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“Bruce makes an absorbing and timely plea for government leadership in reviving America’s technological supremacy.” —*Publishers Weekly*

“A compelling narrative. . . . Readers will share Kennedy's considerable frustration with the shortsightedness of profit-driven stakeholders and the hubris of politicians.” —*Library Journal*

SELLOUT

How Washington Gave Away America's Technological Soul, and One Man's Fight to Bring It Home

by Victoria Bruce

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VICTORIA BRUCE



The U.S. Department of Defense is 100 percent reliant on China for all its high-tech defense systems.

This statement is shocking – it means that the US is dependent on China for our national security. It is equally true for our technology sector. How, and why, did the US put itself in this position? This is the question that journalist Victoria Bruce sets out to answer in *SELLOUT: How Washington Gave Away America's Technological Soul, and One Man's Fight to Bring it Home* (June 2017 | Hardcover | 304 pages | \$28 | 9781632862587).

As Victoria Bruce discovers, the answer is the result of unintended consequences that lead to the loss of intellectual property related to the manufacturing of rare earth elements into metals, alloys, magnets and other components which are essential to the world economy and to important technology—from weapons to medical equipment to iPhones. Beginning in 1980, international regulatory constraints resulted in the termination of these resources and the transfer of related processing and manufacturing technologies to China. This new imbalance of resource production, lost technical capabilities and industrial relocation has left the United States in a precarious situation: The People’s Republic of China—America’s most intimidating strategic competitor—now holds the strings to every high-tech weapons system used by the United States Military and has captured all rare earth related intellectual property and related industries.

SELLOUT tells the true story how this reality came to be, and how one man embarked on a journey to try and counter the kind of globalization in which everything is for sale, regardless of the human and national security costs.

In 2006, a man named Jim Kennedy discovered that his iron mine contained a significant amount of rare earth metals. His problem, in addition to the troublesome international regulatory constraints, was that these materials simply could not be processed in the US after they were mined – China controls the industry.

Kennedy was struck by Washington’s passivity at this state of affairs, and once he realized the extent of the damage done, he set out on a mission to move the rare earth industry back to the United States. If Kennedy succeeds in his campaign, he would bring key manufacturers (and jobs) back to the US, reduce American dependency on China for its technology, and help usher in a new era of American innovation.

In **SELLOUT**, Victoria Bruce tells Kennedy’s story as he resolutely campaigns at nationally funded labs, Congress, and the Pentagon to convince them of the necessity of moving the rare earth industry back to the US, facing a considerable amount of opposition and apathy, even hostility, along the way. The result is a book that explores how the US can open a path to a self-sustainable future, in spite of how much has already been given away.



VICTORIA BRUCE is an author and broadcast journalist. She holds a master’s degree in geology from the University of California, Riverside. She received the Alfred I. DuPont-Columbia University Award for excellence in broadcast journalism for her first film, *The Kidnapping of Ingrid Betancourt*. Her previous books include *No Apparent Danger* and *Hostage Nation*. She lives in Anne Arundel County, Maryland. Read more at <http://www.victoriabruce.com/>. Photo credit: Heather Crowder.

EVENTS:

6/8/17

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6/10/17

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6/19/17

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In an interview, Victoria Bruce can discuss:

- The latest strategies of the Trump administration to deal with the issue of China's rare earth monopoly and control over our national defense technologies.
- How American companies manufacturing high-tech components (for the public and private sector) are being threatened by China, and how companies' short-sighted strategy to give up their intellectual property to China is backfiring.
- How America's Department of Energy, strapped for funds, willingly handed over the designs for a safer, cleaner form of nuclear energy (the molten salt reactor, first developed at Oak Ridge National Lab), enabling China to develop this promising energy source.
- How Congress, the Pentagon, and corporate leaders have, time and again, ignored appeals by Jim Kennedy and others to investigate the critical rare earth supply problem.
- Jim Kennedy's practical solution: a co-operative among mining, manufacturing, and companies that would reclaim the rare earth industry for the US. A similar co-op called SEMATECH was legislated by Congress in 1988 when America was losing its control of the semiconductor business.
- How China manipulates the price of essential products and commodities to drive all other providers and countries out of the market.

Timeline of newsworthy events covered in SELLOUT:

1982: General Motors' research scientist John Croat creates the world strongest permanent magnet using rare earth metals. The "Magnequench" magnet makes computers faster and smaller; defense systems and guided missiles super accurate and deadly. The Magnequench plant is built in Anderson, Indiana, and joins cities across America for a high-tech explosion.

1992: Newly elected President Clinton cancels trade restrictions on components that can be used in weapons systems. President Zemin offers U.S. companies cheap labor, low taxes, access to the Chinese consumer market and Chinese government contracts, in return for handing over the intellectual property behind their inventions.

1995: The Indiana Magnequench facility and John Croat's patent for rare earth magnets is bought by a Chinese company.

1999: A few in Washington try to sound the alarm: a Congressional select-committee investigation claims that China is gobbling up American defense technology at an alarming rate, but the report is ignored.

2005: China begins to produce their own products with the intellectual property that was handed over by American and other Western companies. Western business leaders call on Congress to intervene, claiming they're being treated unfairly by China. Congress is impotent against the protectionist policies of China.

2010: China puts export limits on rare earth components making it difficult for U.S. manufacturers to get supplies for high tech products. Access to the rare earth elements that go into American defense systems is completely monopolized by China.

2017: Major defense contractors continue to buy parts from China to build weapons for the U.S. military. Donald Trump runs a populist campaign, promising to untangle the U.S. from harmful trade policies, stop corporate offshoring, get tough on China and bring back manufacturing jobs. Jim Kennedy and his team make a full assault on Capitol Hill, hoping to wake up Washington to the rare earth crisis before it's too late.