

America Was a Mining Superpower. That Isn't What We Need to Restore.

written by Jack Lifton | August 13, 2026

President Donald Trump told a Roundtable on American Mining last week that, “For decades, politicians let other countries steal our mines and mining jobs, and put American producers out of business.” He then announced the objective: “We’re reclaiming America’s rightful place as the minerals superpower of the world.” The President is right about one thing. The United States was once a minerals superpower. But that isn’t what we need to restore.

At the beginning of the twentieth century, the United States was arguably the greatest mining and industrial nation the world had ever seen. American mines and smelters produced enormous percentages of the world’s iron, copper, lead, and zinc. Later, beginning in the 1960s, Mountain Pass in California made the United States the world’s dominant producer of rare earths. That world is gone.

And trying to recreate it by financing mines misses the fundamental reason the United States today finds itself dependent on China for so many critical materials required by its military and civilian industries. America did not simply lose its mines. **America lost the industrial infrastructure that converted the output of those mines into useful materials.** That is a much more serious problem.

A Mine Is the Beginning, Not the Supply Chain

I have spent most of my working life in the metals and materials industries. One lesson should by now be obvious: Nobody buys a mineral deposit. Industrial consumers buy products manufactured to specifications. General Motors does not need a rare earth mine. It needs permanent magnets that meet the specifications of the motors it manufactures. An aerospace company does not need a scandium deposit. It needs an aluminum-scandium alloy produced consistently to its required composition, physical properties and quality standards.

A defense contractor doesn't need monazite. It needs the separated rare earths, metals, alloys and components necessary to manufacture the products in its supply chain. The mine is therefore the first step in a long industrial process. Yet Washington continues to talk about critical minerals as though finding an ore body and financing a mine somehow solves the problem. It doesn't.

Mining produces an ore. Beneficiation produces a mineral concentrate. Chemical processing extracts the contained elements. Separation and refining produce purified chemical forms. Metallurgy converts those chemicals into metals. Alloy making converts the metals into useful compositions. Component manufacturers turn those alloys into magnets, batteries, aerospace alloys, and other engineered materials. And only then does an OEM have something it can use. Every one of those steps has to work economically and at commercial scale.

China Didn't Steal Our Mines

The President's statement that other countries "stole our mines and mining jobs" is good politics. It isn't particularly good industrial history. Environmental regulation certainly played a role in the decline of American mining and processing. Permitting a mine or chemical processing facility in the United States can take an extraordinary amount of time and money. But regulation alone did not produce today's situation.

American companies increasingly purchased materials from wherever they could obtain them most cheaply. Manufacturing moved offshore. Metallurgical and chemical processing capacity followed manufacturing. Investors preferred businesses offering faster and more predictable returns. China deliberately built enormous capacity in mining, chemical processing, separation, refining, metals, alloys, magnets and manufacturing.

Most importantly, China understood something that Western policymakers still seem reluctant to understand: **The strategic value of a mineral increases as it moves through the supply chain.** China didn't defeat the American rare earth industry simply by digging more ore. China built the world's dominant rare earth **industrial system**. That is a very different accomplishment.

Mountain Pass Is the Perfect Example

The history of Mountain Pass should have taught Washington this lesson already. For decades, Mountain Pass was the world's most important rare earth mine. From the 1960s through the 1980s, the United States dominated world rare earth production. China overtook the United States as the world's largest rare earth producer in the late 1980s. But what happened afterward is more important than the production statistics. China didn't merely

expand mining. It expanded separation, then metals, then alloys, then magnets, then the manufacturing industries that consumed those magnets. The center of gravity of the rare earth industry moved downstream.

America retained an extraordinary mineral resource at Mountain Pass. What it increasingly lacked was the complete industrial infrastructure necessary to transform those minerals into finished materials. Today Mountain Pass is once again producing substantial quantities of rare earth concentrate, and MP Materials Corp. (NYSE: MP) is attempting to build downstream separation, metal, alloy and magnet capacity. That effort itself demonstrates the point. Mining alone was never enough.

America's \$100 Billion Mining Industry Can Be Misleading

The United States remains a large mining nation. American mines produce more than \$100 billion annually of nonfuel mineral commodities.

That sounds impressive. But look more carefully at what is being produced.

A large percentage of the value of American mineral production consists of industrial minerals and construction materials—crushed stone, sand and gravel and similar materials overwhelmingly consumed domestically.

These are important industries. Civilization cannot function without them. But they do not make America a critical materials superpower.

Meanwhile, the United States remains substantially import dependent for many of the materials considered critical to its

economy and national defense.

That is the paradox.

America is simultaneously one of the world's largest mineral producing economies and one of the world's most import dependent advanced industrial economies for many critical materials.

There is no contradiction.

We simply mine a great deal of material that is different from the material our advanced industries increasingly require.

Washington Is Financing Deposits

This brings us to the extraordinary amount of government money now entering the critical minerals sector through loans, loan guarantees, grants, offtake agreements, price floors, equity investments, and Defense Production Act funding. Government backed investments are now reaching beyond the United States into Australia and elsewhere. Some of these investments will undoubtedly be successful. Others won't.

The danger is that Washington will measure success by dollars committed, mines permitted and announcements issued. Those aren't measures of industrial success. A billion dollars spent on a mine that produces material at twice the world market price isn't necessarily an industrial achievement. A rare earth mine whose concentrate ultimately has to be processed in China has not solved America's rare earth problem. A separation plant without reliable feedstock isn't a supply chain. A metal plant without qualified customers isn't a supply chain. A magnet factory that cannot achieve competitive yield isn't a supply chain. And a government subsidy doesn't repeal metallurgy, chemistry or economics.

Follow Where Value Is Added

I have repeatedly argued that critical material supply chains should be designed backward from the customer. Start with the OEM. What does it need? In what form? At what purity? At what price? In what quantity? When? And from what qualified supplier?

Then move backward through manufacturing, alloying, metal production, separation, refining, chemical extraction, beneficiation, and finally mining. Washington generally does the opposite. It starts with a deposit. Someone announces that a deposit contains billions of dollars worth of rare earths, lithium, nickel, graphite or scandium. A feasibility study follows. Then comes a government grant or loan. Then comes an announcement that America has secured another critical mineral supply. No, it hasn't. It has financed an ore body.

The supply does not exist until a customer can buy the required material in the required quantity and quality at a sustainable price.

The Scandium Example

The government's newly announced support for Australia's Syerston Scandium Project illustrates both the opportunity and the problem. Scandium is unquestionably an interesting and potentially important metal. Aluminum-scandium alloys can offer valuable properties for aerospace and other applications. But the existence of scandium in a mine doesn't create a scandium industry. The real questions are downstream. Who will buy the scandium? In what chemical or metallic form? Who will convert scandium oxide into metal? Who will manufacture the master alloy? What alloy compositions will customers qualify? How large will those markets actually become? And what price will those customers tolerate?

Until those questions are answered, projected scandium production is not the same thing as an established scandium market.

The same reasoning applies to rare earths.

The Objective Should Not Be Self Sufficiency

There is another lesson buried in the administration's recent actions. Washington says it wants to restore American mining, while simultaneously financing or supporting mineral projects in Australia, Africa and elsewhere. There is nothing inherently inconsistent about that. In fact, it may point toward a much more intelligent strategy. The United States doesn't need to mine every critical mineral within its borders. It needs **secure access to complete supply chains**.

Australia can mine some materials. Canada can mine others. Brazil can supply others. Allied nations can provide feedstocks. Processing, refining, metals, alloys and manufacturing can be distributed among politically reliable jurisdictions so that no single nation controls an overwhelming percentage of any critical step. That isn't autarky. It is diversification. And diversification is much more achievable than self-sufficiency.

Restore Industrial Capability, Not Industrial Nostalgia

The America of 1915 was a mining superpower because the United States was simultaneously becoming the world's greatest manufacturing power. Those two facts were connected. American mines supplied American smelters. American smelters supplied American metal producers. American metal producers supplied

American manufacturers. American manufacturers supplied the world.

Trying to restore the first part without restoring the rest is industrial nostalgia. The objective of American critical minerals policy should therefore not be to make America the world's largest miner of rare earths, lithium, scandium, graphite or anything else.

The objective should be to ensure that American industry has reliable access to the **finished critical minerals it actually consumes**. That requires mines. But it also requires beneficiation, extraction, separation, refining, metallurgy, alloy making, manufacturing, qualification and customers. Most of all, it requires understanding where value is actually created.

America was once a mining superpower. We don't need to recreate that America. We need to rebuild something far more important: **America as a critical minerals industrial power**. The distinction may determine whether the hundreds of billions of dollars now being discussed in Washington create a sustainable industrial base—or simply a very expensive collection of mines looking for customers.

Follow where value is added.