

## The King Of Crony Capitalism

**Tesla fanbois – and Musk himself – will tell you all about the virtues of his electric cars.** They are sleek and speedy. This is true. But they are also expensive (the least expensive model, the pending Model X, will reportedly *start* around \$35k, about the same price as a luxury sedan like the Lexus ES350) and come standard with a number of significant functional deficits such as a best-case range about half that of most conventional cars and recharge times at least 4-5 times as long as it takes to refuel a conventional car. That's if you can find a Tesla “supercharger” station.

If not, then the recharge time becomes *hours* rather than half an hour.

***But the real problem with Tesla cars is that no one actually buys them.***

***Well, not directly.***

***Their manufacture is heavily subsidized – and their sale is heavily subsidized***

**Either way, the taxpayer (rather than the “buyer”) is the one who gets the bill.**



On the manufacturing end, Tesla got **\$1.3 billion** in special crony-capitalist “incentives” from the state of Nevada to build its battery factory there. This includes an exemption from having to pay *any* property taxes (unlike you and I) for the next 20 years. Another inducement was \$195 million in transferable tax credits – which Tesla could sell for cash. California provides similar inducements – including **\$15 million from the state of California** to “create jobs” in the state. **Tesla does not make money by selling cars, either. It makes money by selling “carbon credits” to real car companies** that make functionally and economically viable vehicles that can and do sell on the merits – but which are not “zero emissions” vehicles, as the electric Tesla is *claimed* to be (but isn't, actually, unless you don't count the emissions produced by the utility plants that provide the electricity they run on, or the emissions produced mining the materials necessary to make the hundreds of pounds of batteries needed by each car).

**Laws in nine states (including California) require each automaker selling cars in the state to sell a certain number of “zero emissions” vehicles, else be fined.** Since only electric cars qualify under the law as “zero emissions” vehicles – and the majority of cars made by the real car companies are not electric cars – they end up having to “purchase” (air quotes for the same reason that you are a “customer” of the IRS's) these “carbon credits” from Tesla, subsidizing Tesla's operations and adding to the expense of manufacturing their own functionally and economically viable cars.

The amount Tesla has “earned” this way is in the neighborhood of \$517 million.

**Tesla is a newfangled take on the welfare queen.** Or more accurately, the EBT card – which is designed to *look* like a credit card. To have the *appearance* of a legitimate transaction ... as opposed to a welfare payment.

Underneath the glitz and showmanship, that's what *all* of Musk's “businesses” are about. They all depend *entirely* on government – that is, on taxpayer “help” – in order to survive.



**TESLA: FUNDED  
BY CORRUPTION  
& ORGANIZED  
CRIME!**

It is estimated that Tesla's various ventures – including his new SolarCity solar panel operation and SpaceX – have cost taxpayers at *least* [\\$4.9 billion](#), with Tesla accounting for about half of that dole.

And he *still* loses money.

**Musk fanbois will counter by pointing out that other businesses – including the car business – also get “help” from the government (that is, from taxpayers) which is perfectly true. But that’s not much of a defense – much less a refutation of the charge that Musk is a crony capitalist.**

Which is *all* he is.

**The real difference between Musk’s operations and those of say General Motors is that General Motors’s products are *fundamentally viable* while Tesla’s are not.** GM is happy to accept government “help” when offered but it is not *necessary* for taxpayers to bankroll the production of Corvettes – nor provide thousands of dollars in cash incentives to each prospective buyer in order to “stimulate” sales.

The straight dope is that Tesla could not build a single car without the government’s help. Take away that “help” and the actual cost would be so prohibitive that virtually no one except perhaps fellow billionaires like Musk with money to burn on *toys* would buy a Tesla.

As it is – even with massive subsidies at the manufacturing level and then again at the retail level – each Tesla still “sells” at a loss of several thousand dollars per car ... adding up to almost \$400 million so far this year (the company just announced this; see [here](#)).

**The typical Tesla “buyer,” meanwhile, has an annual income in excess of \$250,000.**

Why are taxpayers – the majority of them not earning \$250k annually – being taxed to support the “purchase” of electric exotic cars by extremely affluent people?

***Why should taxpayers be made to subsidize any of Musk’s “businesses”? He’s a billionaire.***

**And – we’re constantly told – a really smart guy.**

Surely he could fund (or find) the *private capital* necessary to fund his various projects. The fact that he could *not* find private – that is, *willing* – investors but instead has to rely on the coercive power of the government to fund his projects speaks volumes about the fundamental worth of his projects.

**He “succeeds” only because of his ability to game the system, not by offering products that people are willing to pay for (using their own money, that is).**

The heroic real-life Tony Stark image notwithstanding, Musk is an *operator* – not a creator of value.

**He has more in common with the vulture capitalist oligarchs of the former Soviet Union than with the namesake of his electric car company.**

