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# China's Threat Revives Race for Rare Minerals

By [KEITH BRADSHER](#)

HONG KONG — A Chinese threat to halt exports of rare minerals — vital for high-performance electric motors in [wind turbines](#), hybrid cars and missiles — appears to have backfired.

With control of more than 99 percent of the world's production of these minerals, China could try to use a ban to force other countries to buy the crucial motors for these high-tech end products, instead of just the minerals, directly from China.

But other governments and businesses reacted quickly as word of the proposed ban spread late this summer.

The Chinese threat has touched off a frenzied international effort to develop alternative mines, much as the 1973-74 Arab oil embargo's repeated increases in oil prices prompted a global hunt for oil reserves.

In Washington, the House and Senate amended their defense budget authorization bills to require the Defense Department to review the military's almost complete dependence on Chinese supplies of rare-earth minerals. In Australia, the government blocked a Chinese state-owned company on Thursday from acquiring a majority stake in a large mine being developed for these minerals, also called rare earths.

Meanwhile, Wall Street is financing exploration as the share prices of rare-earths mining companies soar — as much as sevenfold since March.

“Because of China's focus on maximizing the benefits of its rare-earth resources for its own industry, there is now a focus on identifying alternatives elsewhere,” said Dudley J. Kingsnorth, a rare-earths production consultant in Perth, Australia.