



Book Review: Sellout

By Victoria Bruce

With Editorial Comments by Mickey the Mercenary Geologist

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Sellout is a new book by geologist, author, and documentary filmmaker Victoria Bruce. It recounts the life story of Jim Kennedy, a St. Louis-based serial entrepreneur. The author details Kennedy's obsessive quest to secure an American source of heavy rare earth elements in conjunction with commercial development of thorium-fueled nuclear reactors.

The book is especially intriguing to me as I was arguably the first analyst (report to private investors, July 2007) and the second newsletter writer ([Mercenary Musing, September 1, 2008](#)) to explain the market fundamentals of rare earth elements and cover an exploration company in that space.

Four of the five REE companies that I picked over the next year and a half achieved multi-dollar valuations and gained New York AMEX listings. All failed when the bubble burst except for the one penny stock that never made it off the TSXV; it continues to soldier on and I remain an underwater shareholder. I also wrote about the future of thorium as nuclear fuel in mid-2011 ([Mercenary Musing, June 27, 2011](#)).

The book documents Jim Kennedy's dysfunctional family and his journey from abused kid to high school misfit to US Army rebel. Armed with an unsatisfactory military discharge, he went back to St. Louis, enrolled in community college, got a bachelor's degree in business and a master's in political economics from the elite Washington University; all the while working for his father's financial advisory firm. As a very successful securities analyst, Kennedy eventually became disillusioned with the change in Wall Street from value investment to a model of growth for growth's sake in the mid- to late 90s.

Soon after his father's sudden death in 1999, he left the business to its employees, moved his young family to the Ozarks, and opened a successful hunting and fishing lodge southwest of St. Louis. But his venture capital drive soon kicked in again and he bought the nearby Pea Ridge iron ore mine out of bankruptcy in 2001. During an exhaustive study of the mines' maps and reports, Jim Kennedy learned that the magnetite ore body also had discrete breccia pipes on its periphery containing high-grade rare earth elements. When prices went exponential and the stock market bubble began to blow up in 2009, Kennedy was ready to go into the rare earth mining business.

And thus began his long, arduous, and ongoing saga to develop not only a viable American source of heavy rare earth elements but also to create a domestic value chain for these metals; i.e., from mine to concentration to separation to market to the final rare earth magnet and other products that are now essential for high-tech, green energy, and military applications.

Alongside Kennedy's story, Victoria Bruce delves into the history of rare earth elements, from discovery to early uses, to development of the Mountain Pass mine in the early 1950s by Molycorp, and its shutdown in the late 1990s because of specious California environmental regulations. She documents the rise of Chinese REE mining and its path to vertical integration that included the sale of the US patented magnet-making technique and sole manufacturing plant and its eventual shutdown and relocation to China.

Over the past 25 years, the net result has been the nearly complete Chinese takeover of the world's REE industry.

In a separate thread, Bruce traces the history of nuclear power in the United States and the Atomic Energy Commission's successful development and operation of a thorium molten-salt reactor in Oak Ridge, Tennessee from 1964-1969. She documents how AEC's successor, the Department of Energy, willingly revealed our proprietary technologies to Chinese scientists and engineers in 2010. Now that country has announced its intent to patent this US-developed technology, build benign thorium nuclear reactors that cannot go critical and do not produce plutonium that can be used in nuclear bombs, and sell them to the rest of the world.

This is a fascinating story of American scientific, engineering, and technological ingenuity from the 1940s to 1960s that morphed into government shortsightedness, bureaucratic ineptitude, environmental boondoggle, political cronyism, and Wall Street greed and chicanery from the 1990s to the 2010s. Chinese subterfuge and espionage and American military-industrial complex' eagerness to sell, barter, or give away its technological and defense secrets led to the dilemma we face today.

Jim Kennedy and his partners' business plan to produce REEs from abundant, monazite-rich mine tailings in the southeastern US and use the thorium waste product as fuel for molten-salt nuclear reactors is backed by sound science and engineering. These are proven technologies with economic merit. However, he has been stonewalled time and time again for the past eight years by the Pentagon, the Department of Energy, and a do-nothing Congress.

Kennedy is now banking that the Trump administration, with its policy of America First and a commitment to revitalizing our industrial and manufacturing base, will not turn a blind eye like the previous three new-world order (one-world government?) executive branches have done, starting with Billary, continuing with Lil' Bush, and ending with Obummer.

I'm also from the Ozarks of Missouri so you'll have to show me.

As a good ol' boy American libertarian hillbilly redneck with an innate distrust of gov'ment, I kindly suggest to Victoria Bruce and Jim Kennedy that an alternative private initiative backed by high net worth investors and concerned philanthropists is more likely to reach a timely, successful, and profitable conclusion than any tax payer-funded, Congressional committee-studied, bureaucratically-administered program.

That's enough said; you can purchase this interesting read indeed by clicking here: [Sellout](#).

Ciao for now,

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The [Mercenary Geologist Michael S. “Mickey” Fulp](#) is a Certified Professional Geologist with a B.Sc. Earth Sciences with honor from the University of Tulsa, and M.Sc. Geology from the University of New Mexico. Mickey has 35 years experience as an exploration geologist and analyst searching for economic deposits of base and precious metals, industrial minerals, uranium, coal, oil and gas, and water in North and South America, Europe, and Asia.

Mickey worked for junior explorers, major mining companies, private companies, and investors as a consulting economic geologist for over 20 years, specializing in geological mapping, property evaluation, and business development. In addition to Mickey’s professional credentials and experience, he is high-altitude proficient, and is bilingual in English and Spanish. From 2003 to 2006, he made four outcrop ore discoveries in Peru, Nevada, Chile, and British Columbia.

Mickey is well-known and highly respected throughout the mining and exploration community due to his ongoing work as an analyst, writer, and speaker.

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