

CNOOC bid for Unocal fails

Intense political backlash in Congress causes Chinese company to rescind bid for American oil company Unocal

by *Lorraine Ling*

Yellow Peril Syndrome— the mistaken illusion that Asian peoples/nations/companies are trying to take over the world and that this threat must be suppressed.

Back in July, the Chinese National Offshore Oil Corp. (CNOOC) offered a bid of \$18.5b for the American company Unocal, much of whose oil claims are found in Asia. However the unexpected offer came after Unocal had agreed to a buyout by US firm Chevron, which offered a lower bid of \$17 bn.

Cnooc's executives believed their higher bid would flow through the maximum 90-day government review process with minimal complaints. However, in a letter to the Treasury Department, 41 Democratic and Republican Congressmen voiced concerns that a takeover by CNOOC may compromise national security.

The Congressmen warned that US firms would find it increasingly difficult to compete with Chinese oil companies for "scarce energy resources". There is "critical need [to] secure the future of availability of energy resources for American consumers," the lawmakers wrote.

US Congress members argued that despite the open-market bid, Cnooc is a state owned company and thus has unfair access to Chinese state owned bank

reserves. Whereas, Chevron, as a private firm, has only its own assets.

Others argued that the buyout plan was driven by Chinese government policy, and was not strictly commercial. (This is where yellow peril syndrome kicked in.) The Chinese company's officials initially welcomed a security review and denied that Cnooc was acting on behalf of China's government.

The political backlash grew beyond anything that Cnooc had anticipated. "We demand the U.S. Congress correct its mistaken ways of politicizing economic and trade issues and stop interfering in the normal commercial exchanges between enterprises of the two countries," the Chinese Foreign Ministry said in a statement that was released in June.

On August 2, Cnooc withdrew its bid in response to the political backlash in Washington.

In the aftermath the NY times reported that "many economists believe political reaction to offer in US was far out of proportion to case and are particularly dubious about arguments that Cnooc's bid would have jeopardized national security."

Was Cnooc then just a scapegoat for Congress to vent out its grudges against China? Will the cries of Yellow Peril intensify? And what ever happened to free trade?



CEO of CNOOC, Fu Chengyu

Mission to China: by Patricia Kim

Every summer, hundreds of college students enter China as tourists. Most are real tourists, but some are "tourists" on paper, and Christian missionaries in secret, who come to China to teach English, work at orphanages, and support underground campus ministries. Because the Chinese government does not grant freedom of religion or speech, these students cannot openly share their faith, but can only communicate their Christian values and truths to the Chinese people through their lifestyle and charitable actions, such as the few listed above.

No one could sleep that night. We were all too nervous that the principle had found out our true mission and would report us to the government.

Since the summer of 2004, I've had the opportunity of visiting the city of Harbin, located in northern China, as a "tourist." Both summers my mission team and I have held English camps for a group of about 50 elementary students at a public school called *Harbin Elementary. Nobody at Harbin "officially" knows we are missionaries, but has only a vague understanding that we are a volunteer group from America. My team's mission is to show and teach our students unconditional love without ever mentioning "God" or "Jesus."

Although I've heard stories of mission teams being deported for carrying Bibles, and gruesome accounts of Chinese people being persecuted by their government for refusing to disown their faith, I never felt directly threatened by China's restrictive laws until this summer...

On the second day of English camp, the principle of Harbin Elementary invited my mission

team to dinner. As we chatted around the table, we were careful to avoid any personal questions that would reveal our identity as Christians. Somehow the word "church" was brought up during the course of dinner and everyone froze. We all rushed to change the topic. After a tense dinner, we walked back to our hotel and one of my teammates noticed a man taking pictures of us from far away. I also remembered earlier that day I had thoughtlessly tried to enter our church website from our hotel room, only to be denied access. No one could sleep that night. We were all too nervous that the principle had found out our true mission and would report us to the government. To add onto our stress, my phone rang in the middle of the night for a few seconds of nerve wrecking silence and then ended with a foreboding "click." But the night finally did pass, we weren't deported, and we were able to successfully complete our English camp. However after our scare, my teammates and I were extremely careful of what we shared with our students at Harbin. I was disheartened that I had to censor myself, and could not verbally share my heart with some of my closest students and friends in China.

Reflecting back on this summer, I figured if I felt so restricted and threatened during my mere two weeks stay in China, I can't imagine how religious Chinese people must feel every day of their life. My hope for China is freedom of speech and freedom of religion. As China emerges as a world economic leader, I hope the policymakers and citizens of China will aspire to open their country's political sphere to become a world leader in human rights too. I eagerly look forward to a day when religious people living in China, and visiting China, can boldly talk about their faith and be proud of their identity.

