

years. More than nine out of every ten new jobs were in the private sector, a sign of the revitalized economy. Of major importance, particularly for the Midwest, was the strong rebound in manufacturing jobs after the heavy losses between 1989 and 1993.

**Unemployment.** The strong job growth last year put many unemployed people back to work. The unemployment rate fell from 6.7% at the start of the year to 5.4% at the end of the year, which is where it currently stands. There are now 1.5 million fewer unemployed workers than there were at the start of 1994.

**Inflation.** At the same time, inflation remained firmly under control. During 1994, consumer prices rose only 2.7%, the fourth year in a row of low inflation.

**Productivity.** Productivity, a key to non-inflationary growth, showed solid gains in 1994, for the second year in a row.

**The Indiana Economy.** For years, the Midwest lagged behind the rest of the American economy. We suffered more during recessions and took longer to catch up during recoveries. But that has now changed. The Midwest has outperformed the national economy in recent years, and especially last year. We had stronger job growth and lower unemployment—in fact, the unemployment rate in Indiana averaged about a point less than the national rate. Midwest growth was led by our strong manufacturing sector, which benefited from a big rise last year in business investment and consumer spending, as well as an increase in exports.

**The Economic Outlook.** Early last year, the Federal Reserve (Fed) began to tighten monetary policy, to keep the economy from overheating and causing higher inflation. Between February 1994 and February 1995, the Fed increased interest rates seven times, for a total rise of three percentage points. As a result, several key indicators suggest that the economy is slowing. Housing starts have fallen for three straight months and automobile sales are down from last year's peak. Industrial production has also fallen recently, and a big increase in unwanted inventories early this year might force manufacturers to cut production even more.

Most forecasters expect the economy to keep growing this year and next, although at a slower pace than last year. Job opportunities should also keep growing. But a few economists warn that the Fed may have tightened too much and put the economy into the danger zone of a new recession. In the past, whenever the Fed raised interest rates by three percentage points in a year a recession followed.

**Economic Policy.** What can be done to keep the economy growing and jobs increasing?

**Deficit reduction.** In 1993, Congress made major progress in bringing down the federal deficit. The improvement helped reduce long-term interest rates and stimulated the strong economic growth of 1994. Although the Fed reversed the progress on interest rates last year, Congress should continue to consolidate the gains on the deficit. The tax reduction package recently passed by the House, providing most of the benefits to upper-income taxpayers, was a big step backward for deficit reduction. It will make it extremely difficult to bring the budget into balance. I am also concerned that the new Congress may try to rush things by indiscriminately cutting programs that benefit the economy along with those that don't. Trying to do too much too soon may end in a deadlock that impairs further progress on the deficit. But a measured and reasoned approach to further deficit reduction would certainly be in the nation's long-term economic interest.

**Interest rates.** It generally takes from six to eighteen months for an increase in interest rates to have its full impact on the econ-

omy. With most of last year's rate rise coming since August, it will still be some months before we can evaluate the full economic effect. Since there are already signs of a slowdown, the Fed should clearly wait for better information on the economy before making any further rate increases. If the economic indicators show signs of deterioration in the next few months, I hope the Fed will actually consider reducing interest rates. With inflation already under control, a recession would impose hardship on millions of Americans with no benefit to the economy.

**Conclusion.** The 1990s expansion is now almost four years old and we have had some of the best economic numbers in a generation. The performance of the U.S. economy in 1994 was, in a word, outstanding. However, the question today is not whether the economy is slowing, but how much it is slowing and whether the Fed can achieve a "soft landing", trimming growth from over 4% to around 2.5%.

The economic statistics are important, but the real test of economic performance for me is whether it improves the income of working families, makes them feel more secure, and puts them on the path to prosperity. On those measures, the economic outlook must remain a top priority.

#### LEGISLATION PROVIDING MEDICAID COVERAGE OF ALL CERTIFIED NURSE PRACTITIONERS AND CLINICAL NURSE SPECIALISTS

### HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 3, 1995*

Mr. RICHARDSON. Mr. Speaker, I am pleased to introduce legislation, H.R. 1339, that would provide Medicaid coverage for all certified nurse practitioners and clinical nurse specialists for services they are legally authorized to perform.

As the need to provide basic medical care to the Nation's medically deprived population increases, the need to facilitate access to quality, cost-effective primary care provided by nurse practitioners also increases. Over 400 studies have confirmed the high quality of health care provided by nurse practitioners in a variety of urban and rural primary care settings. It is well known that the majority of our underserved populations are located in rural and inner city settings across the Nation. While nurse practitioners are willing and able to provide services in these settings, not all nurse practitioners are currently being reimbursed by Medicaid for their services in these areas.

Currently, patients are able to access the care of certain nurse practitioners such as family and pediatric nurse practitioners, but others such as adult and women's health nurse practitioners are not accessible. The legislation I am introducing would enable all nurse practitioners, regardless of specialty, to provide care to Medicaid recipients.

Nurse practitioners are particularly capable to provide health care to the indigent. Their educational programs emphasize the provision of care to patients who have limited financial resources. In a national survey conducted by the American Academy on Nurse Practitioners, over 60 percent of the patients seen by these providers had family incomes of less than \$16,000 per year.

Nurse practitioners rate as high in financial efficiency as they do in consumer satisfaction. Their ability to focus on preventative and curative medical services contribute to the quality as well as the cost-effectiveness of the care they provide.

Nurse practitioners can play a central role in achieving our national goal of providing quality, cost-efficient health care for all citizens. I am hopeful this legislation will help to eliminate disparities in access to care for rural and inner city Medicaid populations by providing direct reimbursement to nurse practitioners and clinical nurse specialists who have proven their ability to deliver quality care in a cost-effective manner.

#### STATEMENT MARKING ANNIVERSARY OF HOLLAND HOME

### HON. MARGE ROUKEMA

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 3, 1995*

Mrs. ROUKEMA. Mr. Speaker, I rise to call attention to the 100th anniversary of the Holland Christian Home, which is located in North Haledon, NJ. The Holland Home is an excellent example of what private citizens can do to help those in need through their churches, civic groups and other organizations. It is a 151-bed home for the aged, fully licensed by the State and complete with skilled nursing care and other services that has developed from simple roots.

The Holland Home shows what people with vision can do when confronted with a problem in need of a solution. The founders of the home were church and community leaders who applied Christian principles to help all in their community, rather than waiting for the Government to solve their problems for them. That is a philosophy that is returning today, as the public realizes that "big government" is not always the answer. It was a concept that can work as well in 1995 as it worked in 1895.

The Holland Home traces its history to the early 1890s in Paterson, N.J., when members of several Dutch-speaking churches in the area addressed the difficulty of caring for elderly members, particularly those who had no children to provide for them. Remember, this was before Social Security or Medicare. The Reverend Reinder Drukker, who had come to New Jersey from Michigan, suggested that the churches construct a facility similar to the Holland Home he had visited in Grand Rapids. It was described as "an institution where the aged might spend their remaining days in comfort and Christian fellowship." The Reverend Drukker joined with the Reverend Helenus Nies of the Union Reformed Church; Cornelius Poelstra, publisher of a Dutch-language newspaper; and another civic leader, Henry Gardenier, to form the Holland Christian Home Association. The fund-raising drive began at an April 10, 1895, meeting where a collection was taken up to cover the \$5 cost of renting a meeting hall—\$8.09 was collected and the balance was the beginning of the building fund.

On Thanksgiving Day, 1898, a two-story, 34-by-36-foot building with 10 rooms for residents was dedicated in Paterson. The total