

Time to break China's monopoly on rare-earth elements

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China's decision to further cut exports of rare-earth elements last week should serve as a wake-up call to Washington: The Chinese monopoly in these minerals — essential for precision-guided munitions, cruise missiles, radar, high-tech gadgets, solar panels and wind turbines — must be broken.

There are substantial rare-earth deposits outside China, including within the United States. But China's resources are more accessible and its labor costs are low, and because of that it now accounts for 97 percent of total rare-earth production. Unfortunately, China isn't above abusing its monopoly.

Last year, it imposed an unofficial temporary embargo on shipments of the minerals. That followed an embargo aimed at Japan, prompted by Japan's arrest of a Chinese fishing-boat captain. The embargoes were lifted, but last week Beijing announced that export quotas for the first half of 2011 would be slashed by 35 percent.

Washington should take action against Beijing in the World Trade Organization while removing obstacles to the revival of America's domestic rare-earth mining industry. It should also encourage basic research that improves domestic production and leads to substitute products.