



Written by [Steve Byas](#) on July 11, 2022

## President Biden Sells U.S. Reserve Oil to Chinese Firm Connected to Son

Included in the American oil being shipped out of the country during a time of extremely high gasoline prices is nearly one million barrels of oil from the Strategic Petroleum Reserve to a Chinese firm — owned by that country's communist government — in which Hunter Biden's equity company held a \$1.7 billion stake. The 950,000 barrels [sold to Unipetec](#), the trading arm of Sinopec, make up part of the five million barrels of oil exported after President Joe Biden released oil from the Strategic Petroleum Reserve.



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The Strategic Petroleum Reserve (SPR) was created during the administration of Richard Nixon for use in times of national emergency. At the time, the United States was heavily dependent upon foreign oil, and it was argued that the SPR could help if those foreign sources were cut off in time of war or other national emergency. Congress authorized the Strategic Petroleum Reserve in the Energy Policy and Conservation Act to help prevent a repetition of the economic dislocation caused by the 1973-1974 Arab oil embargo. Biden, however, has decided to release some of the oil just to bring down the price of gasoline at the pump, as those high prices are hurting him politically. (Of course, this release has little impact on pump prices, but Biden is no doubt hoping that consumers will think he is doing something to help them.)

He has even taken to [denouncing local retailers](#) for not lowering their gasoline prices at the pump.

China is not the only destination for U.S. oil, as the Biden administration is releasing about a million barrels of oil per day from the SPR, which now has the least oil in reserve since 1986. The Department of Energy released a statement defending the releases, [saying](#), "The SPR remains a critical energy security tool to address global crude oil supply disruptions."

Before Biden took office, the United States had become independent of foreign sources of oil, the price of gasoline at the pump was around \$2 per gallon, and the SPR was well-supplied. Now, however, under Biden's policies designed to cut back on oil production, supposedly to combat "climate change," oil



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prices have soared to over \$100 a barrel and gasoline prices at the pump have increased dramatically, to over \$5 a gallon — and in some places in the United States, to over \$6 a gallon.

The mainstream media, however, have chosen not to give much coverage to this aspect of the oil price story, particularly the sale of American oil to a firm wholly owned by the Chinese Communist Party. They continue to generally ignore stories related to Biden's son, Hunter, and the connections Joe Biden has had with his son's business dealings.

One can only imagine the media frenzy that would have ensued if one of President Donald Trump's sons had had such dealings, i.e., if President Trump had told a foreign country that they were being cut off from a billion-dollar loan guarantee unless they fired their state prosecutor — a state prosecutor who was investigating a firm in which Trump's son was involved as a director.

But American oil is not just being sent out of the country to China.

In addition to exports to Communist China, almost half a million barrels of U.S. oil have been sent by Phillips 66 to Trieste, Italy. From Trieste, a pipeline sends the oil to refineries in Europe. So, while Biden shuts down pipelines that could bring more oil to the United States and reduce prices here, American oil is being sent to pipelines in Europe to lower prices there. Europe is desperate for oil to make up for the loss of oil from Russia due to the war with Ukraine.

The inventory of U.S. crude is now at its lowest level in nearly 20 years. Despite Biden's demagoguery against oil companies, and even local businesses selling gasoline, oil refineries are running near capacity.

It needs to be emphasized that this is a result of deliberate policy choices of the Biden administration. They contend that oil and gas are making a major contribution to global warming, and have proudly said that they want to reduce the consumer use of oil and gas. Heavy regulations of the oil industry are intended to reduce the supply of oil. Basic economics teaches that if one decreases the supply of a product when there is no decrease in demand, the price will rise. Yet Biden, in demagogic fashion, blames oil companies and local retailers for the high prices that his policies have contributed to greatly.

Local retailers have a [very slim profit margin](#) from the sale of gasoline at the pump, and many convenience stores have gas pumps just to get customers into the stores to buy their other products. Biden knows all of this — unless he has forgotten it.

The solution is to return to the commonsense policies of the previous administration — policies that had made the United States energy independent.

Biden's policies only make sense if the goal is make America more dependent on foreign sources, because he is not for American independence in oil or anything else.



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