

Chaos

di Robert Reich

As tens of millions of Americans hustle to pay their taxes, Trump has put the entire global economy into chaos. 401(k)s are tanking, savings are shrinking, treasury bonds are losing value, supply chains are convulsing.

Even America's oligarchs are petrified. They contributed millions to Trump's inauguration. Many invested heavily in his campaign. They lavished praise on the new president and have supported his every move — in order to benefit from his promised big tax cut.

But the chaos he's unleashed on the world economy is causing many of them to go public with their worries.

“Obviously,” Jamie Dimon, JPMorgan Chase's chief executive, said in a conference call with reporters, “the China stuff is significant. We don't know the full effect.”

But we do know that global investors are fleeing Treasury bonds, which had been the safest place to put money in the world. That may not be the *full* effect, but it's a huge and frightening one.

By Friday morning, Dimon was warning that the economy faced “considerable turbulence” from the tariffs, while echoing Trump's assertion that the immediate turmoil was nothing to worry about. “I really almost don't care fundamentally about what the economy does in the next two quarters,” Dimon said. “That isn't that important. We'll get through that. We've had recessions before and all of that.”

Oops. The word “recession” coming out of the mouth of the CEO of the largest bank in the United States? That itself is extraordinarily worrying.

Notably, JPMorgan has added nearly half a billion dollars to its financial cushion, preparing for losses from customers who won't be able to pay credit card debts and loans.

Other oligarchs are repeating the R word.

In a Friday interview [on CNBC](#), BlackRock's chief executive, Laurence D. Fink, warned that the American economy was "very close — if not in — a recession now." Fink admitted that in its push for tariffs, the United States had become "the global destabilizer" and that the trade war "went beyond anything I could have imagined in my 49 years in finance."

Yesterday, Dan Ives, an analyst for Wedbush Securities, told investors that "the mass confusion created by this constant news flow out of the White House is dizzying for the industry and investors and creating massive uncertainty and chaos for companies trying to plan their supply chain, inventory and demand."

Many oligarchs continue to kiss Trump's derriere while at the same time trying to signal to major investors that they're sane. It's tricky. "A willingness to adjust a strategy based on new facts and data is a sign of the strength of a leader," Bill Ackman, the chief executive of the hedge fund Pershing Square, pirouetted on social media yesterday. "It is not an indication of weakness."

No. It's an indication of insanity.

"Sentiment has obviously deteriorated," Robin Vince, chief executive of BNY, one of the world's largest banks, said in an interview. "Time is not our friend."

When they speak in the passive tense like this, you know they're pulling their punches. None dare come right out and say it: Trump is f*cking out of his mind and crashing the entire world economy. "It's not smart to criticize the president," said Robert K. Steel, a veteran Wall Street executive and top Treasury Department official under President George W. Bush.

Not smart because Trump has too many ways to punish them.

Last month, the Trump Organization sued the giant financial services company Capital One for shutting the organization's accounts after the January 6, 2021, attack on the Capitol.

The oligarchs know Trump has many ways to reward them, too.

On Friday, Tim Cook, CEO of Apple, got a reprieve from Trump's tariffs on China, which would have just about killed Apple's iPhone profits. (The exclusions apply to smartphones and other electronics.)

Cleverly, Cook and Apple had announced last Monday that, as a result of a conversation between Cook and Trump, Apple would be investing more than \$500 billion in the United States over the next four years and creating thousands of jobs, in what looked like "a bet on America."

It was BS. The \$500 billion figure was simply what Apple had already planned, including everything from Apple's day-to-day activities with thousands of suppliers in all 50 states to the operation of its domestic data centers, as well as its investments in Apple TV+ and other projects already manufactured in the country.

The announcement mentioned a new advanced manufacturing plant in Houston to produce servers that support Apple's AI, but the plant is owned by Foxconn, which is doing the investing. (Apple has perfected the art of outsourcing capital expenditures to its partners without risking its own money.)

But yesterday, Trump backtracked even on the electronics reprieve, calling it "temporary." China, meanwhile, put a stop to shipments of rare earth materials critical to semiconductors and much of our military technology.

Where and how will this chaos end? The oligarch's main line in to Trump is through Treasury Secretary Scott Bessent, who apparently talked Trump down from the worst of his tariff craziness last week.

But Bessent himself is part of the chaos. He and others inside the White House are all saying radically different things. No one is in charge. Some, like Elon Musk and trade adviser Peter Navarro, are openly taking pot shots at each other.

Bessent, a member of the billionaires club, doesn't even get what this economic chaos is doing to average Americans. Last weekend, he said on NBC's "Meet the Press" that people who want to retire now aren't paying attention to the stock market: "They don't look at the day-to-day fluctuations of what's happening."

Hello?

The oligarchs won't tell Trump how much chaos he's unleashed, and they don't even know how the chaos's is affecting average people. The oligarchy is almost as incompetent and out of touch as is Trump.

But average people comprise the real economy. They're also taxpayers. And their worried discussions over their kitchen tables spell even worse trouble ahead for the economy — and *far* worse ahead for Trump and his Republican Party.