



Apple's Issue With EU Order to Pay \$14.5B Tax to Ireland Is About Sovereignty

Apple's CEO Tim Cook [sharply criticized](#) the European Commission's Thursday ruling that his company must pay \$14.5 billion in taxes to Ireland for what it said were illegal tax breaks. Cook explained that as the world's largest company his is also the world's largest taxpayer. He reminded his customers that Steve Jobs rescued the town of Cork, Ireland, from a failing economy when he opened an Apple factory there in 1980:



iPhone SE
A big step for small.

[Since then Apple] has helped created and sustain more than 1.5 million jobs across Europe — jobs at Apple, jobs for hundreds of thousands of creative app developers who thrive on the App Store, and jobs with manufacturers and other suppliers....

As responsible corporate citizens, we are also proud of our contributions to local economies across Europe, and to communities everywhere. As our business has grown over the years, we have become the largest taxpayer in Ireland, the largest taxpayer in the United States, and the largest taxpayer in the world.

Cook came close to revealing the core issue involved: whether the rule of law remains intact, or whether unelected bureaucrats with a socialist agenda will rewrite them:

The European Commission has launched an effort to rewrite Apple's history in Europe, ignore Ireland's tax laws and upend the international tax system in the process. The opinion issued on August 30th alleges that Ireland gave Apple a special deal on our taxes. This claim has no basis in fact or in law. We never asked for, nor did we receive, any special deals.

We now find ourselves in the unusual position of being ordered to retroactively pay additional taxes to a government that says we don't owe them any more than we've already paid.

If the ruling, which both Apple and Ireland have promised to appeal, is allowed to stand, Cook said that "every company in Ireland and across Europe is suddenly at risk of being subjected to taxes under laws that never existed."

Cook got support from expected sources, and from some unusual ones as well. House Speaker Paul Ryan said, "This decision is awful. Slamming a company with a giant tax bill — years after the fact — sends exactly the wrong message to job creators.... It's also in direct violation of many European countries' treaty obligations.... Above all, this is yet another reason why we need to fix our tax code."

Michael Noonan, Ireland's finance minister, declared, "I disagree profoundly with the commission's decision. Our tax system is founded upon the strict application of the law, as enacted by [parliament], without exception."

Surprisingly, Cook received support from the U.S. Department of the Treasury, at least for the moment. An official declared in a statement, "The commission's actions could threaten to undermine foreign



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investment, the business climate in Europe, and the important spirit of economic partnership between the US and the EU.”

Missing from any of these protestations is mention of the fact that the commissar in charge of eliminating competition among companies in the world, Margarethe Vestager, is a lifelong politician with a socialist agenda who was appointed, not elected, to her current position as the European Commissioner for Violation of EU Treaties. Nothing was mentioned about the fact that Apple is just the latest, albeit the largest, target for Vestager. Since being appointed to her present position in August 2014, Vestager has made life a living hell for Google, Fiat, Starbucks, Anheuser-Busch InBev, and Amazon, investigating them for violating rules developed and imposed by her commission.

Nothing was said about her membership in the Trilateral Commission, whose agenda has from the beginning been all about obliterating national sovereignty in preparation for a New World Order.

Nothing was mentioned about her agenda as she expressed it in the *New York Times*: “We need a change in corporate philosophies and the right legislation to address loopholes and ensure transparency.”

It was that “transparency,” enforced under the Foreign Account Tax Compliance Act (FATCA), which was buried in an innocuous jobs bill signed into law by President Obama in 2010, that allowed Vestager access to all the financial information needed to investigate those companies. That gave her all the ammunition she needed to decide, on her own, just what laws needed to be ignored and what new regulations were needed to rein in the companies’ efforts to reduce their tax bills. Alex Newman, writing for *The New American*, called FATCA “the worst tax law you’ve never heard about,” and “an attempt to turn every foreign government and financial institution on the planet into extensions of the U.S. tax regime.”

On this, the *New York Times* agreed: “The emergence of previously confidential information about Apple’s tax arrangements, in part, helped spark [Vestager’s] own investigation into the issue.”

At issue isn’t what appears on the surface: that Apple used existing law to reduce legally its tax burden, just as U.S. District Court Judge Learned Hand proclaimed in 1935:

Anyone may arrange his affairs so that his taxes shall be as low as possible; he is not bound to choose that pattern which best pays the treasury. There is not even a patriotic duty to increase one’s taxes.

Over and over again the Courts have said that there is nothing sinister in so arranging affairs as to keep taxes as low as possible. Everyone does it, rich and poor alike and all do right, for nobody owes any public duty to pay more than the law demands.

The issue isn’t about whether Apple owes \$15 billion in back taxes to Ireland. That issue will be eventually resolved in in court. What’s really at issue, and missing from nearly every public utterance on the matter, is “who makes the rules?” Who decides? Does national sovereignty have any say in the matter in the brave new world being foisted upon the citizens of the planet?

Cook was right when he wrote:

The Commission’s move is unprecedented and it has serious, wide-reaching implications. It is effectively proposing to replace Irish tax laws with a view of what the Commission thinks the law should have been. This would strike a devastating blow to the sovereignty of EU member states over their own tax matters, and to the principle of certainty of law in Europe.



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