

118TH CONGRESS
1ST SESSION

S. RES. 460

Supporting the United States dollar as the reserve currency of the world
and combating the economic influence of the People's Republic of China.

IN THE SENATE OF THE UNITED STATES

NOVEMBER 13, 2023

Mr. BUDD (for himself, Mrs. SHAHEEN, Mr. RUBIO, Ms. KLOBUCHAR, Mr. MANCHIN, and Mr. VAN HOLLEN) submitted the following resolution;
which was referred to the Committee on Foreign Relations

RESOLUTION

Supporting the United States dollar as the reserve currency
of the world and combating the economic influence of
the People's Republic of China.

Whereas the United States dollar serves an indispensable role
in global commerce and finance;

Whereas the United States dollar represents—

- (1) a stable, rule of law-based legal system;
 - (2) democratic, representative government institutions;
 - (3) highly liquid and reliable capital markets;
 - (4) a robust and dynamic capitalist domestic economy;
 - (5) deep and extensive global trading relationships;
- and

(6) a significant commitment to market-based, free-floating exchange rates and independent monetary policy;

Whereas the International Monetary Fund reports the United States dollar accounted for approximately 71 percent of global currency reserves in 1999 and has since declined to 58.88 percent in 2023;

Whereas the People's renminbi, the official currency of the People's Republic of China (commonly referred to as the "yuan"), accounted for 2.45 percent of global currency reserves in the second quarter of 2023;

Whereas the People's Republic of China appears to have built substantial "shadow reserves" that are under the control of the People's Bank of China, the central bank of the People's Republic of China, but are obscured from international data;

Whereas, in the fall of 2023, the People's Republic of China reportedly intervened in international currency markets to support the renminbi;

Whereas the Chinese Communist Party has disregarded the Paris Club and the Organisation for Economic Co-operation and Development and saddled developing countries with opaque and unsustainable debt, including through the Belt and Road Initiative;

Whereas the Chinese Communist Party's refusal to disclose its lending to foreign countries and reluctance to engage in significant debt restructuring is undermining the missions of the International Monetary Fund and the World Bank related to global economic development and stability;

Whereas the Chinese Communist Party is now the largest official creditor and provider of export subsidies in the world;

Whereas the Belt and Road Initiative has led to an increased reliance on capital from the People's Republic of China in developing countries;

Whereas, since 2013, the Chinese Communist Party has invested more than \$1,000,000,000,000 in projects under the Belt and Road Initiative around the world;

Whereas the People's Republic of China has been taking aggressive steps towards developing its central bank digital currency, the digital yuan;

Whereas the People's Republic of China has worked to expand the use cases of the digital yuan for the Belt and Road Initiative and to settle cross-border transactions;

Whereas Brazil and Argentina, the two largest economies in South America, have taken steps to facilitate their trade with the People's Republic of China using the yuan instead of the United States dollar;

Whereas the People's Republic of China has sought to influence the global economy by expanding the BRICS group, made up of Brazil, Russia, India, China, and South Africa, and in August 2023, the BRICS group announced it was inviting Argentina, Egypt, Ethiopia, Iran, Saudi Arabia, and the United Arab Emirates to join the group, and several members of the BRICS group have supported using the group to support a competitor currency to the United States dollar; and

Whereas the efforts of the Chinese Communist Party to develop a parallel financial system to rival United States-led institutions poses a threat to the economy and na-

tional security of the United States: Now, therefore, be it

1 *Resolved*, That it is the sense of the Senate that—

2 (1) the United States must take steps to pro-
3 tect the United States dollar as the reserve currency
4 of the world and maintain its position as a key play-
5 er in the global financial system;

6 (2) the efforts of the Government of the Peo-
7 ple’s Republic of China to undermine the status of
8 the United States dollar as the reserve currency of
9 the world must be closely monitored, and appro-
10 priate measures must be taken to counter those ef-
11 forts;

12 (3) the United States must work to strengthen
13 its economic ties with critical regions of the world to
14 provide an alternative to Chinese capital; and

15 (4) the United States must continue to work
16 with its allies to promote economic policies that en-
17 sure growth and stability across developing coun-
18 tries.

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