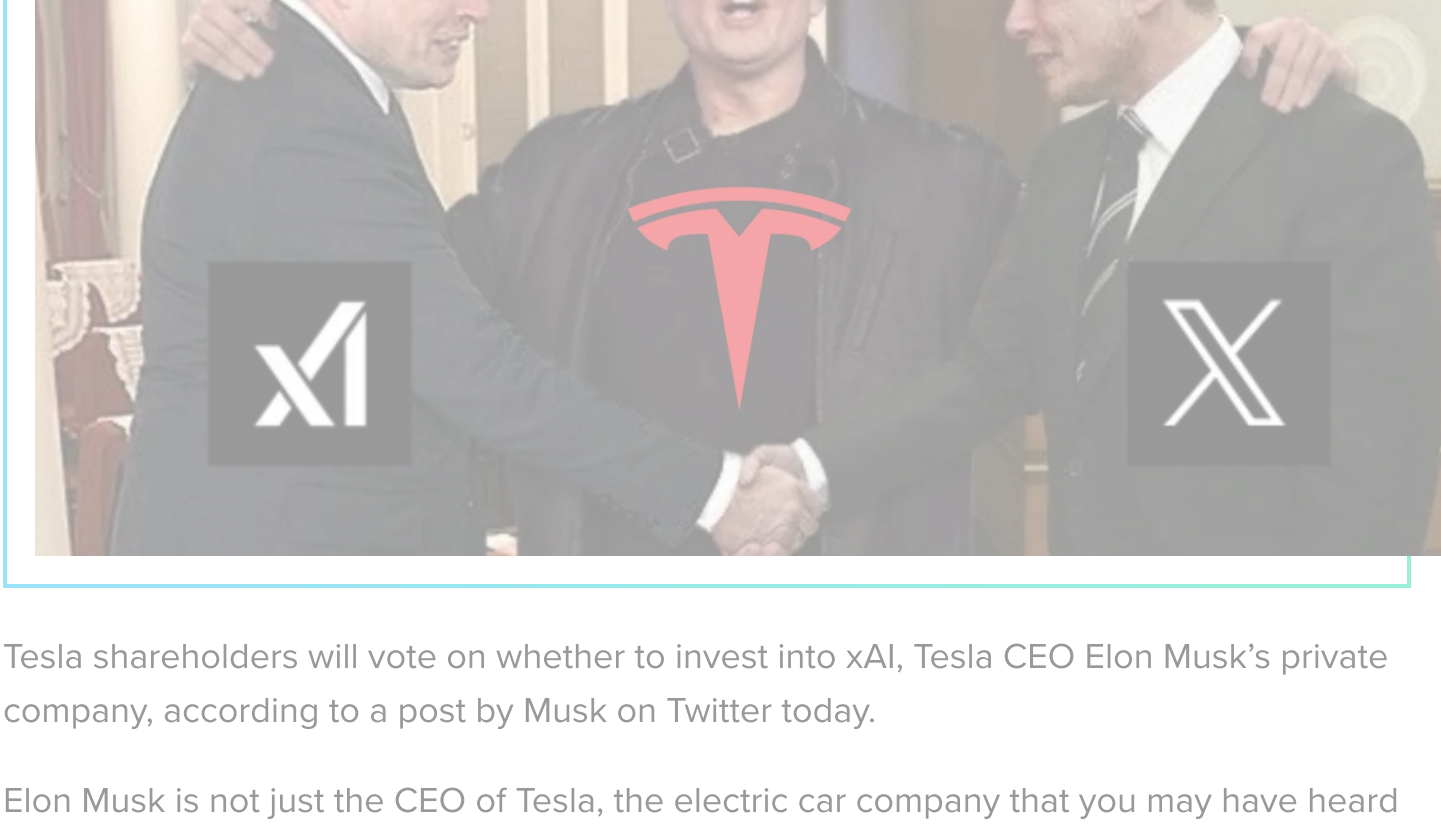


TESLA TWITTER xAI

# Musk will ask Tesla shareholders to vote on bailout for Twitter/xAI

 Jameson Dow | Jul 13 2025 - 9:20 pm PT | 158 Comments



Tesla shareholders will vote on whether to invest into xAI, Tesla CEO Elon Musk’s private company, according to a post by Musk on Twitter today.

Elon Musk is not just the CEO of Tesla, the electric car company that you may have heard about from time to time in Electrek’s coverage, but several other companies as well. And, famously, Musk companies often share resources – there has been much talk of [incorporating SpaceX technology into Tesla vehicles](#), and [putting xAI/Twitter’s “MechaHitler”.... er, I mean, “Grok”.... feature into Tesla cars](#), among other collaborations that have happened over his various companies’ histories.

Some of those former “collaborations” have involved investments between Musk-linked companies, like when Tesla purchased SolarCity, which was run by Musk’s cousin. In fact, another “collaboration” was made public just yesterday, as [SpaceX said it would invest \\$2 billion into xAI](#). SpaceX is another private company run by Musk.

And today, Musk made it official that he will seek greater collaboration between three of his companies: Tesla, xAI, and Twitter, in the form of an investment into xAI by Tesla.

The situation is a little more complicated than that, though.

Tesla is a public company, owned by shareholders. Musk is the largest shareholder, but only owns around 12% of the company himself.

This is a different situation than xAI, which is a private company, owned by Musk. While there are other investors, he can exercise much more direct control over the company, and doesn’t have to put big decisions up to a vote.

One of the recent decisions he made with xAI was to purchase Twitter in March. You may say, “wait, I thought he bought Twitter back in 2022?,” and you’d be correct. Musk purchased Twitter for \$44 billion in 2022, which was widely agreed to be far too high a price, and then rapidly saw the company’s valuation [drop to under \\$10 billion](#).

Then, in March 2025, Musk [had xAI purchase Twitter](#) in an all-stock deal, valuing Twitter company at \$45 billion – again, far too high of a valuation, but considering he purchased the company from himself, he could set the price at whatever he wanted.

The move was widely considered to be a bailout of Twitter, and the numbers involved considered arbitrary, perhaps partially to help save face for Musk after he made one of the worst business deals of all time.

Now the two are the same entity, and it seems clear that he would like to bring Tesla into the fold, in some way or another.

Musk has already improperly used resources from Tesla, a public company, to boost xAI and Twitter, his private companies. Last year, he [gave up Tesla’s priority position for highly sought-after NVIDIA H100 GPUs](#), instead shipping those GPUs to xAI and Twitter. Tesla could have used these GPUs for training its FSD/Robotaxi systems, which Musk has claimed is the most important thing to Tesla’s future, but instead graciously sent them to his other company that used them to, uh, [train a bot to say Nazi stuff apparently](#).

xAI has also [poached talent from Tesla](#), multiple times, showing how Musk is using Tesla as a farm team for his private company.

So it hasn’t been a secret that Musk would like to use public money to bail out his private companies, as he’s been [setting the stage for a while now](#).

Musk has previously “discussed” [getting Tesla to invest in xAI](#) in the past, but the idea was never made official until today, when Musk said that he will put the idea to a shareholder vote.

In response to one of his superfans asking for the the opportunity to waste money on an overvalued social media app (which would mark the *third time* it has been overpaid for in as many years), and the backend fueling “[MechaHitler](#),” Musk said this:



Tesla traditionally has been a public company, and it were a normal business decision for Musk to invest in xAI. But it’s not a normal business decision for a public company to invest in a private company.

This means that Musk is using Tesla’s resources to invest in xAI, which is a private company. That’s not a normal business decision, and he’ll probably get a government investigation.

We don’t know if Musk will actually invest in xAI. In the past, he’s been clear that he won’t. He’s also been clear that he won’t [buy Twitter](#), but he’s also been clear that he won’t [buy Tesla](#). Given that, it’s not clear if he’ll fund any investment in xAI. It’s also not clear if he’ll exchange for Tesla stock. It’s also not clear if he’ll exchange for Tesla stock. It’s also not clear if he’ll exchange for Tesla stock.

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We may have seen Musk’s plan. Musk has campaigned for a clearly terrible idea, Tesla shareholders ate it up.

In mid-2024, Musk ended his yearslong absenteeism at Tesla in a flurry of activity, hoping to persuade enough shareholders to vote for his [illegal \\$55B pay package](#).

That flurry involved [firing 10% of the company](#) (supposedly in order to save money – though Tesla’s earnings have [dropped drastically since](#)), including [important leadership](#) and [successful teams](#), which [caused chaos with Tesla’s projects](#). He also [pushed back an all-important affordable car project](#) (which we’ve [still heard nothing about](#)) and [held Tesla’s AI projects hostage](#) while shifting both [resources](#) and [staff](#) from Tesla to his private AI company, even as he claims that AI is the future of Tesla.

**Top comment by Buckus**

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**I hope the shareholders soundly reject this move. I don't have much faith, though. As long as they can keep the hype train rolling, the share price will stay in the clouds.**

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In the end, these bad decisions worked, and shareholders [voted to give their bad CEO his \\$55B pay package](#), even though it was later [ruled to still be illegal](#).

So it looks like we’ve got another campaign coming up, and if last time was any indication, expect some really bad decisions along the way. It worked last time, didn’t it?

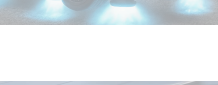
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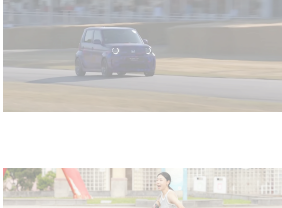
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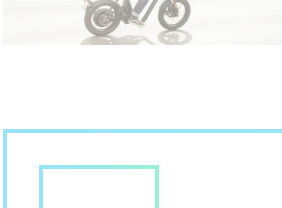
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Jameson has been driving electric cars since 2009, and covering EVs, sustainability and policy for Electrek since 2016.



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