

Economic incoherence

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As the [FT notes in a newsletter](#) this morning:

The US has slapped tariffs on imports of gold bars, in sharp contrast to industry expectations of an exemption to US President Donald Trump's countrywide levies. The Customs Border Protection agency's ruling threatens to upend the global bullion market and deal [a fresh blow to Switzerland](#), the world's largest refining hub.

Trump has done many strange things in the past six months, and this is another such thing.

It is hard to see what Trump is trying to do in this particular case, unless it is based on a desire to escalate his fight with Switzerland.

As Trump must know, many countries hold part of their financial reserves in gold, and many of them hold part of those reserves in the USA, for supposed safekeeping. How this new policy will interact with this reality is hard to say.

Trump must also be aware that in times of financial crisis, people buy gold, which is described as a safe-haven asset, although that is an almost meaningless description. So what is he trying to do in that case? Is he trying to restrict the supply of such assets? Is he trying to force people into crypto instead? Is he, well, just is he whatever else, because to be candid, I have no real comprehension of his logic at this point.

For the [second time this morning](#), I have to talk about economic incoherence on the part of those who are supposedly in charge of our economies. It is becoming widespread. You could almost call it an epidemic. The fear is it might be contagious. The reality is that the economic common sense that is the vaccine against its spread is in very limited supply. The consequence is that we need to be worried. There is no other position to take.