

Funding the Future

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As the FT [notes in an editorial today](#) when discussing Trump's new tariff plans:

Corporate America has shown its resilience by confounding the gloomiest forecasts so far, and Trump might once again chicken out. But the heightened uncertainty alone is enough reason for investors to exercise caution. A correction from current heights would be painful: stock markets are heavily concentrated and the share of household assets held in equities is also near a historic high. Right now, US stocks appear priced for the most optimistic of outcomes. With a capricious leader in the White House, that looks more like blind faith than rational thinking.

I have, of course, been saying so for some time, and put out this YouTube short video on the subject last night. The video also went on TikTok, Instagram and Twitter (X):

https://youtube.com/shorts/DKQIY2jQQTg?si=9rp_ne-a7pqTahZO

The transcript is:

Is Trump going to chicken out again?

The question is a real one at this moment because as many of us will know, Trump is now threatening new tariffs on many countries around the world, and this last weekend he said he was going to put 30% on Mexico and 30% on the EU, figures that he last talked about doing in April, when he famously chickened out, which is why we got the phrase TACO - 'Trump Always Chickens Out.

Will he TACO this time?

Will he actually back down again?

We don't know. But the time between now and the 1st of August, when supposedly these measures are going to come into place, is a long time in Trump's world. We can sort of hope that somehow or other, he might back down again.

But the reality is that this time, he must know something else. You can back down once because you say you're going to negotiate. But when that negotiation appears to be making progress and you threaten and impose a tariff again, and you back down once more, you really do look like a chicken.

And can Donald Trump afford to look like a chicken? Or will he, this time, to keep his base happy, go ahead with these tariffs?

The result will be economic mayhem.

Let's not beat around the bush here.

There'll be less world trade.

There'll be inflation in the USA.

There'll be rising interest rates in the USA.

Those two things, inflation and high interest rates, will be exported around the world.

We know that will have massive impact upon developing countries.

It will have impact here in the UK and elsewhere because we can ill afford those things again.

There will be less employment.

There will be less investment.

There will be recessions.

There could even be depression.

And all because one man has been stupid enough to threaten to impose totally unnecessary tariffs once, and now he is threatening to do so again, and is highly unlikely to chicken out this time round.

The consequences for us all will be dire.