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The Japanese arrest of a Chinese fishing crew was met with (unconvincingly denied) restrictions on exports of rare earth metals. Keith Bradsher at the New York Times reports that now China is halting shipments to the United States as well. Aside from direct shipments from China, US firms also receive rare earth containing components from Japanese manufacturers.

China's action against the US may be in response to America's announcement on Friday that an investigation into illegal trade practices would be launched. Bradsher reports that soon after, Zhang Guobao, Director of the National Energy Administration and Vice Chairman of the National Development and Reform Commission, said, "I have been thinking: What do the Americans want? Do they want fair trade? Or an earnest dialogue? Or transparent information? I don't think they want any of this. I think more likely, the Americans just want votes."

Perhaps the Chinese officials will deny this story as they did with the Japanese one. Regardless, the dangers of reliance on a single source for any critical resource is become more starkly clear as events unfold.

Read the full story here

<http://www.nytimes.com/2010/10/20/business/global/20rare.html?hp>