

simply stick your head in the sand and expect market forces to balance the national budget. That's the Congress' responsibility.

I can cite example after example illustrating how this leadership cares little about our Nation's fiscal state of affairs.

The pay-as-you-go rule, PAYGO, the budget enforcement mechanism devised to reign in deficits, worked very effectively in the nineties to bring the budget into balance and restore surpluses.

After PAYGO expired, the House leadership squandered multiple opportunities to renew it and refused to take action. It's no coincidence that we've seen record high deficits in the last 2 years.

And now this Congress is backed into a corner and forced to take action to raise the debt ceiling for the third time in 3 years, another record.

#### WORRISOME SIGNS IN THE INTERNATIONAL CURRENCY & DEBT MARKETS

The Bush administration and leadership in the House say deficits don't matter, but in truth they do matter, and we are now staring crisis in the face. There is near unanimity among economists that our Nation's fiscal imbalance could put us in real economic peril.

In a study published just 2 weeks ago, economists Maurice Obstfeld and Kenneth Rogoff warned of "current account collapse" sparked by withdrawal of funds from international investors. They said that this issue should be "problem number one on the President's international financial agenda."

Alan Greenspan's comments today confirmed brewing concerns about the weakening dollar and decreasing appetite among international investors for "adding to [their] dollar balances."

We must heed these warnings and get our financial house in order or the delicate house of cards constructed by this Administration and Congressional leadership will come tumbling to the ground, and all Americans will pay a hefty price.

Already there are signs that the dollar's value is declining and other currencies, primarily the Euro, are slowly replacing the dollar as the favored currency among international investors. This week, the dollar reached an all time low against the Euro—one Euro is now worth \$1.30.

Our nation needs to borrow around \$2 billion a day, and 92 percent of debt securities sold over the last 4 years have gone to foreign countries. So obviously we rely heavily on foreign investment. The question is what happens if those countries abandon the dollar for another currency?

If foreign governments like China decide to divest its U.S. currency holdings; the consequences would be serious, especially considering the massive purchases by the Chinese Central Bank ever the last few years. In 2003, dollar purchases by foreign central banks were \$617 billion, compared to \$352 billion the year before. Total reserves of the emerging Asian countries rose by more than \$350 billion between March 2003 and March 2004. Japan and China alone currently hold close to a trillion dollars of U.S. debt.

Unlike in years past, we cannot assume that no other currency comes close to rivaling the dollar's strength. The emergence of the Euro substantially changes the international currency market, because, despite the soundness and stability of the dollar, the Euro has be-

come a true alternative, backed by reasonably sound monetary policies.

So the largest holders of foreign currencies in Asia could change their preference purely on the basis of financial, not political considerations.

This scenario is unraveling right now. Asian countries believe that our exceedingly high deficits are untenable and threaten the American economy. They worry that more buying could in turn destabilize their own economy.

Consequently, we increasingly find ourselves in the precarious position of having to convince these foreign governments to continue their purchasing.

#### CONCLUSION

The leadership has apparently backed away from its initial plan to include the debt ceiling increase in an omnibus appropriations bill. Hiding the debt ceiling increase in a larger bill would be a mistake because it would undermine the purpose of the statutory requirement—accountability. Members of Congress should explain their decision to increase the national debt. The American people deserve to know what's going on.

The Republicans succeeded in framing the recent election in terms of cultural, moral and religious values. Democrats believe that balancing the Nation's books is a moral issue. If the Republican leadership believes that the American people will continue to be distracted by "moral" wedge issues while they run up debts that will bankrupt the Social Security and Medicare trust funds and significantly harm the quality of life of all Americans, they are seriously mistaken.

As Democrats step up efforts to fully inform the American people about the magnitude of Republican fiscal mismanagement, I am confident that most will put aside their cultural and religious differences in favor of an overriding value: economic security.

Despite larger working majorities in the House and Senate, I do not plan to subordinate my views and positions to accommodate this temporarily dominant majority. There will still be opportunities in the 109th Congress to advance an alternative and more fiscally responsible budget. I will continue to engage in this crucial issue and look forward to receiving your views on this and other matters in the future.

#### PAYING TRIBUTE TO CELIA DUNHAM

#### HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Friday, November 19, 2004

Mr. McINNIS. Mr. Speaker, I rise to pay tribute to Celia Dunham, a talented and dedicated teacher who has been nominated for the Colorado State Board of Education's 2005 Teacher of the Year award. Celia has demonstrated a strong passion and devotion to educating our youth in one of our most important occupations for 31 years. It is a privilege to stand here today before this body of Congress and this Nation and honor her impeccable record of service.

Celia's initial decision to become a teacher came from her experience with a pilot program teaching inner city kids in college. It was here that she learned the important difference that

teachers make everyday in the lives of their students—a mantra that continues to influence her teaching today. Celia is a firm advocate of engaging students, parents and teachers in a partnership to allow students to achieve their full potential. To attain that goal, she has worked to create caring, respectful environments that encourage kids to take responsibility for their own learning. Her position as a role model for her students epitomizes the positive attitude about education that is necessary for a successful teacher.

Over the course of Celia's work in Steamboat Springs, she has been heavily involved with planning place-based education that builds student appreciation for the culture and heritage of their community. She also contributed significantly to the development of a K through 12 standards-based curriculum that concentrates on individual, on-going assessments that meets academic goals early in a student's career to make them successful in the future. The program is a proven success as the Colorado Student Assessment Program scores for Celia's school are consistently above the state average, and the school has been recognized twice as a Colorado School of Excellence.

Mr. Speaker, Celia Dunham is an intelligent, caring and devoted teacher who always puts her students first. Her commitment to the teaching profession is unrelenting and it would be a great honor for Colorado to be blessed with her continued leadership as Colorado's 2005 Teacher of the Year. I am honored to stand before this body of Congress and this Nation today and recognize her longstanding dedication to the teaching profession. Thank you for your service Celia, and I wish you all the best in your future endeavors.

#### HONORING THE RETIREMENT OF CPT A. RALPH GIBSON

#### HON. CLIFF STEARNS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 19, 2004

Mr. STEARNS. Mr. Speaker, I rise today to congratulate Captain Ralph Gibson on his retirement. Captain Gibson concludes a distinguished career in the military with his final post as the Assistant Chief of Staff, Religious Ministries, Marine Corps Recruit Depot—Eastern Recruiting Region. This is a man that demonstrated the true meaning of service beyond one's self. Since his enlistment in the Army in 1967, Captain Gibson served not only his country, but God as well.

Captain Gibson served in the Army and the Oklahoma National Guard until 1979. That year, having previously completed his studies at the Baptist Theological Seminary in Fort Worth, Texas, Gibson was commissioned as a Navy Chaplain. He continued to serve both God and country through the First Gulf War, earning numerous medals and commendations along the way. Undoubtedly, his service to the men and women of our armed forces provided the spiritual direction and comfort so desperately needed when these brave people are away from their families and loved ones.

Captain Gibson will continue his service as pastor for a church in South Carolina. I am confident that the members of that church will greatly benefit just as our servicemen and