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Sanctions on China, Export Controls on Rare Earths for the U.S.: Two, It Turns Out, Can Tango



Gallium crystals. Source: Footer Photography. [CC BY-SA 3.0](https://creativecommons.org/licenses/by-sa/3.0/)

If Washington intended to bully Beijing economically and indefinitely, July 3 was a rude awakening. That's when China announced export controls on two, vital rare earth metals, germanium and gallium. In and of itself this move clobbers one sector of U.S. industry, such as it is. But even worse is what it portends. China has 60 percent of the world's supply of rare earth minerals. The other 40 percent are in locations of dubious

accessibility. But that's not all. Ninety percent of the processing of those rare earth minerals occurs in the country U.S. sanctions have royally pissed off, namely China.

Why are rare earth minerals so critical? The technology for wind and solar energy and for electric vehicles depends on them. Also, microchip production requires gallium and germanium. High-tech defense weapons use rare earth minerals as well. Personally, I think not being able to flood the planet with those weapons any longer would be a boon for mankind. But I doubt armament moguls agree. Bigwigs at Raytheon and Lockheed Martin are probably far from pleased by this latest development, about which Wei Jianguo, former Chinese vice minister of commerce, said to China Daily that these new export controls were basically just the beginning. If the Biden bunch keeps adding technology sanctions, more rare earths will be restricted. In other words, certain kinds of U.S. manufacturing will grind to a halt.

Not surprisingly, the news of the controls on these rare earth minerals immediately caused a 27 percent jump in the price of gallium, Fortune reported July 7. "Buyers are now moving to lock in shipments before the controls kick in [August 1]...Gallium and germanium are high-value products that are produced in small volumes." Fortune noted that while the restrictions "will spur efforts to boost supply outside China, it may be more difficult to increase the production of gallium than germanium."

The Biden clique says it "firmly opposes" Beijing's decision, an opposition which is a double standard in action, if ever there was one. According to Zhou Xiaoming in the South China Morning Post July 21, "Western governments have imposed the world's most elaborate and extensive export control measures, often for ideological or geopolitical objectives. In 1949, the United States led in setting up the Coordinating Committee for Multilateral Export Controls to fight communism...Washington's control list for China in 2007 included aeroplanes and their engines, optical fibres, advanced navigations systems, lasers and depleted uranium...Washington has in recent years added emerging and basic technologies, such as 4G semiconductor materials, advanced electronic computer-aided design (ECAD) software and network safety." So the Biden crowd really has some nerve complaining about its access to two rare earth minerals being cut off. Washington's imperial rulers can dish it out, but they sure can't take it.

China produces 60 percent of the world's germanium and 80 percent of its gallium. In addition to restricting these two metals, in May Beijing labelled the U.S. chip firm, Micron, "a major security risk." According to CBS July 4, "The U.S. received \$5 million of gallium metal and \$220 million of gallium arsenide in 2022...Germanium intake was

higher.” So the U.S. will search for other sources of these minerals, but its success in this endeavor remains to be seen.

Meanwhile, ceos of U.S. tech companies, specifically Intel and Nvidia, begged the Biden maniacs to ease semiconductor sanctions against China. According to Shaun Rein, founder of The China Market Research Group, these American companies are losing billions due to these imbecilic sanctions. But it’s too late, Rein tweeted July 22: “Chinese semiconductor companies have emerged. China won’t trust U.S. politics again, so will buy domestic. Biden shot U.S. in the leg.” Now Beijing counters U.S. sanctions with its own sanctions, making export of rare earths more difficult. Will Biden go whole hog, issue more sanctions, and thus shoot the U.S. in the head? Stay tuned.

China’s restrictions on these two rare earths, indispensable for satellites, solar cells and semiconductors, amount not to a nuclear option, so Fortune quoted one expert, Bernard Dahdah, but it’s “a first warning shot.” Dahdah told the magazine that “China does control other metals through which it can inflict more severe consequences.” The question is, again, does the Biden gang want to find out how severe, by continuing to apply more idiotic sanctions on Chinese commerce? So far the white house geniuses who whacked this hornet’s nest have been silent about gallium, germanium and what comes next. That’s not surprising. When confronted with their stupidities, knuckleheads usually have nothing to say.

An additional problem is Biden has a fanatically delusional GOP breathing down the back of his neck. Delusional on two counts: one, the GOP’s lunacy that it can sever economic ties with our biggest trading partner, China, without kicking off a depression; and two, the GOP’s hallucination that it can assault Beijing militarily without igniting a nuclear holocaust and slaughtering tens of millions of Americans and the same numbers of Chinese.

Unfortunately, Biden does not do well when confronted with loud-mouthed, reactionary dimwits. Like Bill Clinton, his response to hard-right challenge has been, ever since the Reagan years, to cozy up to this enemy, or to triangulate or...let’s just call it what it is: to grovel before right-wing morons by outdoing them at their own witless game. In short, don’t expect any bold, principled, rational retreat from the insane sanctions policy from Joe Biden. Instead, mark my words, he will double down.

Such a reaction reflects the larger failure of the imagination currently rotting U.S. foreign economic policy. That rot derives from reliance on sanctions, thus weaponizing the dollar. Sanctions have not worked for a long, long time. Their grand purpose – to incite regime

change – somehow never pans out. Syria’s leader, perhaps one of the most sanctioned people in one of the most sanctioned nations on the globe, is still around after years of this absurd and criminal policy. So are Russia’s leaders, Venezuela’s, Iran’s and others. If the definition of madness is doing the same thing over and over and expecting a different result, then Uncle Sam’s sanctions policy should land him in the loony bin. What does he have to show for sanctioning 29 percent of the global economy? Nothing, aside from poor people in remote countries skipping meals and diabetics rationing their insulin.

That’s something for the biggest, most violent empire in human history to crow about – making helpless, indigent people’s lives more miserable. The U.S. does plenty of that, as the whole world knows. It does it at home and it does it abroad. But now, with two rare earth minerals from China, the shoe’s on the other foot. We’ll see how the imperial giant likes that.

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