The Trump-Musk Relationship Ruptures in Real Time

Trump threatens to eliminate government subsidies and contracts for Musk's businesses, while the billionaire calls president ungrateful

By Brian Schwartz, Siobhan Hughes and Natalie Andrews Wall Street Journal

WASHINGTON—Long-simmering tensions between President Trump and <u>Elon</u> <u>Musk</u> burst into the open on Thursday, as the two men <u>traded barbs and insults</u>, signaling the rupturing of a relationship that had been one of the most consequential in modern American politics.

Trump, publicly addressing Musk's latest attacks on <a href="https://doi.or.nlm.ni.or.

The feud could have serious consequences for both Trump and Musk. Musk on Thursday mused on social media about starting a new political party and encouraged Republicans to side with him in his spat with Trump, as Tesla shares declined 14%. And Trump threatened to eliminate government subsidies and contracts for Musk's businesses.

The recriminations intensified Thursday afternoon when Musk told his 220 million X followers that Trump "is in the Epstein files."

"Time to drop the really big bomb:@realDonaldTrump is in the Epstein files. That is the real reason they have not been made public," Musk wrote, adding, "Have a nice day, DJT!"

Musk was referring to files from <u>a federal investigation</u> into alleged sex trafficking and abuse by Jeffrey Epstein. The disgraced financier, who died by suicide in 2019, had well-known connections to many in elite New York society, including Trump.

White House advisers dismissed Musk's comments about Trump and the Epstein files, saying the information has been public for a while, according to people familiar with the matter.

The Federal Bureau of Investigation and Justice Department didn't return requests for comment.

"This is an unfortunate episode from Elon, who is unhappy with the One Big Beautiful Bill because it does not include the policies he wanted," said White House press secretary Karoline Leavitt.

For months, Trump and Musk had enjoyed a marriage of convenience, and the White House granted the billionaire a long leash to express his opinions publicly as he worked to cut spending through his Department of Government Efficiency. The two men publicly praised each other, even as frustrations festered behind the scenes.

When Musk aired his initial criticisms of the tax and spending package, Trump held his tongue, hoping to maintain a strong relationship with the billionaire. But Musk's decision in recent days to ratchet up his attacks on the bill made their uneasy alliance unsustainable, according to people close to both men.

In the Oval Office on Thursday, Trump accused Musk of changing his tune on the legislation once he stepped down as a top White House adviser.

"I'm very disappointed because Elon knew the inner workings of this bill better than almost anybody sitting here," Trump said.

The president attributed Musk's frustrations to provisions in the legislation that repeal tax credits for electric vehicles. Tesla is one of the world's largest manufacturers of electric vehicles. "He only developed the problem because he knew we had to cut the EV mandate," Trump said. The president also said that Musk was angry about his decision to withdraw the nomination of a key Musk ally to lead the National Aeronautics and Space Administration.

Trump noted that Musk campaigned for him during the presidential campaign, but added, "I think I would have won Pennsylvania anyway." White House chief of staff Susie Wiles nodded her head vigorously as Trump spoke.

The speed with which the relationship between the two men has deteriorated has sent shock waves through the administration, with one stunned official calling the fast-unfolding events on Thursday unbelievable. Musk's attacks have also infuriated senior advisers to Trump, who have long been privately critical of the billionaire.

The Wall Street Journal reported on Wednesday that Trump <u>was losing patience</u> with Musk's sustained criticism of the legislation.

Musk started responding on X, his social-media platform, before Trump had even finished speaking.

"Without me, Trump would have lost the election, Dems would control the House and the Republicans would be 51-49 in the Senate," he wrote, adding, "such ingratitude."

Musk also indicated he was fine with the electric-vehicle provisions in the legislation, even if he considered them unfairly singled out—as long as Republicans "ditch the MOUNTAIN of DISGUSTING PORK in the bill," Musk wrote on X. He said the House

bill was "never shown to me even once" and was "passed in the dead of night so fast that almost no one in Congress could even read it!"

Later, Musk posted a poll on X asking his followers whether it was time to create a new political party that would better represent the majority of the country.

In response to a social-media post from a prominent conservative saying Republicans might have to choose sides between the two men, Musk wrote, "Oh and some food for thought as they ponder this question: Trump has 3.5 years left as President, but I will be around for 40+ years..."

Trump on Thursday suggested that Musk now suffers from what the president calls "Trump derangement syndrome," a phrase often used by Republicans to criticize Democrats and others who oppose the president.

"He's not the first," Trump said. "People leave my administration and they love us. And then at some point they miss it so badly. And some of them embrace it. Some of them actually become hostile. It's sort of Trump derangement syndrome."

Trump made clear that his relationship with Musk was in jeopardy after the billionaire's broadsides against the president's bill. "Elon and I had a great relationship. I don't know if we will anymore," Trump said.

On Thursday afternoon, hours after he made his Oval Office remarks about Musk, Trump wrote on Truth Social that the billionaire "just went CRAZY" after he learned about the tax legislation's provision ending tax credits for electric vehicles. In a separate post, Trump went further. "The easiest way to save money in our Budget, Billions and Billions of Dollars, is to terminate Elon's Governmental Subsidies and Contracts," he wrote.

Later on Thursday, Musk tweeted "yes" on a social-media post referencing impeaching Trump. "President vs Elon. Who wins? My money's on Elon. Trump should be impeached and JD Vance should replace him," one user <u>posted</u> on X, referring to the vice president. "Yes," Musk <u>replied</u>.

The trigger for the public falling out has been Musk's aggressive criticism of Trump's "one big, beautiful bill," which extends and expands tax cuts while also adding money for border enforcement and the military—partially offset by <u>reductions in spending on Medicaid</u>, food aid and clean-energy tax credits.

Musk's central complaint is that the bill further expands federal deficits, adding to America's debt burden. The House passed the GOP's multitrillion-dollar package by just one vote last month, and Musk is hoping he can strengthen the hand of critics in Congress who have raised similar objections and force a drastic rewrite of the measure. The Senate is now taking the bill up, aiming to make changes. Trump wants it on his desk by July 4.

Republicans have a 53-47 majority in the Senate, and so far two GOP lawmakers have expressed strong opposition to the current bill: Sens. Rand Paul of Kentucky and Ron Johnson of Wisconsin. But others—including Mike Lee of Utah and Rick Scott of Florida—have some reservations, while Sens. Lisa Murkowski of Alaska, Susan Collins of Maine and Josh Hawley of Missouri have problems with other parts of the bill. Just two more from that group would be enough to potentially sink the measure, though colleagues are skeptical that the holdouts would be willing to cross Trump when it comes to a vote.

Johnson said Musk's words were helping him make his case. "I think it has an effect—I think it helps bolster, certainly in my case, we have to address this," Johnson said Thursday when asked if Musk's remarks were making debt a more prominent focal point. "I'd rather not be the sand in the oyster, but I'm going to be the sand in the oyster."

Musk's push against the spending bill stands to cause Republicans voicing concern about increasing the nation's debt to get louder.

"Is this the moment where Republicans and everyone in the country start to understand the threat and the scale of financing this debt?" said Rep. David Schweikert, an Arizona Republican seen as vulnerable in the midterm elections next year. On the debt (and not the personal attacks), he said: "Musk is absolutely right."

According to a Congressional Budget Office estimate released Wednesday, the package would increase budget deficits by \$2.4 trillion over the next decade, compared with doing nothing.

In a meeting Wednesday afternoon with Senate Republicans revising the Senate bill, Trump and his aides worked to stamp out Musk's deficit claims, according to lawmakers in the room. The president insisted that trillions of new investments would flow into the U.S. and that funds raised through tariffs were already helping the U.S. financial picture.

Musk also came up in the meeting. "It was almost more of a laughing conversation for 30 seconds," said Sen. Roger Marshall (R., Kan.). "I think that's close enough. It was very much in jest and laughing."