even people who dutifully take jobs can't pay the rent.

Republicans also want budget balance. But hiking the minimum wage is a lot more budget-friendly than having government subsidize low-wage work.

The government's principal device for making work pay is the Earned Income Tax Credit—a kind of negative income tax targeted to low-wage workers with families. It was expanded, with strong bipartisan support, in 1993. Next year, the EITC will cost the federal budget more than $15 billion.

Of course, the Republican desire to encourage work and reduce federal outlays clashes with the Republican worship of unregulated markets. Conservatives, seconded by many economists, have long argued that minimum wage laws reduce jobs. By raising the cost of workers, minimum wages force industry to make fewer hires.

That makes intuitive sense. However, a new and comprehensive study by two Princeton University economists rebuts the conventional wisdom. Economists David Card and Alan Krueger had a laboratory case when New Jersey raised its state minimum wage and neighboring Pennsylvania did not.

Card and Krueger found that employment in New Jersey actually expanded after that state hiked its minimum wage from $4.25 to $5.05 an hour in April 1992. Comparable fast-food outlets across the river in eastern Pennsylvania, whose minimum wage remained at $4.25, experienced lower job growth. Nor was New Jersey's hike in wages offset by reduced fringe benefits. The economists found similar results in studying other states.

What explains these surprising findings? In their forthcoming book, ''Myth and Measurement'' Card and Krueger find that management has a degree of ''market power.'' They could have been paying higher wages all along. They simply chose not to, given that enough workers were available at the lower wage.

Contrary to the usual claim that higher minimum wages are inflationary, they also found that restaurants mostly did not respond to the higher labor costs by raising prices. Rather they offset the higher pay with improved output and lower turnover. In some cases, they simply absorbed the higher costs.

At some point, say $7 an hour, Card and Krueger agree that a higher minimum wage would likely reduce employment. But with the value of the minimum wage having eroded so badly, we are nowhere near that tipping point.

All of this suggests that the wisdom of legislating a decent social minimum is far from a cut-and-dried economic proposition. It is simply a political choice.

As a society, we can permit employers to recruit as many low-wage workers as they please, at the lowest going rate. But it turns out that the path of low productivity and low wages doesn't necessarily produce more jobs. Alternatively, we can insist that more company earnings be shared with employees—and we may well reap a more productive economy as well as a fairer one, at less cost to the taxpayers.

By embracing higher minimum wages, President Clinton has identified himself with the work ethic and with the occasional virtue of government regulation to correct imperfect markets and protect vulnerable people. In a speech that otherwise seemed heavily Republican, it was a good place to draw the line.

LINCOLN'S LASTING LEGACY

HON. GEORGE P. RADANOVICH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 7, 1995

Mr. RADANOVICH. Mr. Speaker, many of us are about to return home, to the communities we represent and to the constituents we serve, to join in observing Lincoln Day. In the words of the man whose birth 186 years ago we celebrate on February 12 and whose memory we venerate, that commemoration is ''altogether fitting and proper.'' It also is, in my belief, remarkably timely when we pause to compare Mr. Lincoln's views on Government to what we understand is the mandate that brought us to Washington.

Recently, when our neighbors on Capitol Hill, the Library of Congress, put on public display the original manuscripts of the Gettysburg Address, I joined with tens of thousands of our fellow Americans who visited this exhibition. While there I talked with members of the Library staff in charge of rare documents and was given a brief tour of the stacks in which are held some of the papers of our past Presidents, including Abraham Lincoln.

I assure my colleagues and constituents, Mr. Speaker, that it was one of the more memorable moments of my life to hold in my hands correspondence and other materials actually written by Mr. Lincoln. And, of course, there was that simple signature we have seen reproduced so many times in so many places, ''A. Lincoln.''

The experience moved me to look anew at Lincoln works and words. At every turn it seems, Mr. Lincoln demonstrated a strict adherence to the ideals of our Founders. His proclamation in 1863 said:

> No service can be more praiseworthy and honorable than that which is rendered for the maintenance of the Constitution and the consequent preservation of free government.

The Lincoln basic belief in self-government is compellingly clear in an 1858 Chicago speech:

> I have said very many times . . . that no man believed more than I in the principle of self-government; that it lies at the bottom of all my ideas of just government from beginning to end.

Mr. Lincoln's definition of Government's purpose stands at the best I ever have encountered. Speaking in Springfield, IL in 1854, he said:

> The legitimate object of government is to do for a community of people whatever they need to have done, but cannot do at all, or cannot do so well for themselves, in their separate and individual capacities. In all that people can individually do as well for themselves, government ought not to interfere.

The preeminent position of the people in public affairs was a Lincoln guiding light. As a Member of this House of Representatives, he spoke from the floor in 1848:

> In leaving the people's business in their own hands, we cannot be wrong.

In his First Inaugural Address, President Lincoln asked in 1861:

> Why should there not be a patient confidence in the ultimate justice of the people; Is there any better or equal hope in the world?

On Independence Day that year, the message to Congress from President Lincoln advised:

> The people themselves, and not their servants, can safely reverse their own deliberate decisions.

And, from perhaps one of the most-repeated of Lincoln quotations comes his counsel about the ultimate wisdom of the people:

> You can fool all the people some of the time and some of the people all of the time, but you can't fool all of the people all of the time.

Mr. Speaker, Abraham Lincoln also addressed the meaning of mandates from the people who elect us. His 1861 speech in Pittsburgh as President-elect referring to the balloting behind him should admonish us today as we reflect on our own elections:

> We should do neither more nor less than we gave the people reason to believe we would when they gave us their votes.

These are the Lincoln lessons. They are the Lincoln legacy.

As I prepare to commemorate Lincoln Day with friends and family in Fresco, Mariposa, and elsewhere in California's 19th District, I pledge that my service will remain faithful to Lincoln principles.

PERSONAL EXPLANATION

HON. LYNN C. WOOLSEY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 7, 1995

Ms. WOOLSEY. Mr. Speaker, I was unavoidably detained during the vote on the Spratt-Moran amendment to expend the President's line-item veto authority to include tax loopholes. Had I been present for this vote, I would have voted ''Aye.''

HONORING DR. LAURA FLIEGNER

HON. MAURICE D. HINCHEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 7, 1995

Mr. HINCHEY. Mr. Speaker, on February 25, my friends in Ulster County, NY, will gather to pay tribute to a woman who has dedicated years of service to our community. It is an honor and a privilege to ask that this body join me in tribute to Dr. Laura Fliegner, a woman of considerable talent and vision, who has served as district superintendent of the Ulster County board of cooperative extension since 1987.

It has been a personal pleasure to count Dr. Fliegner among my friends and advisors over the years. She is a woman dedicated not just to the education and training of our community's young people, but she is also committed to making the community more receptive and eager to particpate in the many good works that she has initiated. Laura has a rare gift for conveying to a wide constituency the importance of our young people and the vital contribution that they can and should make to our community. In her capacity as liaison and board member to a wide range of service and business organization throughout the Hudson