network of screened parents in place and ready to adopt. Similarly, a pool of parents ready to adopt HIV-positive babies has been developed by the National Council for Adoption.

In a 1980 study of black parents, sociology professor Robert Hill of the Institute for Urban Research at Morgan State University estimated that three million black households are interested in adopting children. This translates into one hundred black families for every black child in foster care waiting for adoption.⁷⁴ Given this potential, a pool of pre-screened adoptive parents big enough to take care of the needs of black children represents an achievable goal.

The private sector can best develop this pool because private organizations are motivated to do so. Building pools of parents is not the strong suit of public agencies.⁷⁵ Some private organizations in the black community have achieved remarkable results. Recently, for instance, in just one year, Detroit's Homes for Black Children placed 132 children in black homes—more than all the other 13 child welfare agencies in the city.⁷⁶ To increase the rate of adoption within black families, the leadership of the black community should commit itself strongly to using private organizations.

Although the emphasis should be on making it easier for black families to adopt, blocking transracial adoptions just because the children are black and the parents are white discriminates against many needy black children because of race. Moreover, it does not increase the rate of in-race adoption. California, despite a law requiring a 90-day search for a same-race family before a child can be adopted across racial lines, still has twice as many black children as white children waiting for adoption, often for long periods.⁷⁷

The Institute for Justice recently filed suit on behalf of a white foster couple who had cared for a black child since birth. When the child became eligible, they sought to adopt him but were blocked by the public welfare agency because they were not black. Even when black parents were not found, the agency persisted in blocking this adoption. No one can argue that this was in the best interest of the child.⁷⁸ Similar racial discrimina-

73 Barth *et al.*, "The Odds of Adoption vs. Remaining in Long-Term Foster Care."

74 Robert B. Hill, *Research on the African-American Family* (Westport, Conn.: Auburn House, 1993).

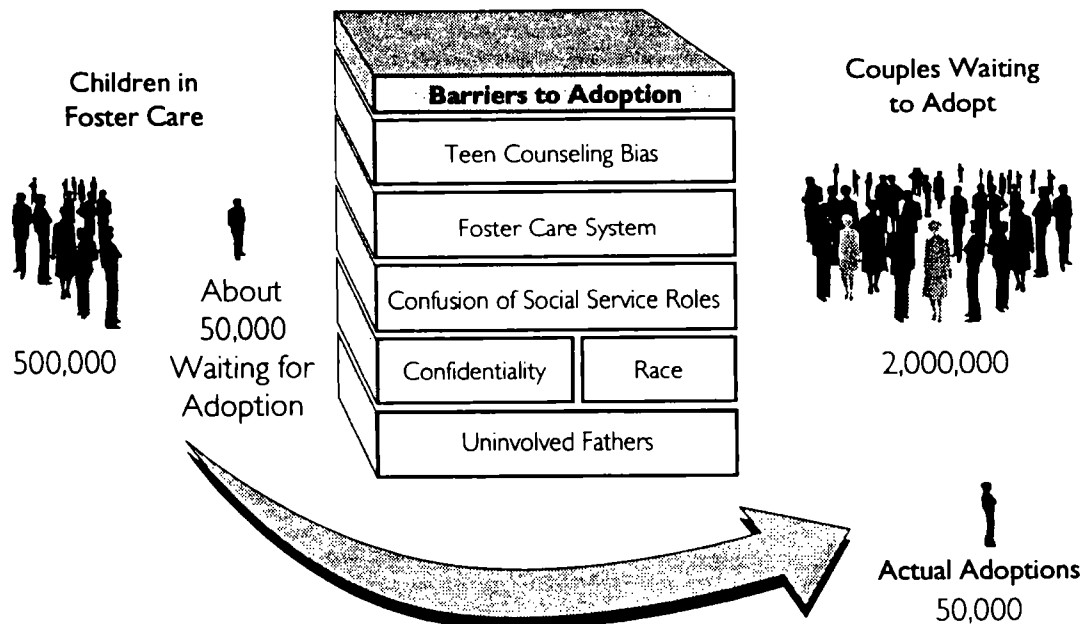
75 According to Tony Oliver of Roots in College Park, Georgia, the state of Georgia has 127 counties and child welfare agencies, but only seven counties have adoption units.

76 See William Raspberry, "Why Won't Adoption Agencies Place Black Children?" *The Washington Post*, December 22, 1990, p. A15.

77 Richard Barth reported his findings at a meeting on transracial adoption sponsored by the Kellogg Foundation in Washington, D.C., in February 1994.

Chart 6

Barriers to Adoption: Both Children and Couples Must Wait



Sources: *The Adoption Factbook*, National Committee for Adoption, June 1989; NCFM Memos.

tion prevented the adoption of a white child by a black couple who had fostered the child since birth.

In 1984, liberal black columnist Carl T. Rowan argued against the "abominable notion that race must be the dominant factor in deciding who can deliver loving care and protection to a child." Rowan equated the position of black social workers who support only in-race adoption with a 1954 statement by a segregationist Mississippi editor that "every child has the right to be educated among children and by teachers of the same racial background."⁷⁹ Furthermore, according to professor Rita Simon, sociologist at the American University and expert in transracial adoption, "The data in our studies and indeed in all the studies that have been done show that transracial adoptions serve the children's best interests."⁸⁰

Still, opposition to transracial adoption is strong. When former Senator Howard Metzenbaum (D-OH) steered S. 1224 through Congress in 1993, he did so to outlaw obstacles similar to the above restrictions that exist in most states. But the Clinton Administration, which supports race matching, succeeded in changing the legislation so that lack

78 Press release, "Institute for Justice Challenges Barriers to Interracial Adoption," April 13, 1995.

79 Carl T. Rowan, "Should Whites Adopt Blacks?" *The Washington Post*, July 13, 1984, p. A19; quoted in Rita J. Simon and Howard Alstein, *Transracial Adoptees and Their Families* (New York: Praeger, 1994), p. 7.

80 Rita Simon, "Serving the Children's Best Interest," *Interrace Magazine*, August/September 1994, pp. 40-42.

of race matching could be used to deny or delay a placement.⁸¹ Instead of encouraging solutions, such as private adoption agencies that specialize in placing black children, the Administration's policy aggravates the problem.

The Bunning Amendment, now incorporated into the House-passed welfare bill, repeals the Clinton policy. Senator John McCain (R-AZ) has a similar amendment (S. 637) to the Senate version of the welfare reform bill. The Children's Defense Fund supported the Clinton Administration's approach,⁸² despite the evidence of researchers such as Rita Simon, who shows that transracial adoption does not damage the child emotionally or developmentally and that transracially adopted children do just as well as those adopted by parents of their own race.⁸³

Race matching can be achieved easily if there are enough prescreened adoptive parents. The difficulty lies not in the lack of parents but in the poor track record of public agencies in building a pool of black adoptive parents.

THE NEED FOR FEDERAL LEADERSHIP

A child's needs are best served, and his potential fostered most effectively, by the love and sense of belonging provided by a stable family environment. As in other areas of social concern, however, the government's ability to increase love and dedication is limited. This competence resides primarily with the family, the church, and the school. However, through their power to enact wiser laws and provide leadership, lawmakers at the federal level can affect the rate of adoption. They can expound upon its benefits for the child, for the mother who gave birth, and for the parents who adopt.

Adoption is one of those rare good solutions to many thorny problems. Political leaders should help the country realize that it is one of the most effective ways to alleviate the problems arising from illegitimacy, child abuse, and neglect.

Lawmakers also must challenge the leaders of other major institutions, especially church leaders, to talk about the goodness of adoption. Educational leaders, particularly in social studies areas, ought to be challenged to develop good materials on adoption. Health insurance leaders ought to be challenged as well, for adoption is a less costly solution to infertility than is fertility treatment, which averages about \$35,000 per course of treatment. Media leaders ought to harness their expertise in communications to promote adoption to the nation at large, instead of attacking it.⁸⁴

The more this is done, the more attractive adoption will be to growing numbers of families. America also needs to celebrate parents who adopt and parents who care for foster children—especially those who both foster *and* adopt. They show a double generosity.

81 Rita Kramer, "Adoption in Minority and White," *The Wall Street Journal*, October 24, 1994.

82 Marian Wright Edelman, letter to the editor, "We Want Adoption for All the Children," *The Wall Street Journal*, November 22, 1994, p. A-25.

83 Simon, "Serving the Children's Best Interest."

84 See Marvin Olasky, "The War on Adoption," *National Review*, June 7, 1993, pp. 38-44.

Adoption is a national resource that should be encouraged and expanded by government where possible. The federal government should undertake a public relations campaign, targeted to girls under the age of 18 who have conceived out of wedlock, on the benefits of adoption. In addition, Congress should:

1) Enact a means-tested, fully refundable, inflation-adjusted tax credit of up to \$5,000 for non-recurring adoption expenses.

The House-passed tax bill (H.R. 1215) provides a non-refundable tax credit of up to \$5,000 for adoption costs for those with incomes up to \$60,000, gradually phased out for those with incomes between \$60,000 and \$100,000.

Congress permits a tax deduction for the medical costs of fertility treatment (typically between \$35,000 and \$50,000 for testing, test tube conception, and deep freeze, development, and discard). The average revenue loss for such treatment is about \$8,000. Some corporate health plans, the costs of which are fully excludable from employees' taxable income, also cover fertility treatment. By contrast, the Treasury would gain financially from a one-time \$5,000 tax credit that encouraged parents to assume the total cost of caring for foster children—each of whom now costs taxpayers over \$13,000 each year.⁸⁵

This tax credit should be fully refundable (including against Social Security taxes) so that poorer parents who adopt a child receive the same level of support as those who earn more and have larger tax liabilities. The object is to encourage and support those who want to adopt. Being less generous with poorer parents (and more black parents are poor compared to white parents) is unwise because it reduces the incentive to adopt.

2) Hold hearings on the Clinton Administration's blocking of an effective drug testing and treatment program for cocaine-addicted pregnant mothers. If necessary, pass legislation to reverse the Administration's action.

The high incidence of serious child abuse among drug-addicted mothers inflicts pain and damage on cocaine-addicted babies. With some 350,000 children affected each year, there is an obvious need for a change in federal law to permit the testing of mothers suspected of cocaine addiction. These babies are at high risk for foster care and for severe damage to their health and development.

South Carolina Attorney General Charles Molony Condon ran a successful program of testing, mandated treatment, or a jail sentence if the mother refused treatment. The result was dramatic: the incidence of cocaine-addicted mothers fell from 24 per month in Charleston to five or six per month.⁸⁶ The Clinton Administration, however, called the program punitive and racially discriminatory and threatened to cut off all federal reimbursements to the hospital involved, effectively threatening to

⁸⁵ According to the House Ways and Means Committee's *1994 Green Book* on federal entitlement programs and DHHS/ACF data on federal payments to the states for foster care services, the total federal share of foster care payments for 1994 was \$1,971,273,000 for 244,473 children, and the average of the federal share of the individual state's foster care bills is 60.88 percent.

⁸⁶ Charles Molony Condon, "Clinton's Cocaine Babies," *Policy Review*, Spring 1995, pp. 12-15.

shut down the program and discouraging other states interested in replicating the Charleston model.

Congress should take steps to reverse this Administration policy. The use of cocaine by pregnant women is a major factor in the death or severe damaging of many thousands of cocaine-affected newborns.

3) Issue annual report cards on the rate of adoption in each state.

To redress the poor quality of national data on adoption and foster care, Congress should instruct the Department of Health and Human Services to issue comparative report cards on the performance of each state in a number of areas concerning the family condition of children, including:

- ◆ The number and rate of out-of-wedlock births,
- ◆ The rate of adoption,
- ◆ The length of stay in foster care, including information on the longest stays,
- ◆ The typical period between the availability of a child for adoption and the child's adoption, and
- ◆ The typical period between the beginning of foster care and the agency's finalization of a placement plan (decision regarding the future of the child).

Dissemination of such information will keep state residents better informed and help encourage agencies to find children good, permanent homes.

4) Require hospitals and clinics receiving federal funds for family planning services to provide clear and accurate information on the benefits of adoption to all out-of-wedlock teenage mothers.

Congress should require HHS to contract with pro-adoption experts for the writing and distribution of an appropriate brochure on the benefits of adoption for both mother and child. Congress then should require that this brochure be distributed in all hospitals which receive federal funding, either directly or indirectly, and in all federally funded family planning clinics, and that the staff of such hospitals and clinics draw attention to this material.

5) Make it easy for all churches, particularly black churches that serve the poor, to affiliate with adoption agencies and become involved in the adoption process as outreach to prospective adopting parents.

One of the best ways the federal government can help these churches is by providing an incentive for members to adopt more children waiting in foster care. The full refundability of the \$5,000 tax credit will do much to effect this. Unless their members are able to pay most of the normal costs of adoption, there is little likelihood that black churches in poor neighborhoods will be involved. With the tax credit and with church involvement, however, the probability of an increase in adoption is significantly greater.

6) Ensure the civil rights of all children in foster care and modify the Multi-Ethnic Placement Act to prohibit clearly the use or consideration of race or ethnicity in denying or delaying the placement of a child for foster care or adoption.

The fundamental principle behind all civil rights is equality of rights and equal treatment under law. A young child without a family cries out for as quick a placing as possible within a caring family, so that his long-term human potential may not be thwarted at critical early stages of development. The "personness" of that child is infinitely more important than his or her "blackness," "Indianness," "Hispanicness," or "Asianness." In cases where parents of similar ethnic background are unavailable within, say, a 90-day period, then those who are available and willing to adopt should be united with the child, both for the child's benefit and for the good of society.

Those who are anxious to have the children of a community adopted within that community must ensure a sufficient supply of parents wanting to adopt. The onus is on the community and ought not to be placed on the waiting child. To help assure a pool of parents, Congress should work with states to streamline and simplify adoption procedures in minority communities.

Many opportunities for developing a pool of waiting parents are available. The network of minority churches is extensive. By linking with private adoption agencies, these churches can help respond to the needs of minority children awaiting adoption. Many other ethnic organizations can be harnessed to bring the pool of minority adopting parents up to the level needed. The press could carry public service announcements in minority communities. Minority fraternities and sororities also could play an important role. These and similar community efforts would raise public consciousness about adoption.

7) Change the Indian Child Welfare Act to curtail the reach of Indian Nation law over those who have emigrated from those communities and societies.

While fully respecting the right of Indian nations to regulate adoptions within their territories, and while fully respecting the rights of all Indian parents giving up their children for adoption to request that the Indian nations take these children for adoption, Congress ought to change civil rights law so that the rights of Indian or part-Indian parents living outside the nations' territories are upheld.

Under current law, a child with as little as one sixty-fourth Indian ancestry may be under the control of that Indian tribe for adoption, no matter where the child lives. While the number may be modest, the principle of "personness" again is paramount. Just as a foreign-born American citizen is not subject to the adoption laws of his country of origin, an Indian who has chosen freely to leave the Indian nation and to marry someone outside it should no longer be subject to its laws.

8) Reject the language in the U.N. Charter on the Rights of the Child.

This charter could preclude adoptions for millions of children over time and deny U.S. couples the option of adopting foreign children. The unsigned U.N. Charter on the Rights of the Child may come before Congress in the near future for ratification. In the current draft, international adoption is declared to be a last option, after the home country has exhausted its search.

As in cases of transracial and race-matching adoption, each nation has a responsibility to assemble a pool of prescreened adoptive parents if it has children waiting to be adopted. If a nation does not have such a pool, and yet blocks couples from abroad from adopting, that nation is neglecting its children. The United States should be on the side of the child rather than on the side of governments that seek international acceptance of some specious "right" to neglect their nation's children.

If the language of the U.N. Charter on the Rights of the Child is accepted by Congress, it could mean an end to most international adoptions. The Hague Convention, to which the United States is a signatory, and which guides present policies, is superior though far from sufficient. Its guiding principle is that care in a family is better for a child than care in an institution.

WHAT THE STATES SHOULD DO

Because regulating adoption is a state function, most of the practical reforms must be enacted by state legislatures. And because of the particular need to address the transracial adoption issue in a just and caring fashion, the states must take special care to eliminate discrimination against black adoptive parents and black children.

To increase the pool of available parents to fill the needs of all children, states should encourage the privatization of adoption. Specialized agencies can work constructively with those sections of the community that are willing to serve the many different needs of children: black children, older children, children with special medical problems, and children with other emotional or developmental difficulties. As different groups already have demonstrated, it is possible to line up a pool of screened and qualified parents more than willing to adopt children with even the most difficult needs.

One effort, started by Fr. George Clements in Chicago in the mid-1980s, had each church set about achieving the adoption of one child within the congregation.⁸⁷ Though initially the program received wide publicity and had some impact, it has not become a sustained and organized national effort. However, in Florida, One Church, One Child of Florida has developed a successful partnership between church and state. Between March 1988 and September 1990, this organization placed 805 black children in adoption.⁸⁸

Phoebe Dawson, a social worker who heads New Beginnings, a licensed nonprofit adoption agency in Columbus, Georgia, has been very successful in this work. For instance, an agency in Cleveland, Ohio, was not able to find minority parents for a young minority child, leaving the child at serious risk of a protracted wait for adoption. One worker at the agency contacted New Beginnings, which was able to resolve the problem quickly because of its close ties to black Baptist churches across the country.

⁸⁷ Christine Adamec and William L. Pierce, *The Encyclopedia of Adoption* (New York: Facts on File, 1991), p. 68.

⁸⁸ *Ibid.*, pp. 68-69.

To encourage adoption, states should:

1) Privatize adoption services.

Private adoption services are more efficient and more effective than state agencies where adoption is concerned, as illustrated by the track record of Detroit's Homes for Black Children. They are accountable to a board of directors, while state agencies are not. Private organizations may be sued, which increases their accountability to the children and parents they serve. By contrast, state agencies often cannot be sued. Furthermore, people are more inclined to donate money, time, services, and goods to a private adoption agency than to pay taxes for government agencies.

2) Change the way public welfare agencies are financed.

Public welfare agencies dealing with children receive more money to keep children in foster care than they do to clear them for adoption. States should make the allocation of Title IV-E monies to these agencies contingent on their record in making final determinations on the future status of children within 12 months of entering foster care. Those not returning to their families must be adopted within three months or handed over to a private agency for adoption.

3) Establish separate units at the county level to assist the courts in making speedy and appropriate judgments.

These units should make the initial decision whether to terminate the rights of the parent and bring the process to court or return the child to his family. All babies under 12 months of age coming into the protective custody of a public welfare agency should be processed through the termination unit as a matter of course. A great many such children should be placed for adoption quickly. This in turn would prevent the buildup of a large number of children in foster care — children who grow more and more difficult to place with each passing year, as the significant drop in the percentage of older children who get adopted clearly indicates.

4) Maintain special Medicaid coverage for all special-needs adopted children.

This makes it possible for many middle and low-income families to adopt a sick child they would not be able to care for without Medicaid support. It makes sense for government to provide this support, for the special-needs child in foster care will cost the government even more.

5) Remove obstacles to transracial adoptions.

While working to increase the pool of minority parents and to enhance the flow of prequalified and ready-to-adopt minority parents, states should continue the practice of transracial adoption when no same-race parents are available. When the child becomes ready for adoption, his need is immediate and acute. Minority community groups can monitor the pool of prescreened, qualified minority parents for all the relevant categories of children: older children, older male children, sibling groups of children, medically needy children.

In addition to the issues involved in ending discrimination against black children waiting to be adopted and against black couples waiting to adopt, there is much else to be done by the states.

6) Use leadership opportunities to encourage adoption.

Governors and state legislatures should consider mounting campaigns to increase interest in adoption. With the prompting and advocacy of the Institute for Children in Cambridge Massachusetts, the State of Massachusetts, under Governor William Weld's direction, recently embarked upon Assignment Adoption, a series of government reforms to reduce the number of children in foster care and to increase the practice of adoption.

7) Establish separate units for termination of the parental rights of convicted abusing parents.

When the difficult duty of assessing the appropriateness of terminating parental rights is commingled with the mandate to preserve the family at all costs, the good of the abused child suffers. The long-term good of the child is helped by establishing separate units of social workers who help the court reach clear and speedy decisions regarding the parents' right to continue as parents. These workers can help the courts without the conflict of interest that is present when they also try therapeutically to help the family come together or stay together. It is best that such work be carried on by a different set of professionals. The best interests of the child remain paramount while the effort to help the parent is vigorously pursued.

8) Enact a strict 12-month timeline for adjudication of the long-term parental status of every child in foster care.

A University of Chicago study finds that children who enter foster care as infants remain in the system 22 percent longer than other young children.⁸⁹ Within a 12-month period, the court and the termination unit should decide whether a child should be returned to his parents or placed for adoption. Continuance in foster care beyond that time must be regarded by all as a failure to provide properly for the needs of the child. To be lax or negligent in this matter is to be guilty of serious child neglect.

9) Centralize the collection of state data on all formal adoptions and foster care actions.

In order to facilitate the practice of adoption and the reduction of foster care lengths of stay to the minimum time needed, the collection of accurate data is critical. At present it is poor and varies greatly in quality between states. National leaders, national and state campaigns to encourage adoptions, and the stimulation of executive action to initiate and maintain reforms all require an accurate picture of what is happening to children in adoption and foster care. The state Office of Vital Statistics or its equivalent ought to be the repository of all adoption information, and the state Office of Human Services or its equivalent ought to be the repository of all foster care data.

⁸⁹ See Craig, "What I Need Is a Mom."

10) Enact legislation requiring of public social service agencies the same licensing standards and requirements as those now imposed on private adoption agencies.

Just as Congress has passed a law (H.R. 1 and S. 2) to subject itself to the same regulations it imposes on the rest of the country, all state agencies involved in adoptions ought to be subject to the same reporting and regulatory oversight as adoption agencies are. This reform will likely have the speedy effect of reducing these regulations to the bare minimum needed for the good of the child.

11) Mandate drug testing of pregnant mothers suspected of drug abuse, particularly cocaine abuse.

Because of the high incidence of serious child abuse among drug-addicted mothers, because of the pain and damage done to cocaine-addicted babies, and because this condition now affects 350,000 children a year, states should push for a federal law permitting the drug testing of mothers suspected of cocaine addiction so that hospitals may participate in such programs without being threatened with a cutoff of federal funds as happened in the South Carolina case discussed above.

Children born to drug-addicted mothers are at risk for a host of difficulties and abuses: lower birth weight, physical abuse, and not getting the affectionate nurturing critical for early attachment formation and its concomitant long-range benefits, among them the formation of a solid conscience and the ability to relate well with others. Given these risks to the child, the requirement of drug testing when cocaine or crack cocaine ingestion is suspected is an appropriate protection.

12) Prohibit the removal of a child who is eligible for adoption from foster parents who are willing to adopt the child, except when the child is being returned to the legal parents. Enact legislation to permit foster parents to initiate adoption proceedings.

If the parents are deemed by the agency as suitable for fostering the child, they should qualify automatically as suitable for adopting the child. Today, many foster parents are willing to adopt the children they have fostered once they become available for adoption. However, mainly because of the effective prohibition of transracial adoptions, these parents frequently are denied the chance to adopt the children who have become attached to them. These couples should have the right to adopt the child once the courts have decided he may be adopted. If child welfare agencies have not made this possible within six months of the court decision, foster parents ought to be granted the standing in law to sue the adoption agency and initiate adoption proceedings.

13) Enact laws requiring child welfare agencies to initiate adoption proceedings for any child who has been abandoned by his parents for six months.

This rule should apply for any child in out-of-home care for six months whose parent has not engaged in meaningful interaction with the child during that period. Due process in the courts will protect the rights of parents barred from contact with their children due to very unusual circumstances. However, a child left alone for six months is a child without a dedicated parent.

CONCLUSION

More and more of the nation's children are at risk of child abuse and neglect as rates of illegitimacy rise. Their plight merits the generous response of dedicated people. Few responses can match the depth and devotion entailed in adopting a child. This dedication reduces a host of problems for the nation: the costs of extended foster care, the poorer health and slower development of children in foster care or in the home of neglectful and abusing parents, and the higher incidence of addiction, crime, and dependency.

Adoption increases the emotional, physical, and cognitive capacities of the children who are adopted. It improves the life chances of the biological mother. It saves vast amounts of money for the taxpayer. It brings much happiness to the adopting parents. It is good for all involved.

Adoption works.

The current welfare reform debate in Congress offers one of the best chances in decades to promote adoption. Sharply rising out-of-wedlock births add to the long-range costs of welfare, because being born out of wedlock significantly increases the chances of ending up on welfare. As this pool of needy children grows, all too often, up to two million couples waiting to adopt are frustrated in their efforts.

The need is great and the solution is obvious: adoption. Yet government agencies and practices actively discourage this solution which, unlike present policies, could help solve a major national problem while also reducing both welfare dependency and long-range costs. The situation cries out for reform. The suffering of the children cries out for reform.

Patrick F. Fagan
William H. G. FitzGerald Senior Fellow
in Family and Cultural Issues⁹⁰

⁹⁰ The author would like to thank Mary Beth Styles of the National Council for Adoption for her generous help in preparing this paper and Conna Craig of the Institute for Children for her review and comments.

The Adoption Promotion and Stability Act of 1996

May 30, 1996

Earlier this month the bill, HR 3286, was presented to the House of Representatives to be voted on. Overwhelmingly approved, this bill is a wonderful opportunity for all people interested in adopting a child nationally or internationally.

Basically, HR3286 offers up to a \$5,000 tax credit for adoption expenses incurred during the year that the adoption is formalized. This bill does not go into affect until 1997. Any expenses being incurred during 1996 for an adoption that will take place in 1997 cannot be deducted in respect to this bill. There is also an income limitation on families. Only those families who make less than \$75,000 combined income are eligible for the full \$5,000 credit. Families with a combined income below \$150,000 are eligible for smaller tax credits.

To read the Bill in its entirety, please go to the Adoption Policy Resource Center. Adoption Promotion and Stability Act of 1996

[Back to Rainbow Kids.com Index](#)



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

May 9, 1996
(House)

STATEMENT OF ADMINISTRATION POLICY

(THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES.)

H.R. 3286 - The Adoption Promotion and Stability Act of 1996
(Molinari (R) NY and 6 cosponsors)

The Administration strongly supports H.R. 3286, without the inclusion of Title III. Today, families who seek to adopt children face significant barriers, including high adoption costs and outdated assumptions. The Administration is deeply committed to removing these barriers and making adoption easier. The Administration strongly supports the bill's \$5,000 per child adoption tax credit. The tax credit will alleviate a primary barrier to adoption and enable middle class families, for whom adoption may be too expensive, to adopt children. The Administration also supports the adoption and foster care provisions in Title II of the bill. These provisions are consistent with the Administration's current policy.

The Administration strongly supports passage of a Young amendment, which has bipartisan support, to strike Title III from the bill. Title III would allow State courts to pre-empt tribal governments in decisions regarding the custody of Indian children. These provisions raise serious concerns because they would impinge on Indian tribal sovereignty, including the right of tribal courts to determine internal tribal relations.

The Administration will work with Congress to identify more suitable offsets to the lost tax receipts resulting from the bill's adoption tax credit. The Administration opposes the offset provision that would repeal the income exclusion for utility payments to businesses for energy conservation investments; the provision would effectively increase the taxes on these investments. By ending an important market-based incentive to conserve energy, the provision would undercut our ability to achieve clean air and energy security. The bill's other offset -- tightening the reporting requirements for U.S. holders of foreign trusts -- is included in the President's balanced budget proposal for purposes of deficit reduction.

Pay-As-You-Go Scoring

H.R. 3286 will affect receipts; therefore it is subject to the pay-as-you-go requirement of the Omnibus Budget Reconciliation Act of 1990. OMB's preliminary scoring estimate is presented in the table below. Final scoring of this legislation may deviate from this estimate.

2

PAY-AS-YOU-GO ESTIMATE
(Receipts in millions)

	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>1996-2002</u>
Receipts	+110	+318	+224	+154	+99	+56	+16	+977



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

OMB COMMUNICATIONS OFFICE

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ADOPTION POLICY RESOURCE CENTER

A service provided by Adoption Advocates. What's New?

Adoption Promotion and Stability Act of 1996, Titles I-III

HR 3286 RFS
104th CONGRESS
2d Session

IN THE SENATE OF THE UNITED STATES

May 13, 1996

Received; read twice and referred to the Committee on Finance

AN ACT

To help families defray adoption costs, and to promote the adoption of minority children.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the **Adoption Promotion and Stability Act of 1996.**

SEC. 2. TABLE OF CONTENTS.

The table of contents of this Act is as follows:

Sec. 1. Short title.

Sec. 2. Table of contents.

TITLE I--CREDIT FOR ADOPTION EXPENSES

Sec. 101. *Credit for adoption expenses.*

TITLE II--INTERETHNIC ADOPTION

Sec. 201. *Removal of barriers to interethnic adoption.*

TITLE III--CHILD CUSTODY PROCEEDINGS AFFECTED BY THE INDIAN CHILD WELFARE ACT OF 1978

Sec. 301. *Inapplicability of the Indian Child Welfare Act of 1978 to child custody proceedings involving a child whose parents do not maintain affiliation with their Indian tribe.*

Sec. 302. *Membership and child custody proceedings.*

Sec. 303. *Effective date.*

NOTE: *Title IV was not converted to HTML. The contents are listed below. Those with an interest in this title should consult THOMAS for the text.*

TITLE IV--REVENUE OFFSETS

Sec. 400. *Amendment of 1986 Code.*

SUBTITLE A--EXCLUSION FOR ENERGY CONSERVATION SUBSIDIES LIMITED TO SUBSIDIES WITH RESPECT TO DWELLING UNITS

Sec. 401. *Exclusion for energy conservation subsidies limited to subsidies with respect to dwelling units.*

SUBTITLE B--FOREIGN TRUST TAX COMPLIANCE

Sec. 411. *Improved information reporting on foreign trusts.*

Sec. 412. *Comparable penalties for failure to file return relating to transfers to foreign entities.*

Sec. 413. *Modifications of rules relating to foreign trusts having one or more United States beneficiaries.*

Sec. 414. *Foreign persons not to be treated as owners under grantor trust rules.*

Sec. 415. *Information reporting regarding foreign gifts.*

Sec. 416. *Modification of rules relating to foreign trusts which are not grantor trusts.*

Sec. 417. *Residence of trusts, etc.*

TITLE I--CREDIT FOR ADOPTION EXPENSES

SEC. 101. CREDIT FOR ADOPTION EXPENSES.

(a) IN GENERAL-

Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to nonrefundable personal credits) is amended by inserting after section 22 the following new section:

SEC. 23. ADOPTION EXPENSES.

(a) ALLOWANCE OF CREDIT-

In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year the amount of the qualified adoption expenses paid or incurred by the taxpayer during such taxable year.

(b) LIMITATIONS-

(1) DOLLAR LIMITATION-

The aggregate amount of qualified adoption expenses which may be taken into account under subsection (a) for all taxable years with respect to the adoption of a child by the taxpayer shall not exceed \$5,000.

(2) INCOME LIMITATION-

The amount allowable as a credit under subsection (a) for any taxable year shall be reduced (but not below zero) by an amount which bears the same ratio to the amount so allowable (determined without regard to this paragraph but with regard to paragraph (1)) as--

(A) the amount (if any) by which the taxpayer's adjusted gross income (determined without regard to sections 911, 931, and 933) exceeds \$75,000, bears to

(B) \$40,000.

(3) DENIAL OF DOUBLE BENEFIT-

(A) IN GENERAL-

No credit shall be allowed under subsection (a) for any expense for which a deduction or credit is allowable under any other provision of this chapter.

(B) GRANTS-

No credit shall be allowed under subsection (a) for any expense to the extent that funds for such expense are received under any Federal, State, or local program. The preceding sentence shall not apply to expenses for the adoption of a child with special needs.

(C) REIMBURSEMENT-

No credit shall be allowed under subsection (a) for any expense to the extent that such expense is reimbursed and the reimbursement is excluded from gross income under section 137.

(c) CARRY FORWARDS OF UNUSED CREDIT-

If the credit allowable under subsection (a) for any taxable year exceeds the limitation imposed by section 26(a) for such taxable year reduced by the sum of the credits allowable under this subpart (other than this section), such excess shall be carried to the succeeding taxable year and added to the credit allowable under subsection (a) for such taxable year. No credit may be carried forward under this subsection to any taxable year following the fifth taxable year after the taxable year in which the credit arose. For purposes of the preceding sentence, credits shall be treated as used on a first-in first-out basis.

(d) DEFINITIONS-

For purposes of this section--

(1) QUALIFIED ADOPTION EXPENSES-

The term 'qualified adoption expenses' means reasonable and necessary adoption fees, court costs, attorney

fees, and other expenses--

- (A) which are directly related to, and the principal purpose of which is for, the legal adoption of an eligible child by the taxpayer, and
- (B) which are not incurred in violation of State or Federal law or in carrying out any surrogate parenting arrangement.

(2) EXPENSES FOR ADOPTION OF SPOUSE'S CHILD NOT ELIGIBLE-

The term 'qualified adoption expenses' shall not include any expenses in connection with the adoption by an individual of a child who is the child of such individual's spouse.

(3) ELIGIBLE CHILD-

The term 'eligible child' means any individual--

- (A) who has not attained age 18 as of the time of the adoption, or
- (B) who is physically or mentally incapable of caring for himself.

(4) CHILD WITH SPECIAL NEEDS-

The term 'child with special needs' means any child if--

- (A) a State has determined that the child cannot or should not be returned to the home of his parents, and
- (B) such State has determined that there exists with respect to the child a specific factor or condition (such as his ethnic background, age, or membership in a minority or sibling group, or the presence of factors such as medical conditions or physical, mental, or emotional handicaps) because of which it is reasonable to conclude that such child cannot be placed with adoptive parents without providing adoption assistance.

(e) SPECIAL RULES FOR FOREIGN ADOPTIONS-

In the case of a foreign adoption--

- (1) subsection (a) shall not apply to any qualified adoption expense with respect to such adoption unless such adoption becomes final, and
- (2) any such expense which is paid or incurred before the taxable year in which such adoption becomes final shall be taken into account under this section as if such expense were paid or incurred during such year.

(f) MARRIED COUPLES MUST FILE JOINT RETURNS-

Rules similar to the rules of paragraphs (2), (3), and (4) of section 21(e) shall apply for purposes of this section.

(g) BASIS ADJUSTMENTS-

For purposes of this subtitle, if a credit is allowed under this section for any expenditure with respect to any property, the increase in the basis of such property which would (but for this subsection) result from such expenditure shall be reduced by the amount of the credit so allowed.

(h) REGULATIONS-

The Secretary shall prescribe such regulations as may be appropriate to carry out this section and section 137, including regulations which treat unmarried individuals who pay or incur qualified adoption expenses with respect to the same child as 1 taxpayer for purposes of applying the dollar limitation in subsection (b)(1) of this section and in section 137(b)(1).

(b) EXCLUSION OF AMOUNTS RECEIVED UNDER EMPLOYER'S ADOPTION ASSISTANCE PROGRAMS-

Part III of subchapter B of chapter 1 of such Code (relating to items specifically excluded from gross income) is amended by redesignating section 137 as section 138 and by inserting after section 136 the following new section:

'SEC. 137. ADOPTION ASSISTANCE PROGRAMS.

(a) IN GENERAL-

Gross income of an employee does not include amounts paid or expenses incurred by the employer for qualified adoption expenses in connection with the adoption of a child by an employee if such amounts are furnished pursuant to an adoption assistance program.

(b) LIMITATIONS-**(1) DOLLAR LIMITATION-**

The aggregate amount excludable from gross income under subsection (a) for all taxable years with respect to the adoption of a child by the taxpayer shall not exceed \$5,000.

(2) INCOME LIMITATION-

The amount excludable from gross income under subsection (a) for any taxable year shall be reduced (but not below zero) by an amount which bears the same ratio to the amount so excludable (determined without regard to this paragraph but with regard to paragraph (1)) as--

(A) the amount (if any) by which the taxpayer's adjusted gross income exceeds \$75,000, bears to

(B) \$40,000.

(3) DETERMINATION OF ADJUSTED GROSS INCOME-

For purposes of paragraph (2), adjusted gross income shall be determined--

(A) without regard to this section and sections 911, 931, and 933, and

(B) after the application of sections 86, 135, 219, and 469

(c) ADOPTION ASSISTANCE PROGRAM-

For purposes of this section, an adoption assistance program is a plan of an employer--

(1) under which the employer provides employees with adoption assistance, and

(2) which meets requirements similar to the requirements of paragraphs (2), (3), and (5) of section 127(b).

An adoption reimbursement program operated under section 1052 of title 10, United States Code (relating to armed forces) or section 514 of title 14, United States Code (relating to members of the Coast Guard) shall be treated as an adoption assistance program for purposes of this section.

(d) QUALIFIED ADOPTION EXPENSES-

For purposes of this section, the term 'qualified adoption expenses' has the meaning given such term by section 23(d).

(e) CERTAIN RULES TO APPLY-

Rules similar to the rules of subsections (c) and (g) of section 23 shall apply for purposes of this section.'

(c) CONFORMING AMENDMENTS-

(1) Sections 86(b)(2)(A) and 135(c)(4)(A) of such Code are each amended by inserting '137,' before '911'.

(2) Clause (i) of section 219(g)(3)(A) of such Code is amended by inserting, '137,' before 'and 911'.

(3) Clause (ii) of section 469(i)(3)(E) of such Code is amended to read as follows:

'(ii) the amounts excludable from gross income under sections 135 and 137.'

(4) Subsection (a) of section 1016 of such Code is amended by striking 'and' at the end of paragraph (24), by striking the period at the end of paragraph (25) and inserting, 'and', and by adding at the end the following new paragraph: '(26) to the extent provided in sections 23(g) and 137(c).'

(5) The table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by inserting after the item relating to section 22 the following new item: 'Sec. 23. Adoption expenses.'

(6) The table of sections for part III of subchapter B of chapter 1 of such Code is amended by striking the item relating to section 137 and inserting the following: 'Sec. 137. Adoption assistance programs. Sec. 138. Cross reference to other Acts.'

(d) EFFECTIVE DATE-

The amendments made by this section shall apply to taxable years beginning after December 31, 1996.

TITLE II--INTERETHNIC ADOPTION

SEC. 201. REMOVAL OF BARRIERS TO INTERETHNIC ADOPTION.

(a) STATE PLAN REQUIREMENTS--

Section 471(a) of the Social Security Act (42 U.S.C 671(a)) is amended--

- (1) by striking 'and' at the end of paragraph (16);
- (2) by striking the period at the end of paragraph (17) and inserting: 'and'; and
- (3) by adding at the end the following: '(18) not later than January 1, 1997, provides that neither the State nor any other entity in the State that receives funds from the Federal Government and is involved in adoption or foster care placements may--
 - (A) deny to any person the opportunity to become an adoptive or a foster parent, on the basis of the race, color, or national origin of the person, or of the child, involved; or
 - (B) delay or deny the placement of a child for adoption or into foster care, on the basis of the race, color, or national origin of the adoptive or foster parent, or the child, involved.'

(b) ENFORCEMENT--

Section 474 of such Act (42 U.S.C. 674) is amended by adding at the end the following:

- (d)
 - (1) If a State's program operated under this part is found, as a result of a review conducted under section 1123, to have violated section 471(a)(18) during a quarter with respect to any person, then, notwithstanding subsection (a) of this section and any regulations promulgated under section 1123(b)(3), the Secretary shall reduce the amount otherwise payable to the State under this part, for the quarter and for each subsequent quarter before the 1st quarter for which the State program is found, as a result of such a review, not to have violated section 471(a)(18) with respect to any person, by--
 - (A) 2 percent of such otherwise payable amount, in the case of the 1st such finding with respect to the State;
 - (B) 5 percent of such otherwise payable amount, in the case of the 2nd such finding with respect to the State;
 - or
 - (C) 10 percent of such otherwise payable amount, in the case of the 3rd or subsequent such finding with respect to the State.
 - (2) Any other entity which is in a State that receives funds under this part and which violates section 471(a)(18) during a quarter with respect to any person shall remit to the Secretary all funds that were paid by the State to the entity during the quarter from such funds.
 - (3)
 - (A) Any individual who is aggrieved by a violation of section 471(a)(18) by a State or other entity may bring an action seeking relief from the State or other entity in any United States district court.
 - (B) An action under this paragraph may not be brought more than 2 years after the date the alleged violation occurred.
 - (4) This subsection shall not be construed to affect the application of the Indian Child Welfare Act of 1978.'

(c) CIVIL RIGHTS--

(1) PROHIBITED CONDUCT--

A person or government that is involved in adoption or foster care placements may not--

- (A) deny to any individual the opportunity to become an adoptive or a foster parent, on the basis of the race, color, or national origin of the individual, or of the child, involved; or
- (B) delay or deny the placement of a child for adoption or into foster care, on the basis of the race, color, or national origin of the adoptive or foster parent, or the child, involved.

(2) ENFORCEMENT--

Noncompliance with paragraph (1) is deemed a violation of title VI of the Civil Rights Act of 1964.

(3) NO EFFECT ON THE INDIAN CHILD WELFARE ACT OF 1978-

This subsection shall not be construed to affect the application of the Indian Child Welfare Act of 1978.

(d) CONFORMING REPEAL-

Section 553 of the Howard M. Metzenbaum Multiethnic Placement Act of 1994 (42 U.S.C. 5115a) is repealed.

TITLE III--CHILD CUSTODY PROCEEDINGS AFFECTED BY THE INDIAN CHILD WELFARE ACT OF 1978

SEC. 301. INAPPLICABILITY OF THE INDIAN CHILD WELFARE ACT OF 1978 TO CHILD CUSTODY PROCEEDINGS INVOLVING A CHILD WHOSE PARENTS DO NOT MAINTAIN AFFILIATION WITH THEIR INDIAN TRIBE

Title I of the Indian Child Welfare Act of 1978 (25 U.S.C. 1911 et seq.) is amended by adding at the end the following:

'SEC. 114.

(a) This title does not apply to any child custody proceeding involving a child who does not reside or is not domiciled within a reservation unless--

- (1) at least one of the child's biological parents is of Indian descent; and
- (2) at least one of the child's biological parents maintains significant social, cultural, or political affiliation with the Indian tribe of which either parent is a member.

(b) The factual determination as to whether a biological parent maintains significant social, cultural, or political affiliation with the Indian tribe of which either parent is a member shall be based on such affiliation as of the time of the child custody proceeding.

(c) The determination that this title does not apply pursuant to subsection (a) is final, and, thereafter, this title shall not be the basis for determining jurisdiction over any child custody proceeding involving the child.'

SEC. 302. MEMBERSHIP AND CHILD CUSTODY PROCEEDINGS.

Title I of the Indian Child Welfare Act of 1978 (25 U.S.C. 1911 et seq.), as amended by section 301 of this title, is further amended by adding at the end the following:

'SEC. 115.

'(a) A person who attains the age of 18 years before becoming a member of an Indian tribe may become a member of an Indian tribe only upon the person's written consent.

(b) For the purposes of any child custody proceeding involving an Indian child, membership in an Indian tribe shall be effective from the actual date of admission to membership in the Indian tribe and shall not be given retroactive effect.'

SEC. 303. EFFECTIVE DATE.

The amendments made by this title shall take effect on the date of the enactment of this Act and shall apply with respect to any child custody proceeding in which a final decree has not been entered as of such date.

[NOTE: TITLE IV has been deleted from this presentation of the text. Contents are listed above and the text of TITLE IV is available from THOMAS]

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Adoption

THE WHITE HOUSE

WASHINGTON

May 6, 1996

Dear Mr. Speaker:

I am writing to express my strong support for The Adoption Promotion and Stability Act of 1996. Today, families seeking to adopt children face significant barriers, including high adoption costs, complex regulations, and outdated assumptions. I am committed to breaking down these barriers and making adoption easier. Promoting adoption is one of the most important things we can do to strengthen American families and give more children what every child in America deserves -- loving parents and a healthy home. This legislation will help children in need of adoptive homes to be united with devoted parents.

My Administration has worked hard to promote adoption in general, and adoption of children with special needs in particular. We championed the Family and Medical Leave Act which enables parents to take time off to adopt a child without losing their jobs or their health insurance. We strongly supported the Multi-Ethnic Placement Act to help increase the number of adoptions by prohibiting discrimination based on race or ethnicity, and we remain committed to enforcing that law vigorously. As part of our 1993 deficit reduction package, I signed into law a provision that requires ERISA plans to provide the same health coverage for adopted children as for biological children of plan participants. We have worked to preserve Federal support for adoption of children with special needs, and increased by 60 percent the number of children with special needs who have been adopted with Federal adoption assistance.

But together we can and must do more. I strongly support the adoption tax credit in this bill. It will alleviate a significant barrier to adoption and allow middle class families, for whom adoption may be prohibitively expensive, to adopt children to love and nurture. It will encourage adoption of children with special needs. It will put parents seeking to build a family through adoption on a more equal footing with other families.

I believe that the bill is consistent with the Administration's policy and my longstanding goal to end the historical bias against interracial adoptions, which too often has meant interminable waits for children to be matched with parents of the same race. The Administration also has some concerns regarding some of the provisions used to offset the cost

The Honorable Newt Gingrich
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of the bill and would like to work with the Congress on these provisions. In addition, we need to ensure that unnecessary provisions are not included in the legislation.

The Adoption Promotion and Stability Act is an important first step toward meeting the challenge of removing barriers to adoption. I look forward to working with you so that the dreams of the waiting children in this country to have permanent homes and loving families can become a reality.

Sincerely,

Bob Clinton

The Honorable Newt Gingrich
Speaker of the
House of Representatives
Washington, D.C. 20515