



Written by [Alex Newman](#) on August 7, 2012

Communist China Lobbying to Take Over U.S. Oil, Lawmakers Still Concerned

Top American lawmakers on both sides of the aisle are expressing serious concerns about a bid by the communist dictatorship ruling mainland China to purchase Canadian energy firm Nexen and its vast U.S. oil and natural gas holdings. The deal by the Chinese regime, acting through its state-owned front company China National Offshore Oil Corporation (CNOOC), also represents a potential national security risk, warned Republican and Democrat members of Congress.



Canadian lawmakers have also questioned the plan, asking for a public review before the controversial deal is allowed to go through. Critics [point out](#) that CNOOC is not a “company” in the traditional sense — it is an organ of one of the most brutal and repressive regimes in the world. The communist regime and its front company, however, are fighting back hard against the opposition, dropping big money on lobbying and propagandist efforts — they call it “public relations” — in both countries.

In 2005, CNOOC’s bid to purchase California-based Unocal for almost \$20 billion was withdrawn after a bipartisan wave of outrage. But that was then. Analysts suspect the Chinese dictatorship may have learned from its past experience, taking slow steps and making the potential success of its latest takeover attempt far more likely.

“It’s partly the valuation, partly an evolution of the Chinese mindset. You couldn’t do this deal a year after Unocal,” a source familiar with the deal [told](#) Reuters. “They had to have made the smaller steps in the meantime that made everyone comfortable that they knew how to behave responsibly, operate effectively, treat employees well.”

If approved by authorities in the United States and Canada, the \$15-billion Nexen takeover would mark the first time that the communist Chinese dictatorship would be operating U.S. leases in the Gulf of Mexico. However, it would be in line with the brutal regime’s recent [pattern of expansion](#) in various American markets.

Consider that just in recent months, for example, China purchased [its first U.S. bank](#) and the [second-largest cinema chain](#) in the country. That trend is expected to continue picking up steam as the dictatorship, flush with dollars and U.S. debt, becomes more aggressive in [gobbling up](#) international assets.

But despite CNOOC stepping up its efforts to buy influence on Capitol Hill by [enlisting major lobbying and “public relations” firms](#) for the proposed Nexen purchase, a few American lawmakers are putting up at least some tepid resistance. A coalition including members of the House and Senate from both parties have already asked for a review by U.S. regulators.

“I have serious national security concerns with the Chinese government, acting through one of its corporations, purchasing a company that will give it control over significant U.S. oil and gas resources,”



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Senator James Inhofe (R-Okla.) [told](#) MarketWatch on August 6, becoming the latest lawmaker to express misgivings about the plan. “This combined with China’s closed economy, its prohibition on direct, full investment in Chinese business operations by U.S. firms, and its blatant disregard to U.S. intellectual property rights make this transaction even more concerning.”

Lawmakers are asking for a proper review of the deal by the Committee on Foreign Investment in the U.S. (CFIUS), an official inter-agency body charged with investigating the national-security implications of major deals before signing off on them. And the committee chair, Treasury Secretary Timothy Geithner, has already started receiving requests from Capitol Hill about the Nexen scheme.

In a letter sent last month, Sen. Chuck Schumer (D-N.Y.) actually [asked](#) Geithner to “withhold approval of this transaction until China’s government has made tangible, enforceable commitments to ensure U.S. companies reciprocal treatment.” Apparently he wants the Chinese dictatorship to be more open to foreign investment, which currently faces severe restrictions imposed by the regime.

“I believe approval of the CNOOC-Nexen transaction should be a test of these reciprocal commitments, and that concrete progress must be made by both sides simultaneously,” Senator Schumer said in the letter. He also told reporters that it was time for America to play “hard ball” with the Chinese dictatorship.

In the House, Congressman Edward Markey (D-Mass.), the top Democrat on the House Natural Resources Committee, also expressed serious concerns about the proposed deal. “I believe this merger could lead to a massive transfer of wealth from the American people to the Chinese government, and I strongly urge you to block this proposed transaction until, at a minimum, parties to the merger agree to pay royalties to the U.S. taxpayer on all oil produced off American shores or relinquish any ownership interests in these leases,” he [wrote](#) in a recent letter to Geithner.

Markey also slammed the U.S. government policy of allowing some oil extraction on certain leases in the Gulf of Mexico without the firms having to pay royalties. Nexen apparently controls at least two such sites, allowing it to extract unlimited amounts oil and natural gas without offering the U.S. government any fees. If the Chinese dictatorship took over the firm, the benefits of those resources would then go straight to China without offering American taxpayers any compensation.

“Giving valuable American resources away to wealthy multi-national corporations is wasteful,” Rep. Markey noted in the letter. “But giving valuable American resources away to a foreign government is far worse: it has the potential to directly undermine American economic and national security.”

From the GOP, Inhofe said he still supports the idea of putting the Defense Department — as opposed to the Treasury — in charge of CFIUS. Because the inter-agency committee deals mostly with national-security risks, the Oklahoma lawmaker said DOD was the “appropriate agency” to handle most security-related issues on deals.

Meanwhile, Senator John Hoeven (R-N.D.) is also raising alarm bells about the controversial Chinese takeover. He said he “very definitely” has concerns and that the deal should be looked at “carefully” before moving forward.

“Do we really want to be buying our oil, or Canadian oil, back from the Chinese?” he wondered during a press conference unveiling a bill to approve the Keystone pipeline and expand access to U.S. oil. “If we don’t take action to develop our resources and work with our closest friend and ally, Canada, that is exactly what is going to happen.” Nexen is also involved in developing the Canadian oil sands.



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A spokesman for the Chinese regime's oil behemoth was [quoted as saying](#) that CNOOC is "respectful of the regulatory requirements across all the respective jurisdictions." The brutal dictatorship's front company also seeks to "comply with all of the regulatory and governmental processes and procedures and to cooperate with all relevant regulatory authorities," he added.

Canadian regulators will also review the potential deal, which would be the Chinese regime's largest-ever takeover of a foreign energy company. Analysts [cited](#) in news reports from Canada predicted that the scheme would be approved and that the communist dictatorship would be pursuing even bigger deals in the not-too-distant future. But some Canadian lawmakers urged caution.

"The size and scope of this transaction raises important questions and Canadians deserve the opportunity to seek clarity on the commitments that CNOOC is making on protecting jobs, contributing to the community and consulting affected First Nations," the opposition New Democrats party [said](#) in a public statement seeking hearings. "We ask that you convene meetings of each Standing Committee at the earliest possible convenience to engage in a full and comprehensive study of the proposed acquisition of Nexen Inc by CNOOC, and of the broader policy issues raised by this case."

Experts say that the barbaric communist dictatorship — Beijing persecutes Christians, enforces its "one child" policy with forced abortions, operates slave-labor camps, harvests organs from political prisoners, considers the U.S. Constitution's Second Amendment to be a "violation" of "human rights," and more — is only just getting started on its global shopping spree. Africa and Latin America have long been the targets. Increasingly, however, it appears that assets in Canada and the United States are now [solidly](#) in the regime's cross hairs — and will remain there as long as policymakers refuse to resist.

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