

# Our View

## Trump's Project Vault Hallucination

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On Monday, February 2, President Trump announced the launch of “Project Vault.” The US Export-Import Bank (EXIM) described the project in a same-day press release:

“Project Vault is designed to support domestic manufacturers from supply shocks, support U.S. production and processing of critical raw materials, and strength [sic] America’s critical minerals sector,” said EXIM Chairman John Jovanovic. “Thanks to President Trump’s leadership, the U.S. Strategic Critical Minerals Reserve will help manufacturers in the United States compete, grow, and lead globally while creating jobs domestically, strengthening our economy, and advancing the national interest.”<sup>1</sup>

Project Vault joins a long list of presidential initiatives, all of which have failed. On November 8, 1973, for example, President Richard Nixon touted his “Project Independence,” his energy-related response to the detrimental economic and political impact of the oil embargo implemented by OPEC in October of that year:

This new effort to achieve self-sufficiency in energy, to be known as Project Independence, is absolutely critical to the maintenance of our ability to play our independent role in international affairs. In addition, we must recognize that a substantial part of our success in building a strong and vigorous economy in this century is attributable to the fact that we have always had access to almost unlimited amounts of cheap energy. If this growth is to continue, we must develop our capacity to provide enormous amounts of clean energy at the lowest possible cost.<sup>2</sup>

Subsequent administrations have all aggressively pursued energy independence. Readers may recall boondoggles like the Synthetic Fuels Corporation and the fast breeder reactor. Billions, if not trillions, of federal funds went to produce “clean coal,” release natural gas from shale through nuclear explosions, and fund other doomed projects.

President Nixon and his successors took every step possible to expand domestic energy production despite congressional resistance, finally achieving energy independence 48 years later.

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<sup>1</sup> “EXIM Approves Project Vault Loan to Launch America’s Strategic Critical Minerals Reserve and Support Manufacturing Jobs,” Export-Import Bank of the United States press release, February 2, 2026 [<https://tinyurl.com/5a4fbxsp>].

<sup>2</sup> Richard Nixon, “Special Message to the Congress Proposing Emergency Energy Legislation,” November 8, 1973, published by The American Presidency Project [<https://tinyurl.com/2p857p3e>].

The Trump administration is following in Nixon's footsteps. Unlike past projects, however, Project Vault will not, according to EXIM's Jovanovic, be "subsidized by American taxpayers."<sup>3</sup> Rather, the private sector will pay. As Jovanovic put it, the project will bring "together our capital markets, which are the best and biggest in the world, with our manufacturers, our innovators, our miners, all pitching in to make this possible."<sup>4</sup>

History suggests that Project Vault will take decades to succeed, if it does. Today, China produces 60% of the world's rare earth minerals and refines 90% of supply.<sup>5</sup> This dominance will not be overturned quickly, especially if demand increases at the rate most authorities forecast.

Efforts to break the Chinese dominance also require experts in engineering, chemistry, and metallurgy. Today, almost all such individuals reside in China, as do most of the institutions that train them. To further tighten its control of rare-earth-related processes and technologies, China has prohibited specialists in those fields from traveling abroad.

Thus, the executives tasked with realizing the Project Vault goals are starting with their hands tied behind their backs. While they may be able to fund these programs, they lack access to the necessary knowledge and technologies. Like its predecessor, Project Independence, Project Vault may take five decades to come to fruition. **Time, though, is of the essence. Given China's death grip on the rare-earth minerals market, US manufacturers that depend on rare-earth minerals may be gone long before then.**

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<sup>3</sup> "Transcript: President Trump Signs Bills in Oval Office Ceremony, 2.2.26," Senate Democrats, February 2, 2026 [<https://tinyurl.com/2bwenxbm>].

<sup>4</sup> Jovanovic failed to mention, however, that, as the EXIM press release made clear, the taxpayer-funded bank has approved "a Direct Loan of up to \$10 billion to Project Vault providing long-term financing to a partnership between original equipment manufacturers and private sector capital providers."

<sup>5</sup> Gracelin Baskaran and Meredith Schwartz, "Developing Rare Earth Processing Hubs: An Analytical Approach," Center for Strategic & International Studies, July 28, 2025 [<https://tinyurl.com/4cjivf3>].