

▶ that it used to have a Cadillac dealership and a zoo. Although pretty, Yosemite's hotels are basic compared to most cities (if they were in Las Vegas they would have been dynamited long ago). Camp Curry, a vaguely military cluster of fixed tents and cabins, has hardly changed in a century.

As in other national parks, Yosemite's rooms tend to sell out in descending price order. Expensive hotels go before cheaper ones—indeed, they routinely book up as soon as reservations can be made, 366 days in advance. Cabins with bathrooms go before cabins without. This suggests there is pent-up demand for luxury hotel rooms. Not only is there little chance more will be built; it is proving almost impossible to put up a handful of campsites.

The Merced river flood of 1997 almost halved the number of campsites in Yosemite Valley. Today there are just 464, accommodating 2,700 people at most. The park wants to build more, although not nearly as many as there were before the flood.

This plan, which is part of a modest package of improvements to the park's infrastructure and one of its hotels, has been opposed by local conservation groups on the ground that it fails to address threats to the valley's ecology.

So far conservationists have managed to block the renovations. And they have opened a broader front in the battle against development. Earlier this year a federal court ruled that the National Park Service must limit human use of Yosemite Valley. That may mean a daily cap on visitor numbers. If the park imposes one, the example is likely to spread across America. This will create pressure to solve environmental problems by turning more people away.

This is a shame, and a self-defeating exercise. America's environmental movement emerged in the 19th century to push for national parks. In the 20th century it sold them to the public through photographs and writing. It now seems bent on driving people away from them. ■



launched "Invest in America" to help attract foreign companies and calm those afraid of them. The 33-year-old committee on foreign investment, CFIUS, is also refining its process for examining deals that might threaten security. But Mark O'Connell of OCO Global, a consulting firm, describes the national strategy for FDI as "embryonic".

States are far more aggressive, courting foreign investors through trips abroad and incentives. California, New York and Texas have proved the biggest magnets, topping OCO Global's list of foreign investment in new facilities or expansions from 2003-07. But even Michigan, one of the rustier states, has seen a boost from foreign investors, ranking fourth.

FDI varies wildly from one state to another. In New York foreign investors mainly help to fuel the finance, insurance and information sectors, according to a new report by the Partnership for New York City, a business group. FDI is especially vital in the city itself—foreign majority-owned firms accounted for one in 20 jobs in 2004 and for one-tenth of the city's economy. Though developed countries remain the biggest spenders, recent attention has centered on less traditional sources of capital. Sovereign-wealth funds' recent investment in giants such as Citigroup and Merrill Lynch comprised too small a percentage of ownership to count as FDI by the BEA's definition, but set the city abuzz nonetheless. Middle Eastern investment in property also raised eyebrows. Perhaps most telling, Ground Zero's Freedom Tower, which is meant to embody American patriotism, will house a centre for Chinese firms expanding in America.

At the opposite end of the spectrum, Alabama is luring global firms to feed its manufacturing base. In 1993 Mercedes chose Alabama as the site of an assembly plant. Honda, Toyota and Hyundai followed, and Volkswagen may soon as well—Alabama is one of three finalists for a new project. Mobile had planned to celebrate the coming of a new Airbus factory to assemble air-force tankers on June 20th (though, elsewhere, politicians lamented ▶▶

Foreign investment

Love me, love me not

MOBILE AND NEW YORK

America's confused, and sometimes scared, relationship with foreign investors

EIGHTY-FIVE Alabamians will descend on Britain on July 13th. Despite the timing, they will not be tourists in garish shorts. This group wears pinstriped suits and includes Alabama's governor. Their destination is the Farnborough Air Show. Their goal, in flying overseas, is to convince foreign investors to return the favour.

In America's political lexicon, few words are more poisonous than "outsourcing". Foreign direct investment in America, meanwhile, is politically fraught, as witness the uproar in St Louis, Missouri, over a Belgian brewer's bid for Anheuser-Busch. But behind this debate, foreign investors are being wooed by a growing number of politicians, from Manhattan to Mobile, Alabama. "Globalisation is a reality," explains Sam Jones, Mobile's mayor. "You can sit around and wish that something else was taking place or you can take advantage of globalisation, what we call 'insourcing'."

Foreign investors went shopping in the United States last year, lured in part by the cheap dollar. Spending to acquire or establish American businesses grew to \$276.8 billion in 2007, 67% more than in 2006 and the highest level since the peak in 2000, according to the Bureau of Economic Analysis (BEA). The vast share of this was acquisitions, but spending on existing businesses grew too, up by 29% over

2006. Net FDI, which also includes funding for existing operations, was \$204.4 billion, up by 13%. More Americans are getting their pay-cheques from foreign firms: 5.3m in 2006, or 4.5% of the private workforce.

This growth comes despite a host of obstacles. Visa rules remain a deterrent. China's attempt to acquire an American oil company in 2005 and Dubai Ports' bid to operate six big harbours in 2006 were met with panic. Congressmen agonised over security in both cases. But protectionism extends beyond strategic assets—unless you count beer as a national resource.

The Commerce Department insists that America is open for business. In 2007 it

