
❖ The TAX TIMES ❖

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Kudos to Kelso, Lasee, Ryba, VanderLoop on Residency Vote!

A recent legislative attempt to advance a bill which would unilaterally eliminate residency requirements was thwarted in the State Assembly. The bill, AB 149, is opposed by the BCTA. Residency has always been a matter decided by local officials and elected policymakers, and where appropriate determined through local collective bargaining. Existing local residency requirements have value at the bargaining table. If local decision-makers choose to relax these requirements, it should be done through bargaining where the taxpayers get something in exchange. ***The legislature has no business awarding local unionized employees that which they have failed to win through collective bargaining.***

On Tuesday, November 7, advocates for AB 149 attempted to advance the bill by removing it from the Urban Affairs Committee where it does not have support for passage. On a 50 to 46 vote this attempt was rejected. State Representatives Carol Kelso, Frank Lasee, John Ryba and Bill Vanderloop voted in the taxpayers best in-

terest to keep AB 149 in the Urban Affairs Committee. The BCTA wishes to publicly acknowledge these representatives for their support...it did not go unnoticed and is greatly appreciated. In a recent referendum, Brown County citizens voted 2 to 1 in favor of residency requirements, and these representatives were apparently listening. Area representatives who chose to vote against taxpayer interests in this matter are Dave Hutchison,

What Else Is New?

The very first check for \$22.54, was paid in 1940 to a Vermont woman who had paid \$22 in Social Security taxes. By the time she died in 1974, age 100, she had collected \$20,944.42.

From Managing Your Money

“My experience in government is that when things are non-controversial and beautifully coordinated, there is not much going on.”

John F. Kennedy

“The politician who never made a mistake never made

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The BROWN COUNTY TAXPAYERS ASSOCIATION

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Does Increasing the Welfare Allotment for Each Additional Child Raise Birthrates?

By Robert Miller, BCTA Vice-President

Recently, several states have eliminated increased payments to persons on welfare where additional children are born to them while on welfare. The argument is made that there should not be an incentive to have additional children to be raised and paid for by taxpayers. Opponents contend that no one would possibly wish to have an additional child while receiving welfare benefits. They further argue that one should not penalize the child for the parents' improvidence.

The results thus far have been mixed in the state experiments. However, a similar system was in place in 19th Century England.

The English Poor Law required increased payments as the unemployed worker had more children. Economist Thomas Malthus observed that the system provided a great incentive for the poor to have more children than they could support. Malthus concluded that in the long run, the growth in the number of the poor would increase the number of workers, decreasing wage rates and increasing poverty.

The report of the English Poor Law Commission (Issued in 1834) included Malthus' criticism of the system:

What motives has the man who...knows that his income will be increased by nothing but an increase in his family, and diminished by nothing but a diminution of his family, that it has no reference to his skill, his honesty or his diligence— what motive has he to preserve any of these merits? Unhappily, the evidence show, not only that these virtues are rapidly wearing out, but that their place is assumed by the opposite (**Report** at p. 68).

The debate about the effects of the English Poor Laws has gone on for centuries. Economic historians in the early 20th century believed that the child allowance had no effect on the birth rate. This has been the prevailing wisdom until recently.

Cornell University professor George Boyer reaches a different result in his book, *The Economic History of the English Poor Law, 1750-1815* (Cambridge University Press, 1990). Analyzing the same data that previous investigators had used, he reached the following determination:

“...the widespread adoption of child allowances after 1795 appears to have been the major cause of the increase in birth rates during the first two decades of the nineteenth century. The seeming anomaly of birth rates increasing during a period of stable or falling real income disappears when the effect of the Poor Law Policy is brought into the analysis, **Boyer** at p. 172.

No one wishes to penalize children born to poor households. However, these findings add weight to the argument that the system is dysfunctional, giving welfare recipients the incorrect economic incentives and signals.

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WELFARE FACTS

“Since 1965, welfare spending has increased 800 per cent in real terms, while the number of major felonies per capita today is roughly three times the rate prior to 1960. As Senator Phil Gramm rightly observes, “If social spending stopped crime, American would be the safest country in the world.” Reprinted by permission of IMPRIMIS, the monthly journal of Hillsdale College. Oct. 1995, p.2

Since the start of the War on Poverty in 1965, the U.S. has spent more than \$3.5 trillion dollars trying to ease the plight of the poor. Yet today, the poverty rate is actually higher than when we started.

In 1960, only 5.3 per cent of births were out of wedlock. Today, nearly 30 per cent of births are illegitimate. Among blacks, the illegitimacy rate is nearly two thirds. Among whites, it tops 22 per cent. There is strong evidence that links the availability of welfare with the increase in out-of-wedlock births.

Half of all unwed teen mothers go on welfare within one year of their first child

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The TAX TIMES

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