

Trump and Musk Clash as President Threatens to End Federal Subsidies

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WASHINGTON – The once-strong partnership between President Donald Trump and tech billionaire Elon Musk has turned into a fierce public feud that could have major consequences for the economy and the next election.

The dispute reignited this week when Musk sharply criticized Trump's latest spending bill in a post on X, accusing lawmakers of hypocrisy.

“Those who campaigned on cutting waste but now back this bill should hang their heads in shame,” Musk wrote on Monday.

Musk, who is the world’s richest man, then went further by threatening to create a new “America Party” if the bill passed. Such a move could shake up the 2024 election by drawing votes away from both Republicans and Democrats.

In response, President Trump issued a strong statement on Truth Social, accusing Musk of relying on taxpayer money while claiming to be independent.

“Elon may receive more subsidies than any human in history,” Trump wrote. “Without those subsidies, he’d likely have to close up shop and return to South Africa. No more rocket launches, no more electric cars, and our country would save a fortune. Maybe DOGE should take a good, hard look at all this. There’s big money to be saved!”

The threat sparked concern across the business world. Tesla has benefited from billions in federal tax credits that helped it lead the electric vehicle market, while SpaceX has secured major contracts with NASA and the military.

Policy experts warned that ending subsidies could disrupt critical industries and cost thousands of jobs. “This isn’t just a personal feud,” said analyst Karen Wu of Frontier Policy Group. “It could hurt the economy and slow down innovation.”

Despite the risks, Musk stood firm. He replied on X with a pointed message: “Funny how the guy who claims to love efficiency is obsessed with subsidizing inefficiency.”

The conflict marks a sharp break from their earlier alliance, when Musk led Trump’s Department of Government Efficiency (DOGE), an agency created to reduce waste in spending.

Now, with both men unwilling to back down, their escalating fight is shaping up to be a major political and economic battle, one that could impact everything from electric cars to the 2024 presidential race.