

Those Arab Investments

An Arab group has just bought one-third interest in a San Jose bank. The control of another bank in the East Bay was recently purchased by an Arab group. The Chase Manhattan Bank now has hundreds of millions of Arab dollars invested in major properties across the country. Arabs recently attempted to invest \$100 million in Lockheed, which would have given them virtual control of that corporation. And so it goes.



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The reference throughout is to *foreign* Arab capital, not to Americans of Arab ancestry. This is *not* an ethnic matter, it is a matter involving different sovereign nations.

And it is no small matter. Never has there been so much concentrated money from one country poised to invade another country. The Arab countries alone will have some \$60 billion in excess funds this year. A number of serious policy questions are raised for the United States.

The American Jewish community may have some special alertness to this particular problem. They have a vivid image of what might happen if Arab governments bought controlling interests in the CBS network, and U.S. Steel, and the Hearst newspapers, and the Chase Manhattan Bank. Some of General Brown's fantasies about American Jews might become realities for foreign Arab governments.

But the basic issue is not American foreign policy on Israel, nor the status of American Jews. The basic issue is the sovereignty of the American nation. American corporations have invested extensively in other countries. And, indeed, where they obtained a disproportionate share of another nation's economy, they did tend to turn those nations into captive banana republics.

There is imminent no such gross danger for the United States of course. But it does point to a dangerous direction in which we might be taken. There is indeed a double danger in this age of multinational corporations. Insofar as they are American-owned multi-national corporations, does their interest in the welfare of the U.S. become diluted by their interest in the welfare of other countries in which they have investments? The behavior of some of the American multinational oil companies in recent years suggest such a danger. (Why weren't more refineries built here?)

And conversely, when foreign capital takes over a crucial American industry, what about *that* potential for "conflict of interest?" Of course, one of the problems is to disentangle the cabalistic arrangements by which one corporation hides under the cover of another. Who owns what? Apparently a goodly amount of U.S. real estate, for example, is being purchased by British corporations which are really controlled by the Arabs.

All of this leads to some obvious suggestions for U.S. legislative action:

1) "Truth-in-Investment" laws which will make it easier to discover who really owns what. This will have to apply as well to foreign corporations investing here.

2) Restrictions on the amount of control which foreign investments can buy in crucial American industries: communications, natural resources, steel, and so forth.

Perhaps there will also have to be developed some explicit public leverage on certain American corporations which invest abroad, insofar as they touch on crucial American industries. Perhaps some limited "public utilities" concept has to be applied in certain cases.

Congress is supposed to be wrestling with some of this. But citizens should be bombarding their Congressmen and Senators demanding *major* and *swift* attention to these problems. Four years and two quarter of a trillion dollars from now might be too late.