

From The Desk Of  
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**TITLE: The 2021 American Overseas Stock Market Investment Act**

**PROBLEM:**

There are over 175 recognized stock and commodity markets in the world. Sixteen of these markets have capitalization figures over \$1 trillion. For a variety of reasons (mostly market insecurities), American investors are either barred from - or hesitant about - investing in various “up and coming nations and/or their business” by our government. The reasons provided by the government range from corporate and/or national instability to market manipulation and unfair competition.

**SOLUTION:**

Spread out over 7 years, this proposed \$7 billion program is designed to work with selected exchanges in an effort to bring the world’s investment markets in line with both US and Western standards, while increasing professionalization and overall market capitalization. This will help spur investment in selected regions, lower American Foreign Aid in the long run and help a variety of citizens around the world invest in, and profit off of, identified and actual regional growth.

Program highlights include, but are not limited to: the program will

- 1) Be in operation for 7 consecutive fiscal years;
- 2) Spend 1 billion a year or \$7 billion during that time;
- 3) Award money to identified markets with the goal of stimulating regional economies and growth that increases GDP;
- 4) Select one stock exchange yearly in an identified region to receive support;
- 5) Award money based on identified needs and reaching established goals;
- 6) Out of the \$7 Billion program funding, the Securities and Exchange Commission (S.E.C.) shall be authorized to use \$14 million to create the following three reports:
  - a. The first report identifies selected markets and documents their needs – price \$5.5 million (note: it is expected that this report will be published in sections, meaning that the report might take a few years to fully complete);
  - b. The second report will educate Congress about how the program is working, complete with suggested ways to enhance and finance the program - \$1.5 million;
  - c. The third report, produced at the end of the project will evaluate the program’s success - \$6.5 million.
- 7) Criteria used to develop these concepts should include:
  - a. An analysis of what “levels American investment” best supports and stimulates regional growth;
  - b. First awards should be given to countries that need little help to increase their standards;
  - c. All awards should be based on identified and achievable goals;
  - d. Transparency – twice a year, each market will receive money, based on reports filed with appropriately identified parties;

- 8) Requires the S.E.C. to report back to Congress within 1 calendar year, with specific market recommendations;
- 9) A focus should be helping to ‘prime a country’s economic engine’;
- 10) The Executive Branch, in association with the S.E.C. will select the countries, what money should be awarded and what the money should be used for;
- 11) Money awarded to securities markets must be used to:
  - a. Upgrade trading equipment, software and related materials;
  - b. Establishing laws and programs that ensure ‘investing safety’ within that market;
  - c. Train and professionalize market regulators and licensed professionals;
  - d. Educate consumers about said market and related protections;
  - e. Help establish a S.E.C. oversight program;
  - f. Help countries teach “financial literacy” to their citizens;
  - g. Advertise in the United States about investment availability and that they meet S. E. C. standards;
- 12) Failure to use the money for what it is earmarked for disqualifies the entity for any additional awards;
- 13) Establish a minimal taxation system for foreign investments
  - a. Suggested 1.5% “tax” on the purchase or sale of foreign investments
  - b. This money shall be earmarked for use by the S.E.C. to get the program up and running
- 14) Time frame: approximated yearly funding allocations
  - a. year 1 report - \$5.5 million to the S.E.C. the first report
  - b. year 2 – initial awards - \$250 million
  - c. year 3 awards - \$500 million
  - d. year 3 awards \$1 billion for the second report
  - e. year 4 awards - \$1.5 billion
  - f. year 5 awards - \$1.5 billion
  - g. year 6 awards - \$1.5 billion
  - h. year 7 final report - \$7 million
  - i. Misc. \$667,000,000 million
- 15) Remainder monies are to be used for the creation of an oversight committee and run their operations;
- 16) All money awarded is given to the country’s stock market, incrementally;
- 17) Full disclosure – require audits;
- 18) Money shall be regularly awarded based on the entity reaching identified and designated goals.

**SUPPORT:**

- 1) Consumers (Investors)
- 2) Investment Community (creates international parity)
- 3) Regions receiving the money and help
- 4) International organizations like the World Bank
- 5) Those concerned with how foreign aid is awarded

**OPPOSITION:**

- 1) Unknown – none anticipated over the idea – might have problems with the language and program implementation as well as oversight;

**ARGUMENTS IN SUPPORT:** This legislation will

- 1) Help countries professionalize their financial markets and those who work in them;
- 2) Allow entities to raise money that will help spark their 'regional financial engines';
- 3) In the long run, helping foreign nations generate their own funds for investment;
- 4) In the long run, this will save American taxpayers money because it helps foster regional economies while reducing their dependency on Foreign Aid;
- 5) Allow countries to spend money to attract American investors (through advertising and promotions);
- 6) Increase broker fees, commissions and profits;
- 7) Provides transparency in how money is spent in/on foreign countries;
- 8) This will help stimulate the economy and create jobs in specifically identified regions, thus keeping people in their country (it puts people to work);

#### **ARGUMENTS IN OPPOSITION:**

- 1) America has a variety of economic problems, and this is low on the priority list;
- 2) Those who receive money will become addicted to the money;
- 3) There is no way to 'oversee' the proposed region and market;
- 4) This is not enough money to help stoke the countries financial engines;
- 5) This program will raise enough money to run the oversight program and expand the reach of government in to areas where it should not be.

#### **PUBLICITY:**

- This measure should be a hit around the world, especially in economic markets, for 2 reasons;
  - It will help improve the quality of specific markets, expanding their investor base, bringing financial capital into the country;
  - This measure will enhance regional economies, while creating jobs that will keep people in their country;
  - Theme: Helping markets professionalize, lifts the whole country.

#### **HISTORY:**

- This type of legislation has never been introduced before;

#### **FISCAL EFFECT:**

- 1) \$7 Billion program, with \$1 billion being spent over 7 years;
- 2) Money will be offset because it will replace foreign aid allotments for that specific year;
- 3) This measure is designed to be revenue neutral and will eventually produce income;
- 4) This program will have a minimal impact on capital gains tax provisions;
- 5) This program will save American taxpayers money – savings in foreign aid;
- 6) Self-funding, this program will raise its own money, allowing the American government to run the program;
- 7) This money will help Americans (and other westerners) earn profit off the development in other countries.

#### **CODE SECTION AFFECTED:**

- 1) As per Council or drafting authority

**LANGUAGE ATTACHED:** Yes

**LANGUAGE:**

**TITLE: The 2019 American Overseas Stock Market Investment Act**

**INTENT:** The intent of this act is to help professionalize foreign stock markets in an effort to spur western consumer investment in stable foreign economies and markets.

**APPROPRIATIONS:** As outlined in the act, the US Congress will fund this program with \$1 Billion a year for seven consecutive fiscal years;

**OVERSIGHT:** To oversee this project, the S.E.C. shall:

- a) Receive a separate \$5.5 million to write 3 reports as outlined above;
- b) Report #1 is due within one fiscal year;
- c) The first allocations are to be awarded in year two;
- d) Every year, new countries shall be selected, and awarded money;
- e) Work with the countries to implement ideas outlined in their report;
- f) Shall assume oversight responsibility of the program;
- g) All money collected as part of the increased foreign investment tax, will go to the S.E.C. in an effort to help them cover the costs of ensuring regional compliance;
- h) Financial outlays:
  - a. year 1 report - \$5.5 million to the S.E.C. the first report
  - b. year 2 – initial awards - \$250 million
  - c. year 3 awards - \$500 million
  - d. year 3 awards \$1 billion for the second report
  - e. year 4 awards - \$1.5 billion
  - f. year 5 awards - \$1.5 billion
  - g. year 6 awards - \$1.5 billion
  - h. year 7 final report - \$7 million
  - i. Misc. \$667,000,000 million
- i) At the end of 7 years, the S.E.C. will produce a report on the success of the program;
- j) All money awarded to any stock market to increase;
- k) All awards are audited every year;
- l) All money awarded based on achievements and designated goals;
- m) The remainder returns to the general fund.