P.S. to the NEWS
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BUSINESSMEN'S TRADE FASHIONS

One continuing debate in our family is over the question of whether men or women are more of a slave to fashion. Of course, I take the position that men are, I thought I had produced my prime piece of evidence last June when, at one son's high school graduation ceremony, on a humid day with the temperature 100° in the shade, I counted six proud fathers who ranked style so much higher than comfort that they not only wore a coat and tie, but also a vest.

Now there is new evidence of how fashion conscious businessmen have become. They are falling all over themselves to line up as eager suitors in the courtship of Red China, rechristened Mainland China.

Coca Cola is drooling at the prospect of selling coke to a billion thirsty Chinese. In a land where people are accustomed to getting their commands and their information from posters, Coca Cola billboards might do quite a selling job. The trade agreement to sell this Georgia product was made two days before our Georgia President announced his surprise recognition plans on December 15.

U. S. Steel quickly signed an agreement to build a billion-dollar iron ore processing complex in China, the largest single foreign enterprise which the leading U.S. steel manufacturer has ever undertaken.

American bankers seem to be terribly eager to loan dollars to the Chinese. Business magazines are estimating that it will pose no problem at all for the Chinese to get some $35 billion in U.S. credits. Willard C. Butcher, president of Chase Manhattan Corporation, has already gone to Peking with proposals which are thought to include a huge syndication, with Chase as manager, to extend credits for Chinese purchases of U.S. plants and technology.

American banks are subject to strict regulation by U.S. bank examiners. When they descend upon local banks, they go over every major loan with meticulous care.

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They meet with officers and directors and require them to justify every questionable loan.

But when it comes to loans to Communist countries, the bank examiners seem to overlook the failure of Communist governments to comply with the same terms to which American borrowers are subject. Western loans to European Communist countries have risen to $49 billion.

People in themselves, even a billion of them, are not a market for American products unless they can pay for their purchases. China has little money to pay for American products or plants, and few products to sell to us in return.

But the businessman answers in a hushed voice, "Ah, but China has oil!" Wild estimates hold out the hope that China may be able to export 100 million tons a year by 1985. That is supposed to quiet criticism, especially since Iran is slipping through our fingers and even our imports from Saudi Arabia may be imperiled.

Why in the world should we go to China for an illusory oil supply that may materialize by 1985, where production is subject to Communist controls, and transportation costs would be tremendous, when there are far greater oil supplies in the Western Hemisphere?

American geologists now estimate that there are 37 billion barrels of oil in the new Green River Basin in Wyoming, Montana, Utah, and Colorado. In addition, the new Mexican oil discoveries in the Gulf are now estimated at double their original figure. Geologists believe that only one of Mexico's offshore fields contains 40 billion barrels of oil.

One of the big problems with availability of oil in the United States is the failure of the Washington bureaucracy to approve pipelines from the West Coast, where there is a glut of oil coming from Alaska, to the midwest where oil is badly needed. Applications to build pipelines have been blocked for more than two years. It would be easier and much cheaper to build a pipeline in our own country than to discover, drill, and transport oil from China. Besides, it would create jobs for Americans instead of for Chinese.

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