



Trump set to shackle US economy to failing AI industry

## Description

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Donald Trump looking tired on Air Force One

As we reported on 4 June, [the AI bubble is inching ever closer to being popped](#) It may survive another week, however, because US president Donald Trump is talking about bailing out these failing AI companies:

This is the most dangerous, anti-democratic thing he's done yet.

He's using the federal government as a backstop to the greatest fraud of all time: the AI bubble, including the absurd IPOs of SpaceX, OpenAI & Anthropic.

He will turn a crash into a depression. <https://t.co/XOpvoLxjjW>

â?? Jim Stewartson, Decelerationist   (@jimstewartson) [June 6, 2026](#)

It's a move which runs the risk of shackling the US economy to the most expensive deadend in technological history.

## Trump â?? Crash and burn

The latest issue for companies like OpenAI and Anthropic is that they've had to change their business model. These companies are looking to go public, which means they'll have to give investors a better look at their underlying financials. This was a worry, because said companies have grossly under-charged their customers to try and get them hooked on AI.

Since increasing their prices, however, customers have been forced to analyse the benefits they're getting from this suddenly expensive technology, and the answer has been *"none whatsoever"* or *"we're not even sure"*.

This has created a situation in which CEOs have had to compare hard-to-quantify benefits against suddenly astronomical charges:

NEW: AI consultant reveals a client accidentally spent \$500,000,000.00 in a single month after failing to set employee limits on Claude usage.

Polymarket (@Polymarket) [May 28, 2026](#)

NEW: Uber is reportedly capping employee use of AI vibe-coding tools at \$1,500 per month after blowing through \$100 million.

Polymarket (@Polymarket) [June 2, 2026](#)

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Clearly, AI CEOs like Sam Altman hoped:

- They could jack up the prices.
- Businesses would absorb the costs.
- They'd be able to show investors a path towards mega-profits.

That didn't happen, so now they're having to act like they don't know what's going on:

Sam Altman said AI budgeting has recently become a "huge issue" for some companies, something that "never came up" earlier this year. <https://t.co/P2zODBNmDp>

Business Insider (@BusinessInsider) [June 3, 2026](#)

If you're unfamiliar with AI beyond the noise, it's important to remember that the technology we're discussing *"generative AI"* has failed to live up to the hype. Billionaire tech bros claimed they were on the verge of creating a digital god, and a compliant and un-curious media obediently repeated this nonsense.

### Statistician Dr Kareem Carr summarised the issues with AI

It's not that AI can't be used to do knowledge work. It's that it's wildly unreliable in bizarre and incomprehensible ways. Things you'd never think it could be possible to

mess up are the things that it messes up.

Like you ask it download some data and do an analysis, and instead it just completely fabricates a fictional dataset for no reason, and gives you results based on that.

Fine if you catch it, but potentially career-ending if you don't.

It inserts its own ideas without telling you. It deletes critical paragraphs.

These actions would be psychopathic in a colleague, but we're just supposed to accept it because it's a machine.

## The path to profitability

Bugs and faults are one thing, but the truly important thing for our business overlords is that this tech isn't increasing profitability. If anything, it's achieving the opposite effect:

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'The free lunch is over. Google says demand is up sevenfold over the past year. But now the real cost of AI is finally beginning to emerge. The consequences are cataclysmic' I Writes [@AndrewOrlowski](#)

'The AI bubble will burst, and how that will happen is becoming a reality'  
[pic.twitter.com/B0Ke5iJ86f](https://pic.twitter.com/B0Ke5iJ86f)

â?? The Telegraph (@Telegraph) [June 1, 2026](#)

Massive output uptick due to agentic AI. Complete flat adoption. [pic.twitter.com/s6ubPsy0SL](https://pic.twitter.com/s6ubPsy0SL)

â?? Jen Zhu (@jenzhuscott) [June 5, 2026](#)

CEOs went all-in on AI because it sounded impressive, and the job of a CEO is to sound impressive. The reality is none of these people knew what they were doing, and now that AI is shown to be a curse on profitability, they're going to drop AI as fast as they can.

And now we get to Trump.

Speaking on Air Force One, [the president said](#)

There's a concept out there, there's so much money, and it's so big that there are concepts where pieces could be given to the American public, where the American public essentially becomes a partner with the companies.

There's certainly been a lot of money invested, [but the AI companies receiving it have failed to turn a profit](#). And this was true even before they started shedding customers for being too expensive.

Trump added:

There's something very interesting about it, where it almost becomes a partnership with the American public. We'll look into that. We are looking. I actually have a meeting scheduled with all of the companies. And we're talking about it where the American people can benefit from the success of AI. And by doing that, they're going to like it better. Which companies? All of them. All the big ones, yeah! They're all coming to the White House, probably next week.

We talk about [nationalising key utilities](#) all the time; we don't talk about nationalising AI, because it's a novelty technology which is primarily useful for generating images of SpongeBob SquarePants doing crime:

lol!

Someone used AI to make a SpongeBob GTA

Childhood just entered chaos mode 😂 [pic.twitter.com/e6oALb0Dj6](https://pic.twitter.com/e6oALb0Dj6)

?? Jamie Gledhill (@gledhill\_scales) [May 31, 2026](#)

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## Bailonomics

What Trump is proposing isn't nationalisation; it's a bailout.

It's easy to see why the AI companies would want backing from the US government, given that they're trying to make themselves look stable in the runup to going public. It's less easy to see why the US public would want to own shares in an industry which could be worth nothing 12 months from now.

The thing to bear in mind is that Trump is surrounded by figures who stand to profit from AI going public, including [Elon Musk](#) and [David Sacks](#). In other words, it looks very much like Trump is going to use the power of the White House to bail out his rich buddies.

Featured image via [Samuel Corum \(Getty Images\)](#)

By [Willem Moore](#)

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