Starting last Thursday, automobile manufacturers once again began presenting their newest attractions. But this year, the executives are having a more difficult time than usual in exuding confidence. It's not that their bottom lines are in bad shape; on the contrary. It's not that they are weighed down by the ongoing diesel scandal; they've more or less become used to that. Rather, their collective mood was crushed by just a few words pecked out on the screen of the mobile phone of the most powerful man in the world.

On March 3, U.S. President Donald Trump announced on Twitter that he would be slapping a punitive tariff on automobiles "which freely pour into the U.S.," as he complained. Prior to that, Trump had announced that he intended to introduce a 25-percent import tariff on steel and 10 percent on aluminum -- and signed the corresponding executive order last Thursday. It was a move that threw a significant share of the automobile and metal industries into turmoil.

If Trump also fulfills his threat against foreign carmakers, it would be a painful blow to German producers, particularly Porsche. The VW subsidiary is heavily dependent on sales in the United States, with every fourth vehicle sold in America. Were tariffs introduced, Porsche would likely be forced to raise its prices and risk taking a hit on sales.

Suddenly, automobile executives find themselves facing a challenge that they've only ever read about in history books: the dangers of protectionism of the kind that can lead to a global trade war. "For decades, we grew up with the certainty that free trade and free markets increase prosperity," says Matthias Müller, CEO of Volkswagen. "Suddenly, this certainty is being questioned."

**'We Can Also Do Stupid'**

Trump caused a bit of a ruckus with similar comments a year ago, shortly after his inauguration. In response, a delegation of German business leaders under the leadership of Chancellor Angela Merkel traveled to Washington to pay their respects to the new White House resident and make sure he understood that BMW, for example, produces more vehicles in the United States than it exports to the country from elsewhere. And it quickly seemed as though the threat had passed. Now, however, it has become clear that the mission wasn't successful after all. Trump is now ready to pull the trigger and appeals to logic are a waste of breath.

Europeans, Asians and quite a few Americans as well are now facing the stunning realization that the U.S. president adheres to a ludicrous set of beliefs. "Trade wars are good, and easy to win," Trump wrote on Twitter to a dumbfounded public. In the face of such voodoo economics, even the old Wall Street trope "greed is good" hardly seems objectionable.

The EU chose not to sit on its hands. In response to Trump's tariff plans, European Commission President Jean-Claude Juncker threatened retaliation, saying "we can also do stupid." His list of products that could be slapped with tariffs includes jeans, cosmetics, motorcycles, orange juice, whiskey and corn. The collective value of the products adds up to around 2.8 billion euros, with the tariff potentially being as high as 25 percent.