

Senators Patterson, Gilbert, Van Woerkom, Stamas, Cassis, Kahn, Jelinek, Richardville, Allen and Kuipers offered the following resolution:

Senate Resolution No. 86.

A resolution urging Congress to defend the role of the dollar as a world reserve currency.

Whereas, The financial and economic crisis we are facing has weakened America's position as the dominant economic power. Reflecting this situation, some have called for the United States dollar to be replaced as the international reserve currency by a mix of currencies. This sentiment reflects a lack of confidence in the long-term strength of the dollar. Treasury Secretary Timothy Geithner seemingly agreed that this proposal deserved consideration before reversing himself and defending the dollar as the international reserve currency; and

Whereas, The United States dollar has functioned as the dominant international reserve currency since World War II. This role has resulted from our position as the largest economy with trade and investment policies leading to stable, long-term productivity gains and prosperity. Nations have trusted that the dollar will retain its value over time. What this means is that the dollar is accepted worldwide for international transactions and is the currency that nations prefer to hold in their vaults for the future as their foreign exchange reserve. The freedom to use our own currency to import what we need and pay our debts cannot be undervalued. Our budget and trade deficits would not be possible without the willingness of foreigners to accept and hold our dollars; and

Whereas, For our dollar to continue to function in this role, which both benefits America and enables global trade, we must take steps both to strengthen the dollar against key foreign currencies and bolster the underlying economic basis for the dollar's dominance globally. Foreign businesses and governments must continue to have confidence that our dollar will remain a safe haven for their own economic health. Should that confidence falter for long, our dollar will lose its status as the dominant reserve currency, and we will be weaker for that blow to our economy; now, therefore, be it

Resolved by the Senate, That we urge Congress to defend the role of the dollar as a world reserve currency; and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of the Michigan congressional delegation.