OPINION
THE EZRA KLEIN SHOW

Is Trump 'Detoxing' the Economy or Poisoning It?

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By Ezra Klein

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The New York Times

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In his first term, Donald Trump was often criticized for taking the stock market too seriously — for conflating Wall Street and Main Street. Say what you will about a second term, but I don't think you can make the same criticism.

In the last week or two, we've begun hearing something pretty new out of the Trump administration: They're prepared to push the economy into a period of pain, maybe even a period of recession, in order to achieve their economic goals.

So what are those goals?

In our episode with Kimberly Clausing from earlier this week, we looked at Trump's tariff policy. The tariffs don't make that much economic sense, because I think what they're pursuing is not best understood merely as economic policy. It is some mixture of economics, power politics and maybe more traditional patronage.

It's also not clear there is one framework for understanding Trump's economic strategy. But some people are trying to figure out what it might be.

My guest today is Gillian Tett. She's an economics columnist at the Financial Times and a member of its editorial board. Tett has always had a very interesting approach because she doesn't come at it just from the perspective of economics — she has a Ph.D. in anthropology, which I think is useful for understanding the Trump administration and geopolitics right now.

Ezra Klein: Gillian Tett, welcome to the show.

Gillian Tett: Delighted to be with you.

I think it's good to start here: Give me the best account you can of what Donald Trump's economics team thinks they are doing. What is the grand theory of the promised land on the other side of all this turbulence, disturbance, possibly even recession — as Donald Trump just said — that they are risking?

If you ask the team what they're doing, they will often revert to the slogan "Make America Great Again." And that's not just a meme — it's also a guiding vision.

What they think that means is that they want to do a big reset for the global trading, economic, financial, tech and military systems, and essentially ensure American supremacy and vibrancy for many years to come. The strategy to get there is really all about trying to move from what might be called a neoliberal mind-set, to move instead to what could be called a mercantilist mind-set or a hegemonic power mind-set.

That really is their vision for where they're going, and it affects how they see both trade and financial flows and tech.

What is a mercantilist hegemonic mind-set?

It's all about power and everything you should do will start with the recognition of who has power and who doesn't have power.

For them, it's really first and foremost about using every possible tool they can to bolster American power. The goal is to make America great again. The strategy is to reset the global financial and trading system. And the tactics are to use, essentially, threats, capricious and uncertain bullying, tariffs, military power — all of those as ways of getting leverage to achieve that.

You've written a couple of times about this idea that has begun circulating called the Mar-a-Lago Accord. What is this?

At the moment, we don't know exactly what the Mar-a-Lago Accord is.

I should stress that, because it's still being thrashed out, it hasn't been announced. It's possible it may never be announced. But very broadly speaking, what they're seeking to do with the Mar-a-Lago Accord are two potentially quite contradictory things.

On the one hand, they want to ensure that the dollar remains supreme as a global reserve currency and that the dollar-based financial system continues to dominate. And that's really important because when you look at what the source of American hegemonic power is today, it's not really manufacturing, because China has got a stranglehold in so many parts of the supply chain — it's actually the dollar-based financial system, which the American Federal Reserve and Treasury really do dominate.

So they want to stay dominant in that field. But at the same time, they also think that the dollar is overvalued by virtue of the fact that it is the world's reserve currency, which means that people keep buying dollars and so that pushes up the value. And that's made American manufacturing and industry less competitive and contributed to the hollowing out that they really don't like.

So their vision for trying to reconcile the fact they want to keep the dollar dominant but they also want to weaken its value is the so-called Mar-a-Lago Accord. It would essentially entail a number of countries coming together to agree to weaken the dollar and, in exchange, America offering some form of tariff relief, some form of military protection, being allies and potentially doing other things like maybe swapping long-term U.S. debt for other forms of debt.

It's extraordinarily bold. Who knows whether it will actually happen? Who knows whether America will actually be able to persuade or bully other countries to take part in this or not?

So it's all very uncertain, but it certainly represents a very dramatic break point from the type of intellectual consensus we've had driving policymaking in recent years.

You've heard the term "sanewashing," right? It's a criticism that The New York Times gets — that the way you report on things Donald Trump says makes them sound more sane than they really are.

Sometimes, as I've been hearing discussion of the Mar-a-Lago Accord emerge, I've been thinking about a similar idea of theorywashing — that there is an effort to take things that are gestural, instinctual, contradictory in Donald Trump, and then people come up behind him and say: Oh no, there was a theory to all this.

I can't tell if the Mar-a-Lago Accord is a real thing that anybody around him is trying to do or an effort by some people around him, and certainly some people on Wall Street who have briefs they want to send to clients, to try to say: There is a plan here. Don't be fooled by the chaos of putting on these tariffs, taking them off and getting in fights with Europe — we're really creating an effort to rebuild the alliance system.

And I guess maybe one reason I would say I'm very skeptical of it is that this would require a lot of multilateral cooperation with other countries inclined to work with us. They don't seem to me to be trying to cooperate with the other countries they would need to cooperate with to pull off a highly complex international financial reset.

The strategy about a wider reset of the global financial and trading system has actually been bubbling as a set of intellectual debates for a long time, well before Donald Trump actually won the election.

You can go back to almost a year ago and see the treasury secretary Scott Bessent giving speeches, talking about a new Bretton Woods moment and a Bretton Woods realignment. You can look at the papers and the work that people like Stephen Miran have been doing, which, again, predated the election.

So these ideas are not purely being slapped on post hoc. They have been there for quite a while. Does it add up to a consistent game plan? Categorically not.

Because right now, around Donald Trump, there are three potentially competing factions. Very roughly speaking, you have the national populists, headed by Steve Bannon and others — Peter Navarro and all of that group. You have the techno-libertarians, epitomized by Elon Musk. And then you have the parts of the congressional Republicans who are working with Trump, epitomized by Mike Johnson.

The factions are battling with each other — sometimes deliberately whipped up by Trump himself — and that creates a sense of chaos. You've also got the fact that I don't think Donald Trump himself understands the overarching vision that clearly much of the time.

But at the same time, you can't lose sight of the fact that there are people who do want to re-engineer the global financial and economic system, and they do have quite a coherent plan — in the sense that it does have a certain amount of internal logic. It absolutely might not make sense in terms of the economic worldview that has dominated in recent decades. And many, if not most, mainstream economists might say that, in fact, elements of it are either crazy or doomed to fail. But there is certainly some element of a new framework.

You mentioned the paper by Stephen Miran, who is now the chair of Donald Trump's Council of Economic Advisers — so I think a person worth taking seriously here. How would you describe the argument the paper makes?

First of all, it's a very dense paper. This is not at all a quick one-pager tossed off one night. It goes back to the point about there being a current of intellectual rethinking that we should take seriously.

The paper essentially argues that trade and financial flows and military power are intimately connected. They need to be viewed as a whole. And it points to the fundamental contradiction between America having this dollar as a dominant global reserve currency, which tends to strengthen it.

The contradiction is that they're using tariffs as a tactical move, which tends to strengthen the dollar, and the fact that they also think that the dollar is too strong and they want to weaken it. So in order to try to square that seemingly impossible circle, Miran suggests essentially trying to remake the way that countries cooperate with each other around financial flows.

He's also echoing an idea, which has been advanced by Scott Bessent, the treasury secretary, which is that essentially you should go out and divide countries — or ask countries how they want to divide themselves — into red, yellow and green buckets. The red are the foes of America. The green are the friends of America. And the yellow are the ones who are in some ways not aligned.

And essentially the green countries will come inside the system to cut deals and be free of terrorists and get military protection and be part of a Mar-a-Lago Accord. The red countries won't. And the orange ones or the yellow ones are up for grabs and can do all kinds of transactional deals.

So it's a vision very much based on hegemonic power of a sort that, frankly, we last saw in the 1930s.

As I understood the paper, Miran was making the big argument you're saying here. But he was also trying to say there is what he calls a narrow path.

The narrow path is that we put tariffs on countries. They do not retaliate. So then the currencies adjust in a way where the tariffed country ends up paying more because of what happened to their currency, and it doesn't really hurt us.

And then something-something-something — we get to the other side here. In that something-something-something — because, well, why wouldn't these countries put retaliatory tariffs on us? — then you get into the defense side of it, which is: We can withdraw our defense guarantees from them or we can incentivize them to not retaliate because they want to be part of our defense umbrella. So it's a way of sort of connecting the leverage of America's national security power with the leverage we want on economics.

I think there's a lot that's strange about this. The first thing is that we're already seeing retaliatory tariffs. Miran suggests in the paper that you don't want to begin with your friends — you want to begin with your enemies.

But we've begun with our friends. We've begun with Canada and Mexico. So to the extent that the only guy around Trump who has really tried to put down on paper what this whole play might look like — and even he said it was a very narrow path: I don't want to be too critical here, but it seems like a rough start.

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It is a rough start in many ways. They would probably say it's a deliberately rough start. But to go back to Miran's paper, one of the most haunting parts of the paper is the fact he says it is indeed a very narrow path to walk through to get to the supposed nirvana on the other side.

He doesn't really address the question of what happens if they fail to go through that narrow path and simply blow up the economy and global financial system. But those risks are very apparent.

And in terms of where they're going and implementing this vision, I can't stress strongly enough: We just don't know right now.

All we can do is watch what they're doing and recognize two potentially contradictory things: One is that it is chaotic because of these different factions. As much as some people around him might like to think they have a grandiose plan, actually implementing it is not grandiose or seamless whatsoever. Trump is not a McKinsey consultant with a spreadsheet and PowerPoint charts at all. A lot of it is done on the fly.

Second, there is an economic vision here that is radically different from what we're used to. But it's not the first time that we've had to face a big epistemological shift. If you think back over the last 200 years of economic history, before World War I, if you like, we had basically imperial economics.

We then moved to extreme protectionism between the two world wars. We then had the rise of Keynesianism, which took root. Then we had the rise of neoliberal economics. Now we're seeing something that, in some ways, is back to the future — going back to a type of mercantilism and hegemonic power structure. And we don't know where it's going to go next.

The one thing I'll say is that, as someone who trained as a cultural anthropologist, one thing you learn is that every single person assumes that the intellectual framework they grew up with and built their careers around is natural, normal, inevitable and should be universal. That's just the nature of being human. And everybody is wrong. Ideas change over time. They go in fashions or cycles, however you want to frame it.

So I've seen it firsthand that intellectual frameworks can shift over time and collapse. And we can't ever assume that the ideas we hold so dear — because we grew up with them, because we're all creatures of our own intellectual environments — are going to be universal and permanent.

Let me play with that for a minute and try to pit the cultural anthropologist side of you against the economic reporter side of you. Because I hear what you're saying: We've all grown up in this Keynesian and then neoliberal economic framework. There's now a challenger to that, and there's a tendency to understand that challenger as aberrant.

I think that is true. But the other way of thinking about this is: I'm fairly comfortable having an argument about Robert Lighthizer's trade theories or Scott Bessent's views about Bretton Woods. Stephen Miran got an economics Ph.D. at Harvard. We all know how to theorize. But I don't think Donald Trump does think about it like that.

I think Trump cares more about tribute than he cares about trade flows. I think the way he works in the world is relational, not highly analytical. If you look at how he treats different countries, he is interested in their affinity to him and what they will give him and the people around him, not a cold analysis of what is going to be strongest for the American industrial manufacturing base in the long term.

So I flip between these two interpretations of things: on the one hand, trying to squint and discern the outline of a new framework — and on the other, seeing a guy who I think just wants people to come and bring him presents and tell him he's great. And that "Make America Great Again" does not actually have anything to do with manufacturing bases — which I think is the output, in theory, of a lot of this — or the debt.

"Make America Great Again" has to do with how Donald Trump feels people are talking about him in the America he leads. And that, in the end, is going to decide what kinds of deals are allies are adversaries: Get with us.

And that is a cohesive framework. It's a framework that many clans and countries have been run on. It's just not one that gets taught in either the orthodox or heterodox side of an economics Ph.D. program.

You raise a very interesting point there. The neoliberal economic model was also fostered by extreme tunnel vision that basically just looked at numbers to describe the human experience and essentially assumed that human beings were really just economic individuals — profit-seeking, maximizing individuals, who were rational, operated consistently and independently from each other. And neoliberalism essentially assumed that the only things that mattered when you made economic models were the numbers; that companies could be captured entirely by their balance sheets, tracking profit and loss.

And anthropologists have been howling for decades, saying that, actually, economics — to quote Karl Polanyi, one of the great thinkers of the 20th century — economics is embedded in social relationships. You can't just look at economics in terms of numbers. You have to realize a whole concept of power and social fabric and cultural fabric, as well, to understand what drives human beings.

Pierre Bourdieu, the French intellectual, put out the idea that actually what defines power structures is not just controlling the economic capital, i.e. money, but also political capital, social capital and cultural capital. And one way to make sense of Donald Trump is that he does indeed want to control not just money but the political, cultural and social capital, as well.

He wants rituals that affirm his power in a very performative way. Much of the way he behaves has been borrowed from the world of wrestling, which was of course an arena where he shot to fame. And many of the cultural patterns, even down to the name-calling and the manufactured fake fighting have been taken into the way he conducts politics.

So I do think you're absolutely right. I think that certainly what's driving him is not what classic neoliberal economists would recognize at all. It doesn't mean, though, that there aren't people around him who don't actually also have an economic vision, and it also doesn't mean that they frame what they're doing partly to the language of economics.

You mentioned cultural power, and you mentioned World Wrestling Entertainment. Tyler Cowen, the economist and commentator, had a model of Donald Trump that I think about a lot. He basically says something that I think you alluded to, which is that Trump believes that everything is downstream of cultural power.

So Tyler writes: OK, so how might you fix the culture of America? You want to tell everyone that America comes first, that America should be more masculine and less soft, that we need to build, that we should own the libs.

So imagine you started a political revolution and asked a simple question: Does this policy change reinforce or overturn our basic cultural messages?

Every time the policy or policy debate pushes culture in what you think is the right direction, just do it. Do it in the view that the cultural factors will, over some time horizon, surpass everything else. Simply pass or announce or promise such policies. Do not worry about any other constraints. You don't even have to do them. You don't even need them all to be legal.

So what Tyler is saying here is that Trump, and maybe some of the people around him, operates on a very simple decision-making matrix. Does the thing he is doing feel like: America strong, America in charge?

If so, he does it. And sometimes he backs off a bit, but then he'll do it again. Because what he's really trying to do is implement a new cultural sense of America's strength and character, as embodied by him.

What do you think of that?

I think that's a very fair way of actually framing it. I wouldn't pretend to know exactly what's in the mind of Donald Trump.

I've met him a couple of times, and it seems to me, from the outside, that his confidence in his own instincts has shifted in this term from the previous term. His ability to execute on them is much more effective this time around than it was before.

But I do think he is primarily driven by the cultural meme of making America great again, in the sense of simply making it feel ascendant, dominant — and his being ascendant and dominant as part of that.

Back in 2016, when Trump was running against Hillary Clinton, I spent quite a lot of time thinking about the difference in their slogans and how they played into how the electorate was behaving.

What struck me at the time was that "Make America Great Again" is a tagline of movement and agency. It's a verb. It's action. And it basically throws down the gauntlet to everyone who hears about it to say: Yay, I want to join in and actually be part of that.

Which is very different from the meme that Hillary Clinton was using back then, which was "Stronger Together" or "I'm With Her," both of which are not phrases with verbs. They're quite passive.

And I think that making America great again is about a sense of movement. It's about a sense of agency. Standing with people. And it's a very ill-defined concept around what greatness means. It can be determined simply in terms of economic might, numbers, keeping the dollar strong and building the American industrial base. It can also be defined in terms of military power. Or you can have a moral component to it.

For many, many years, people outside America assumed that America's greatness was partly about moral values, which were collectivist, collaborative — the city on the shining hill, democracy.

But the vision that Donald Trump has been unleashing does not appear to be seen in that definition of greatness at all.

What do you make of the tension between the broad-based tariffs that Trump ran on in the campaign — 10 or 20 percent on all imported goods, maybe 60 percent on China — and what we've actually seen, which is something more volatile: Now they're on, now they're off, now they're delayed, now there's an exemption, etc. The tariffs are shimmering, and everybody understands that they're there to be negotiated over.

In the first, there's more economic friction, but at least all the corporations you want to have making long-term decisions to

relocate factories in America are actually proceeding with that. Because they're thinking about tariffs as a permanent thing.

So the second, you're able to negotiate more concessions, but you're also increasing the incentives for anybody to be making more investment decisions that increasing and rebalancing the industrial base rely on.

No one on the steady state tariffs, but we seem to be in the world of investment tariffs. How do you make sense of it?

Tariffs are a tax. Tariffs are a tax paid by you. Our is that they are just totally crushed themselves, and different factors are fighting, and that's why you get so much flip-flop of power, of policy.

The other way is that this is a deliberate strategy to destabilize opponents and the U.S. seems leverage because your opponents will never know what's coming next. They're terrified, and they're constantly adjusting their strategies and tactics.

I suspect, the most things, the truth lies somewhere in between. But the big gamble they're taking is that using these tactics to get to their strategy of reorganizing the financial system and trading system — and the overarching goal of making America great again — maybe will not trigger everyone else into retaliation.

But it's just as likely to terrify everyone else into finding alternatives to America. And that's, I think, the most discombobulated, if you a business, that you can't actually plan for anything, and the economy freezes up.

And what's very striking is that, in the early weeks of Trump's victory, there was this sense that animal spirits were being unleashed. And, well, we might just need to go through a period of chaos.

I've heard similar things from other economic policymakers around Asia. I've seen people argue that the economic policymakers around him think: Listen, you might need to give the economic team enough tariffs for a period of time in order to have the boom you want later. So I'm going to do that, but do it now, before I get into the election.

How do you see this?

I think you put your finger on what is potentially one of the most interesting questions of all right now.

If you're going to translate that into investment language, essentially, there has been an assumption until very recently that there was something of a Trump put in the stock market. And by that, I mean that if stocks begin to fall to a certain level, eventually Trump would change course and avoid policy measures to push them back up again.

We've had the "put" concept dominate in recent years. What's interesting is that, if that put is still there, it's very, very, very high — because it's clear that stocks, markets, are falling — and the fact that the Trump administration is essentially sitting on their hands can be interpreted as one or two things.

One way to interpret it is that they're just trying to make the best of a bad situation, and they're hoping that the stock market doesn't have a zero-day to hit and crash in the part of a third of getting repaid. And if their policies go wrong, then the pain was always part of the plan.

The other way to look at it is to argue: Well, actually, they did actually change course. The administration did, in fact, announce tariffs delays and something that they would cause massive disruption in the markets, and they're trying to get everyone to recognize that's simply unreliable.

There's a third potential explanation, which is that right now people like Scott Bessent and Stephen Miran are being given their heads by Trump and allowed to experiment. But at some point he's going to realize that the policies they're implementing are dramatically yet again, for under their scrutiny, the Trump put is actually still alive and well.

Once again, we just don't know. But I think anyone who assumes that Trump put is automatically going to stay in place, or is seemed to be during the first administration, is going to have a very nasty surprise this time.

Do you think Wall Street people you talk to sound today compared to how they sounded on November 6?

Pretty startled is a fair explanation of what they're saying. I know.

I think there was a feeling before Trump took office, in January, that everyone had kind of lived through the first Trump administration and it hadn't been as bad as people thought. In fact, in some ways, it had been quite good for parts of the economy. And that most of what Trump said in his domestic speeches couldn't be taken at face value. It shouldn't be taken seriously, but we didn't. Or the old saying.

So when documentary film Project 2025 were floating around, which appeared to lay out the MAGA agenda, when Trump said some really dramatic things on the campaign trail, there was a real feeling that, well, we've been through this before. It wasn't that serious. We'll survive. So, he'll not repeat, he'll deregulate a lot, it will be great for business, it will be fine.

And I should stress it wasn't just the Wall Street traders who were saying that. I think many other governments around the world tended to assume that, as well.

Late last year, when I spoke to people in Asia about what was likely to happen, I was saying, the Trump put is still there. It's still there. It's still there. It's still there. We'll just hunker down, wait for the market to tank and survive four years. It will be fine.

Trump has come in with a kind of disruption, which pretty stemmed from the fact that he's very deliberately using executive power this time, not Congress, to try to implement his agenda. He's appears to have people around him who have a very clear, coherent set of ideas about what they want to do with the economy and the disruption internally this time around because of people like Stephen Miran — which means he's actually looking more effective. And he's potentially backed up by the law courts.

All of that is creating a very different tense than the first administration that has finally shocked many people around the world.

What I hear from the Trump administration is that America has a huge amount of excess power that it has simply underutilized for a long setup. That America has been cutting bad deals — it has been weaker than it needs to be. And that ends now.

But then I look at what we are actually doing and what's happening. I'll give just one example. There's a great modeling that the trade war we are starting with China will hurt Canada much more than it will hurt the U.S. Canada is a country that we don't act on them. They are smaller than we are. So you might call Canada a test going to take it.

But of course, they didn't. Canadians have pride. They have their own sense of national identity. And Trump has served the Liberal Party in Canada with a gift of a new leader, Mark Carney, who was Trump's Governor of the Bank of Canada. Trump hates Justin Trudeau, who has been very unpopular. The expectation was that Canadian Conservatives were going to absolutely destroy.

That election hasn't happened yet, but Mark Carney was just elected as the leader of the Liberals. And since Trump has begun attacking Canada, threatening and then putting down these tariffs on Canada, Canadian polls have shifted dramatically in his favor and a defender of Canadian pride, the Liberals have made a huge comeback in the Canadian polls.

The Trump administration expects other countries will accept its tariffs. But what if they are wrong?

The point I'd make is that anyone who wants to understand what could happen over should watch the movie "Love Actually" — the movie that's set in London, in the run-up to Christmas. It's a romantic comedy and it's about a British prime minister, and the British prime minister and the British unexpectedly fight back.

Now I'm not saying that's going to be a particular outcome that's going to happen in Britain or anywhere else. But the law of unintended consequences right now is continuing.

To be a financial example: The sheer fact that America has been weaponizing its financial system, and its currency and its banking sector, is about to give its rivals a very strong incentive and security motive to imagine alternatives and hedge their bets. When I was in Asia recently, almost every single fund manager I spoke to was busy, very quietly, looking at ways of diversifying away from U.S. resources, even as they continued to buy them.

So there's a tremendous sense of fragility here, which is very different from what we were talking about strategically.

This is where questions like, What does it mean to put America first? What does "Make America Great" mean? What is America power based on? and, more importantly,

Because it's just not the case that the entire Washington consensus before Trump — which ranges from George W. Bush, all of course, Billy Bob Thornton was based on its "Love Actually" to Bill Clinton and Barack Obama — they were all interested in American hegemony.

Their view is that America was made stronger by being the dominant or strongest figure in these various global alliances and institutions. That meant and using the full extent of our power.

Because in the long run, if you use the full extent of your power to get better short-term deals or help people you don't like, eventually people will start to think that America is unreliable. They would turn from alliances. They would look for alternatives. And in long-term, it's a very stupid way of thinking about foreign policy.

When they think about what it means to make America great, do they underestimate force of power that come through alliance and cooperation and systemic *Power of power* **that look like America is dominant, and that's what's underpinning everything? Or other people want to be in and that we are the dominant power?**

It really boils down to the question of whether you think you need to act strike at carrots. They don't appear to believe in carrots at the moment, and using just sticks has limits.

Despite the fact that America appears to be trying to dampen down global trade by imposing of these tariffs, trade is continuing to rise and the rest of the world is actually trying to accommodate you trading more with each other.

You could also look at the fact that America has spent the last few years trying to kill the Chinese semiconductor industry by refusing to sell all kinds of semiconductor technology. And what that has done is essentially encouraged China to become even more self-sufficient, even faster, in semiconductors.

The Trump administration is almost losing some of its leverage, precisely because it used a stick so aggressively. So that's one of the big dangers. And I don't think people fully recognize that.

When you sit with people like Peter Navarro, do they talk about balancing this and? Or do they just see an unending history of America being ripped off?

China has been pretty steadfast in saying that they are willing to take the pain, and they don't want to negotiate.

Their spokesperson sent out a message on X that was very resolute in this perspective. And when I read it, I wondered if they didn't see this as signaling to the rest of the world. If you wend some unlovely, if you want someone to hide behind who will stand up to the U.S, you can work with us.

I was curious how you read that.

I think that China, like America, is all about transactional deals, not ideology. They think that to cut transactional deals with the United States, they need to be seen as a transactional dealmaking and to bolster their own power, they probably would like to gather together other countries under their wing. And yes, we probably will see reactions.

The framework that I see when I look at that is a framework where, in the past, the United States was dominant, and it was able to use trade and investment flows, and, in recent years, tech, cybersecurity, capital wars — the movement of money — and showing arms.

We already have trade wars and tech wars and cybersecurity. We're starting to tipsy around the edge of capital wars. I hope to heaven we don't get anywhere near a shooting war, but right now, everything is on the table, and it's very difficult to see what escalating. And that's pretty alarming all around.

When you look at Donald Trump in this and you think about the way that other countries have begun to perceive him — you've talked about how he's underestimated by many other leaders and what, say, the leader of Vietnam is attempting.

I see that as relevant all the way down: He would love to have Vietnam as a partner, but Vietnam is a very small country with people in American politics. He expands very strongly on power and attack.

I think you see many billionaires and tech leaders in the U.S. realize: Well, if I'm going to be president again, we have to play by his rules, and we have to make sure we're on his side. We have to kiss up and do what he thinks should be done.

What does it mean to have so many players theoretically, internationally performing critical? What are the possible benefits of that in the sense of their trying to carry more force? What are the costs of it?

Much of what we thought was normal in the mid- to late-20th century is being ripped up.

And we're going back to not just the early 20th century in economic policy but almost pre-industrial revolution, in terms of these precisely power scenarios and tribunes and things.

The Trump administration is very, very, very, very, very all about personal relationships and power, in fact it can be capricious. It can be unpredictable. It means people don't have the confidence to plan properly. It can be obviously quite costly. And it reminiscence a lot of corruption and general malpractice between

Insofar as their benefits, well, if you're being very cynical and transactional, some countries and some business leaders today will benefit. If you're a big tech company, you may be willing to try to give him a carrot, give him a few gigadollars, trouble his sandy chip him a bit, then it's fine. We'll get the government off our back, and we can do whatever we want.

So from a cynical perspective, some people would say: Actually it's fine. It's fine for us. But that's actually not a very sustainable way of doing things.

It can be more accurate, we live in an hour-based system, not a chatter-based system. And essentially, we're back to a world where that looks more like tribal leadership in Afghanistan.

There's been a lot of attention on the stock market, but something you've argued in different volumes is we should be paying particular attention to the bond market. Why and what are we looking for?

The bond market is very much ways a much more important place than the stock market. Because although the stock market could be a barometer of success in the eyes of Donald Trump, the bond market is where the critical lifeblood for the American body politic and economy actually rests.

America's debt is exploding. $30 trillion and counting. And that's becoming more and more costly. The cost of servicing a debt, paying the interest, is higher than the defense budget.

So you take that all together, and it's a challenging situation. If you look at the bond market, it's very, very, very sensitive to inflation and risk — which makes bonds less attractive — if you chuck in the fact that the debt keeps going up and up and will keep going up and up, and that the Congressional Budget Office and Federal Reserve's independence is being undermined by what Donald Trump says — which could potentially create more inflation and cause markets to lose confidence. That is not a good combination of factors to have when you want to sell lots and lots of bonds — or all.

And that, they're going to power away with it. Fine. In fact, the bond market is very, very, very, very,

So that's the idea of floating around. Maybe it would work with Japan. Maybe it will work with a few other smaller countries. It won't work with hedge funds, I'm sure. And it won't work with many other countries, either.

You brought up the idea of a detox period that the economy will need to go through — of economic pain caused by the tariffs and uncertainty. Maybe it will be a recession. Maybe it will be higher inflation or just higher prices.

But obviously the metaphor of the detox is that, on the other side, you have broken your addiction to something. You are stronger and healthier. And the pain was to reduce the toxin.

Do you buy it? If we have this recession, if they go through with all this, do you buy that there is something better for the economy on the other side? And if so, what is it?

When I listen to them with my anthropology hat on, trying to put myself into their mind and absorb their worldview without judgment, which is what anthropologists are trained to do, what I hear is a belief that if they can detox the American economy, wean it off its addiction to debt and to excessively large quantities of cheap imports, and wean it off its addiction to financialization — meaning that the economy is driven by excess money rather than actually making genuine things — you'll end up with an economy that is more focused on industry, more self-sufficient, more focused on creating good jobs for working-class people and essentially stronger, dominant and less at risk of being disrupted by potential foes who might control parts of the supply chain, like China.

That sort of seems to be their vision. Do I buy it? Personally, with my nonanthropologist hat on, speaking as an economic journalist, I find it very hard to believe that it's going to work without major disruption and big bumps along the way at best.

And the vision of brutal power politics, hegemonic power, trampling on the weak, trampling on your foes, I find very distasteful.

As someone who also spends a lot of time thinking about economic history and is head of King's College, in Cambridge, which was where John Maynard Keynes was based, I'm also haunted by the fact that in 1919, after World War I, Keynes wrote a haunting pamphlet called "The Economic Consequences of the Peace," in which he pointed out that globalization pre-World War I had been very good for people — so had free markets and the free movement of people and innovation — and that had delivered a huge economic boom.

That was obviously disrupted after World War I. But after World War I, the governments had a choice: They could either go back to globalization, free-market capitalism and some element of collaboration — or they could go down the path of revenge politics and punitive policies that tried to essentially hurt other countries. Keynes begged them to go down the first path, and warned that if they went down the second, it would simply stoke up more hatred and lead to World War II.

Unfortunately, his pleas were ignored, and we actually ushered in the 1930s, which was all about revenge politics — with disastrous consequences.

So when I look at the revenge politics and the punitive measures and the beggar-thy-neighbor approaches being endorsed by the Trump regime, I think we're back to the beginning of the 1930s. And it terrifies me.

I think that's a good place to end. Always our final question: What are three books you'd recommend to the audience?

I'm going to recommend books that I think are outside the mainstream because I think it's worth looking at history and anthropology right now.

The first one I'd recommend is Albert Hirschman's "National Power and the Structure of Foreign Trade," from 1945, which is something that has gone completely out of fashion in recent years but sheds a lot of light on where we are today.

I would recommend John Maynard Keynes' "The Economic Consequences of the Peace." Just read the first third — the last two-thirds are not worth reading. But I mention those two books because they are economic tracks, history tracks, that I think probably most of the audience haven't read but should definitely dust off again now.

And I'd recommend David Graeber's "Debt: The First 5,000 Years," which looks at what you do with debt systems from a very long-term perspective and makes a point about the fact that debt is always about power. Default has happened in many forms, many times, and no one can assume that any empire or powerful regime will last forever.

So I'm also going to do something unusual here and ask you for a book recommendation. As somebody who has merged economics and anthropology, if you want to understand patronage-based systems, tribute-based systems, this kind of performative tribute you're talking about, is there a work of anthropology that comes to mind for you?

If you want to get a very quick take on what anthropology is, there's a book by Matthew Engelke called "How to Think Like an Anthropologist" that summarizes some of the key ideas in anthropology. There's a wonderful section about different power structures and the concept of honor and shame and how that can play out in different cultures. It's very relevant to today.

Gillian Tett, thank you very much.

Thank you very much, indeed. It's always a great pleasure, both reading you and listening to you.

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