

Right-wing posturing from Congress on Arab firm's role at US ports

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Congressional leaders of both parties are engaged in a cynical publicity stunt in their criticism of the Bush administration for approving the takeover of commercial operations at six Atlantic and Gulf Coast ports by a port management company owned by the government of Dubai, a Persian Gulf sheikdom that is part of the United Arab Emirates (UAE).

For Hillary Clinton and Charles Schumer, New York's two Democratic senators, as well as a dozen other senators, congressmen and governors of both parties, the campaign against the sale of port operations to Dubai provides a welcome opportunity to combine anti-Arab agitation with an attack on the Bush administration from the right. It gives a glimpse of the campaign the Democrats plan to wage in the 2006 congressional elections, avoiding as much as possible any identification with antiwar sentiment or the mass popular opposition to Bush's attacks on democratic rights.

The furor began February 10 when the British-owned Peninsula & Orient (P&O) company, the fourth largest port operator in the world, agreed to be acquired by Dubai Ports World (DP World), the port operator owned by Dubai. P&O currently manages most operations at the ports of New York, New Jersey, Philadelphia, Baltimore, Miami and New Orleans, which account for the majority of the cargo shipped into the eastern half of the United States.

DP World revealed that even before the successful takeover bid, it had consulted with the Bush administration and received approval from the Committee on Foreign Investment in the US (CFIUS), a secretive panel of 12 top US government officials that reviews foreign acquisitions of US properties from the standpoint of their impact on American national security.

There are perfectly legitimate grounds for questioning the unusually swift approval of the Dubai takeover of P&O. US Treasury Secretary John Snow, chairman of the CFIUS, has indirect business ties to the Gulf sheikdom, since his former company, the railroad giant CSX, sold its own port operations to DP World for \$1.15 billion in 2004, the year after Snow left the company to join the Bush cabinet.

The revolving door goes the other way too: a top DP World executive, David Sanborn, manager of the company's European and Latin American operations, was named by Bush last month to head the US Maritime Administration, a major

unit of the Department of Transportation.

But the Democrats are not focusing their objections to the deal on allegations of cronyism or Halliburton-like sweetheart arrangements among giant corporations. Their professed concern is that control of US port facilities by a company based in Dubai—even though virtually the entire management and all of the work force will be American—could undermine US security and facilitate ship-borne terrorist attacks against the United States.

At least one stevedoring company filed suit February 10 in federal court to block the takeover, maintaining that if DP World took over the six ports, the deal “may endanger the national security of the United States.” In response, Kim Petersen, the executive director of the Maritime Security Council, which represents 70 percent of ocean shipping worldwide, told CNN that opposition to DP World “comes down to bigotry [against] Arabs.”

Senator Robert Menendez, a New Jersey Democrat, announced he would introduce legislation to prohibit companies owned or controlled by foreign governments from running port operations in the United States. “We wouldn't turn the border patrol or the customs service over to a foreign government, and we can't afford to turn our ports over to one either,” he declared.

At a press conference Tuesday in Washington, Senator Schumer could barely suppress a smirk as he declared that he opposed the takeover not because Dubai is an Arab country, but because it is a country linked to terrorism.

Schumer's avowals notwithstanding, the obvious subtext of the campaign against DP World is the equation of “Arab” with “terrorist.”

It is true, as countless press accounts have now recalled, that two of the 19 hijackers on 9/11 were born in the United Arab Emirates, and that financial support to hijack leader Mohammed Atta was routed through banks in Dubai. But this means next to nothing, since Saudi Arabia, the principal US ally in the region, was home to 15 of the 19 hijackers, and Dubai has become the Persian Gulf's equivalent of Hong Kong, Geneva or New York—serving as a regional banking center because the sheikdom lacks the oil resources of the Saudis, Kuwaitis or other of the sheikdoms that make up the

UAE.

While Democrats like Schumer were the first to take up the anti-Dubai campaign, by Tuesday congressional Republicans and two Republican governors had followed suit. New York Governor George Pataki and Maryland Governor Bob Ehrlich (with jurisdiction over Baltimore), said they would seek to block the takeover using their executive authority.

Senate Majority Leader Bill Frist sent a letter to the White House objecting to the sale of P&O to Dubai and asking for a further investigation. He was seconded by Rick Santorum of Pennsylvania, the Republican widely considered to be the most endangered incumbent senator in the 2006 election. Santorum declared that Philadelphia had been designated a “strategic port” for the movement of military material and sent a letter to Bush urging him to block the sale.

Republican Senator Tom Coburn of Oklahoma, a Christian fundamentalist, noted that the UAE was one of three countries that had recognized the Taliban regime in Afghanistan. “Handing the keys to US strategic ports to a regime that recognized the Taliban is not a sound next step in our war against terror,” he declared, tactfully refraining from naming the other two countries that had diplomatic relations with the Taliban: US allies Pakistan and Saudi Arabia.

Many House Republicans voiced similar protests, including several from the greater New York City area, as well as Thomas Reynolds of upstate New York, chairman of the National Republican Campaign Committee. The most vociferous opposition came from Congressman Peter King of Long Island, a Republican who is chairman of the House Homeland Security Committee. King called for an investigation into the hiring practices of DP World, asking “How are they going to guard against things like infiltration by Al Qaeda or someone else, how are they going to guard against corruption?”

In the face of this uproar from both parties, the Bush administration remained adamant that the transfer of the ports to the control of DP World would go ahead, and that the CFIUS had no power to make a second review of the takeover, as several congressmen have demanded. Bush himself defended the administration’s approval of the deal, while Secretary of State Condoleezza Rice, who is scheduled to visit the UAE in the coming week, described one of the emirates, Abu Dhabi, as “a very good friend” of the United States.

Presidential communications director Dan Bartlett protested to CNN, “If you start deciding these issues in a guilt-by-association method, you will have a situation which has deep and harmful ramifications to the economic interests of this country.” (This remark is quite extraordinary, given the Bush administration’s penchant for smearing as an ally of the terrorists anyone who opposes the Iraq war and the buildup of state repression and spying at home.)

In part, Bush’s stance reveals a reflexive opposition on the part of the White House to any attempt to impose restrictions on the actions of giant transnational corporations. There are

legal concerns as well: The US government made no objection when the British-owned P&O took control the Atlantic and Gulf Coast ports, and discriminating against DP World because it is Arab-owned could well put the United States in violation of its obligations under World Trade Organization agreements, risking punitive sanctions against US exports—to say nothing of the possible adverse reaction among Arab investors who have poured billions of petrodollars into the purchase of US Treasury securities.

The Bush administration, however, has routinely brushed off considerations of international law in areas of foreign policy which it considers vital, above all in the illegal invasion of Iraq, but also in its attitude to such agreements as the Kyoto Protocol on global warming, nuclear weapons treaties with Russia, anti-torture conventions, and the establishment of the International Criminal Court.

The conclusion that must be drawn is that in the Dubai takeover of the ports, as far as the White House is concerned, nothing very important is at stake. Bush & Co. see no reason to interfere with the everyday commercial motives which underlie the sale.

This posture only underscores the essentially bogus character of the “war on terror,” which has become the touchstone of American politics, embraced uncritically by both parties and by the US media. This slogan is useful as a propaganda device to dupe the American people and justify military aggression in Iraq and elsewhere, as well as police state measures at home. But it means nothing at all in terms of taking actual precautionary measures to protect the American people against new terrorist attacks employing nuclear or other non-conventional weapons that could kill tens of thousands.

Since 9/11, for instance, the Bush administration has spent \$18 billion on improvements in aviation security. But over the same period, the federal government spent only \$560 million on security improvements at seaports, even though the volume of material flowing through seaports is far larger. Barely five percent of the cargo entering the United States by sea is subject to even the most cursory scanning with devices like radiation detectors.



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