In a dramatic turn that has captivated both political observers and the business world, former allies Donald Trump and Elon Musk have become embroiled in a very public feud. Once partners in policy and campaign strategy, the former President and the tech billionaire are now trading barbs across social media platforms, with their spat centered on Trump's controversial "Big Beautiful Act." As accusations fly and stock markets react, the fallout from this high-profile clash is sending shockwaves through Washington, Silicon Valley, and beyond—raising questions about the future of their influence and the broader implications for American politics and industry.

Context and Background

- Donald Trump, President of the United States, and Elon Musk, CEO of Tesla and SpaceX, were recently close allies. Musk even served as head of the Department of Government Efficiency (DOGE) in the Trump administration and provided significant financial backing for Trump's 2024 campaign.
- Their partnership began to unravel over disagreements about Trump's flagship domestic policy, the "Big Beautiful Act" (BBA), a sweeping tax-cut and spending bill that Musk publicly criticized for increasing the national debt and undermining his efficiency efforts.

Details of the Beautiful Bill

- The "Big Beautiful Act" (BBA) is a major Republican legislative initiative that delivers multi-million dollar tax cuts, increases government spending, and raises the national debt ceiling.
- The bill also reduces or eliminates tax credits for electric vehicles, directly impacting Tesla and Musk's business interests.
- Musk, who led efforts to cut government spending, argued the bill was counterproductive, calling it the "Big Ugly Spending Bill" and claiming it undermined fiscal responsibility.

What Has Transpired

- The feud erupted publicly in early June 2025, with Musk criticizing the bill on X (formerly Twitter) and Trump responding on Truth Social and in press briefings.
- Trump accused Musk of only objecting to the bill after losing influence in the administration and suggested Musk was suffering from “Trump derangement syndrome”.
- Musk fired back, claiming he was never shown the bill and that Trump’s statements were “such an obvious lie”.
- The spat escalated when Trump threatened to terminate Musk’s lucrative federal contracts, stating it would save “billions and billions of dollars” and expressing surprise that Biden hadn’t done so.
- Musk retaliated by suggesting Trump’s name appeared in the unreleased Jeffrey Epstein files, a highly charged accusation.
- The feud played out in real time across both men’s social media platforms, drawing public attention and causing “THE GIRLS ARE FIGHTING” to trend online.
- Tesla’s stock plummeted, losing as much as 14% and erasing $150 billion in market value in a single day, the largest drop in its history.

Implications

- The public breakdown of the Trump-Musk alliance has political and economic ramifications:
  - Trump’s threat to cut off government contracts could severely impact Musk’s companies, including Tesla and SpaceX.
  - Musk’s withdrawal of financial and political support could hurt Trump and the Republican Party, especially among Silicon Valley donors and moderate voters.
  - The feud has shaken investor confidence, as evidenced by the dramatic fall in Tesla’s stock price.
  - Musk’s call for a new centrist political party could further fragment the U.S. political

landscape.
- The exchange of personal and scandalous accusations has further polarized their respective supporters and the broader public discourse.

What to Expect Next

- Trump has indicated he will review and potentially terminate Musk's government contracts, a move that could have major business and political consequences.
- Musk's anger appears to be cooling, and some believe he may seek to repair the relationship, though no talks are currently planned.
- The Republican Party faces uncertainty about retaining Musk's support and campaign funding ahead of the 2026 midterms.
- Further leaks or revelations—such as Musk's threat to expose Trump in the Epstein files—could escalate the feud or force additional political fallout.
- Both men remain highly influential, and their next moves will be closely watched by investors, policymakers, and the public.

Current as on June 7, 2025