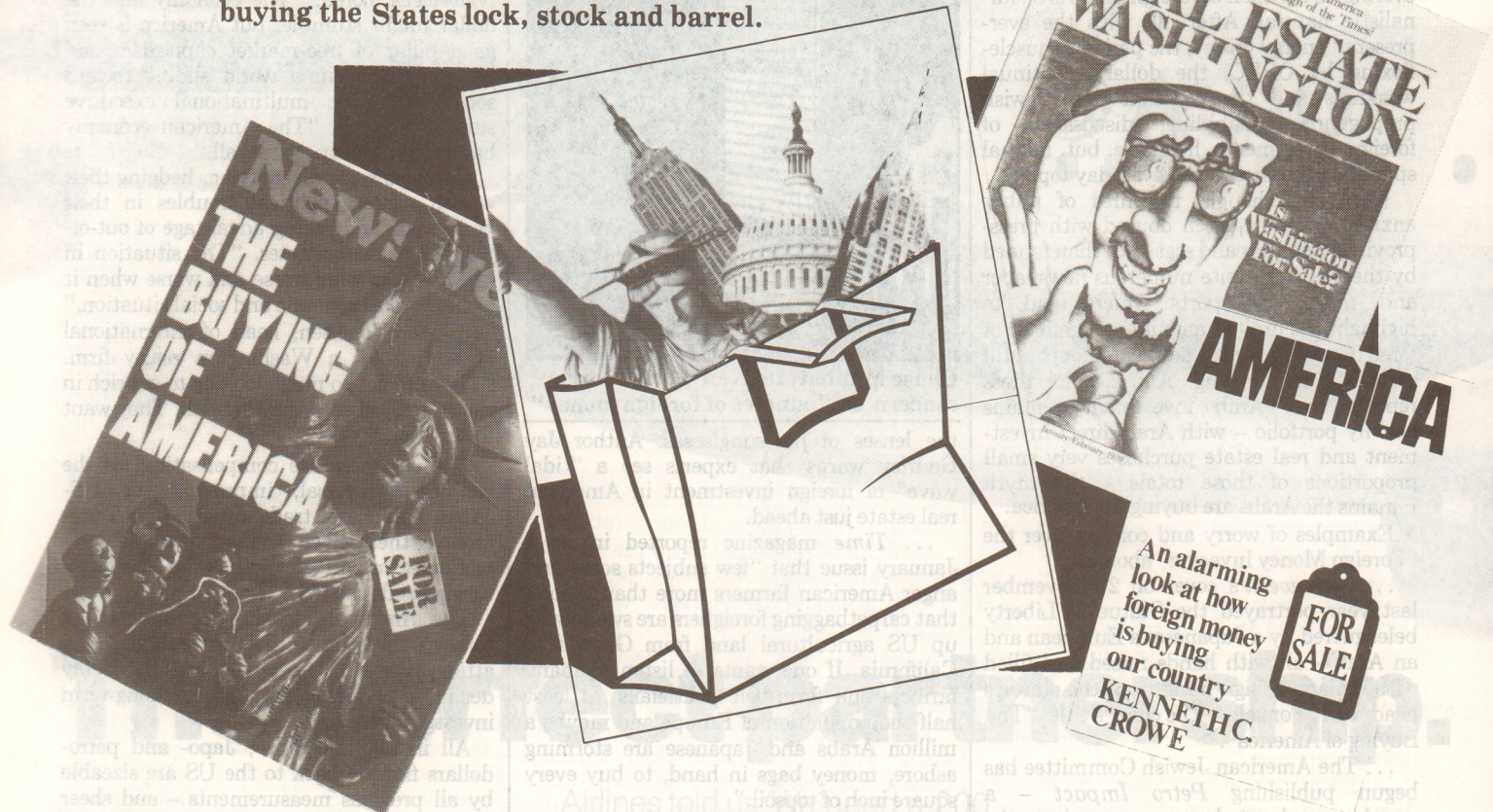


MUCH SOUND AND FURY

ARE THE ARABS BUYING AMERICA?

Americans have a rather xenophobic reaction now that international capital has reversed its course and is flowing into the United States. Determining the realities of foreign investment in the US is a "kind of detective game played with extremely elusive and fuzzy tools", a recent study concludes. But one thing does emerge from a study of the facts by Mark Bruzonksy in Washington – there is very little fire behind the smoke screen of confusion which has it that the Arabs are buying the States lock, stock and barrel.



A "foreign money invasion" into the US has some Americans near panic, fearful that America is fast losing control over itself.

Newspaper stories began raising eyebrows a few years ago with erroneous warnings that with just three years surplus revenues the OPEC countries could buy up all the stocks listed on the New York Stock Exchange.

Magazine headlines – such as "Foreign Investors Go on a Spree in the US" in *US News And World Report* and "Who's Buying America" in *New York Magazine* – have become part of America's daily diet.

More than 80 bills have been introduced in the Congress during the past five years in order to investigate or restrict foreign money inflows into the US. So far, the main result has been disclosure legislation for investments of specific kinds past specific thresholds.

"The Arabs" of course are recipients of most of the criticism, even though they are responsible for very little of the business

takeovers or accumulations of real estate.

These are the two types of foreign investment which are the most controversial. If it were true that any substantial segment of American real estate or American industry were being bought up, there might be cause for "sunshine" (disclosure) legislation or even protective measures. Yet it is precisely in these areas that foreign control is minimal and Arab control minute.

Still, for many Americans, the spectre of "Foreign Investment" is an all-encompassing one with little distinction being made between portfolio investments and direct investments, which do involve ownership and hence however indirectly, politics.

American concern has three basic causes:

First, there is, undeniably, a substantial rise in foreign funds into America spurred by a decade of dollar devaluations, OPEC's successful assertion of oil-pricing power, and the relative soundness of the gigantic US

economy. It is a new phenomenon for Americans who have an "extremely ethnocentric view" of this kind of thing which is "part of American immaturity", one foreign affairs specialist notes.

Second, Arabs (and also Japanese) have always been rather mysterious and sinister figures to Americans. As one study has concluded. "Foreign investments are perceived as a threat in direct proportion to how foreign the foreigners are." And for this reason the Arabs get most of the press attention while the Europeans do most of the non-portfolio investing.

Third, Jewish concern over how Arab money influence can trickle down into political power and public opinion manipulation has substantially increased public interest in all foreign-money inflows. Such organisations as the B'nai B'rith, the American Zionist Organisation, the American Israel Public Affairs Committee and the American Jewish Congress are con-