



The tenuous line between the US and China

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The NYT today has an [interesting article](#) on the US attitude toward China. Of course the government isn't happy about the potential CNOOC deal to buy Unocal, but it isn't going to do anything about it at the moment since it's still a tentative plan. As we've read before, however, if the deal does come to fruition, it will be referred to the "Committee on Foreign Investments in the United States, which reviews sensitive acquisitions by companies from abroad on the basis of national security".

The article goes on to discuss how the US is really in a bind, since we need to play nice with China. They own large sums of money in American bonds, and the US government is depending on them to cooperate as they try to deal with the North Korean nuclear threat.

And the ramifications of the deal for the sale and distribution of oil?

Mr. Bush has made "energy independence" one of his defining themes. While the Chinese in this case say they would not be taking oil away from the United States, the deal's opponents suggest that it would place a vital resource in the hands of a nation that has a voracious and growing appetite for energy to fuel its rip-roaring economic expansion.

Another nuance of this point is mentioned earlier in the article, when the author notes

Hardly a week goes by without Mr. Bush vowing to make America less dependent on foreign sources of energy, so any deal that increases that dependence - or is even perceived as doing so - would create a problem for him.

And the situation has left the administration once again confronting the likelihood that its numerous ties to the oil industry will become a political issue.

So aside from the economic ramifications of this deal, does the s*** hit the fan politically if it goes through?



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