Why Musk Will Earn His Trillion Dollar Bonus

And How It Will Affect the Auto Industry

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A while back, GM Toyota and other automakers wrote Trump stating that if he didn't find a way to obtain rare earth, the result would be devastating to the auto industry.

Rare earth is so essential to the auto industry that during China's embargo of the material, Ford, for example, had to halt production of its SUVs because it did not have enough rare earth to manufacture them.

Ford even uses twelve (12) of the rare earth components in its car seats.

Tesla and Musk did not participate in the automaker's plea.

Rare earth is not only essential to the manufacturing of auto vehicles, but we would not have our F-35s, ships, nuclear subs or rockets; even most of our computers would not work without it.

China currently possesses thirty-six percent (36%) of all rare earth reserves, but accounts for sixty-nine percent (69%) of the global production.

Country	% of Reserves Estimated	% of Global Production
China	36%	69%
United States	2%	12%
Myanmar (Burma)	nil	11%
Australia	5%	5%
India	7%	0.8%
Russia	3.5%	0.64%
Canada	16.5%	0%
Ukraine	5%	nil
Mexico	nil	nil
Brazil	23%	nil

Insofar as the world is concerned, rare earth is dozens of times more valuable than commodities such as gold, silver, lithium or oil.

Even though the U.S. mines almost 50 tons of rare earth each year, it still has to send it to China for refinement, because it would take a decade or more for it to develop the infrastructure necessary to refine it here.

Enter Musk

Although scientists have not thought it possible, it has been reported that Musk believes he has discovered a way to create a product that could be used as a substitute for rare earth in the manufacturing of vehicles.

If he has, then he will have alleviated auto manufacturer's dependence upon rare earth.

It is well known Musk owns numerous companies and is free to start as many more as he desires. Faced with the alternatives of Musk producing his rare earth replacement material with another company or awarding him his Trillion Dollar bonus contract, the Tesla board chose the latter.

As one reads this article, Musk is currently developing new motors for his cars that will operate without rare earth. He also plans on using his new material on his other of his products: robots, space ships and satellites.

With projections indicating that demand could triple by 2035, and driven by the growth in electric vehicles and renewable energy technologies, President Trump recently opined that controlling rare earth means controlling the future of America's economy, military and energy systems.

If Musk can actually replace rare earth, it would be fairly certain that he would meet the required income thresholds to earn the Trillion Dollars, a feat that hitherto has been considered to be almost impossible to attain.

And, if all that comes about, it will be interesting to see if the shareholders who sued, saying his Billion Dollar bonus was obscene, will say "Thank you," or sue again.

For, as the auto industry knows well, the one thing it can be sure of is: There will always be a lawyer to take the case.