

What Duncan Hunter Indictment Says About Elon Musk Cronyism

Constitutional Drunk News

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Hey, what a surprise! Elon Musk shows up yet again in another California crony capitalism story.

(From The Weekly Standard)

Protecting Elon Musk's SpaceX also appears to be one of Hunter's top political priorities. Along with House Majority Leader Kevin McCarthy, a fellow California Republican, Hunter was instrumental in the push to cut off the government's use of the Russian-made RD-180 engine, a move that could have provided SpaceX with a near-monopoly over military launch services.

Hunter [cloaked](#) his concerns under the guise of preventing the empowerment of rogue Russian leader Vladimir Putin and fending off Russian military modernization. However, as Loren B. Thompson and Constance Baroudos of the Lexington Institute [detailed](#) in 2016, the truth is that Hunter's goal of banning the Russian-made engine before a replacement that can reach the critical military orbits SpaceX is incapable of achieving harms no country more than America itself.

The corruption case is about more than campaign finance laws and tequila shots.

According to Citizens Against Government Waste's [2018 Pig Book](#), defense appropriations earmarks rose by over 13 percent in 2018 from FY 2017 at a price of \$9 billion, 73 percent costlier than the year before. That's why last week's [indictment](#) of California Republican Rep. Duncan Hunter is so critical.

The Hunter corruption case study is about much more than violating campaign finance laws to pay for international vacations, bar tabs, and family bills; it also extends into the realm of influence peddling for powerful defense interests.

Since 2007, Hunter's campaigns [have taken](#) more than \$100,000 in donations from employees of General Atomics, a California-based drone maker. [Year after year](#), Hunter has done what he can to convince decision-makers on the House Armed Services Committee into permitting the sale of General Atomics' unmanned systems to foreign countries like Jordan and purchasing their products for U.S. Coast Guard use. His attentiveness to this issue appears to have little to do with personal interest and conviction and everything to do with aiding those who support him.

While cronyism to any interest group is unacceptable, at least General Atomic's products appear useful in most cases. Prioritizing the sale of their technology might short-circuit the free market, limiting innovation and competition, but it doesn't seem to have broader scale implications for America's defense strategy. Unfortunately, the same cannot be said about some of the other California-based companies that Hunter has been accused of using the heavy hand of government intervention to assist behind closed doors.

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the Russian-made engine before a replacement that can reach the critical military orbits SpaceX is incapable of achieving harms no country more than America itself. There are no benefactors to this myopic policy aim other than SpaceX and, presumably, the California Republicans who may have made it possible.

Perhaps thanks to the influence of Hunter, SpaceX's legislative giveaways have been on a seemingly upward trajectory ever since. In fact, in the [National Defense Authorization Agreement](#) that passed in early August, Congress pressed the Department of Defense to use whenever possible the reusable launch systems that Musk's company is so fixated on whenever possible. Although Musk claims that they will reduce costs [one hundred fold](#), past unexpected [price increases](#) this year lead others to believe that this will become yet another chapter in the textbook of Elon Musk's broken promises. For SpaceX and its congressional backers, it won't matter: the sad reality is that accuracy means little when the taxpayer money and political contributions continue flowing.

However, while negative policy outcomes don't seem to impact most legislatures' priorities or behavior, justice from the legal system does. That's why Rep. Duncan Hunter's indictment is significant: It will likely decrease the number of similar corporate welfare awards in the immediate short-term.

But taking action against Hunter is not enough. The government can and should become more active in policing this type of behavior. The only way to hold dishonest people – particularly defense cronies' – feet to the fire is by creating an environment where the looming threat of ramifications is the rule, not the exception.

