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The EU against Apple: a shot heard 'round the world?

“Europe’s Competition Directorate commands the shock troops of the EU power structure. Enconced in its fortress at Place Madou, it can dispatch SWAT teams on corporate dawn raids across Europe without a search warrant. It operates outside the normal judicial control that we take for granted in a developed democracy. The US Justice Department could never dream of acting in such a fashion. Known as ‘DG Comp’, it acts as judge, jury, and executioner, and can in effect impose fines large enough to constitute criminal sanctions, but without the due process protection of criminal law. It misused evidence so badly in pursuit of the US chipmaker Intel that the company alleged a violation of human rights.”

Ambrose Evans-Pritchard, Business Writer for Britain’s *Telegraph*

By far the most important news this week was the EU’s order to the Government of Ireland to collect \$13 billion in “back taxes” from Apple. It captured, in one awful headline, why the European economy has been so sick for so long (averaging annual “growth” of around ½ of 1% per year), and why the winds of change fanned by Britain’s amazing vote to get out of the EU just might blow down the walls holding European growth in prison . . . in a while.

Mr. Evans-Pritchard explains the nature of the EU’s “Competition Directorate” above. It’s remarkable that the EU so often uses words—“Directorate”—which actually mean exactly what they sound like: “Dictatorship.” Dictatorships are unelected power-holders accountable to nobody, which regardless of a few hair-splitting distinctions, is the essence of what the EU and its Brussels-based bureaucracy really are. The British people experienced enough life-regulating orders from Brussels, over the past 15 years, to reach the stage of being bloody well fed up, as they would put it. People do not need advanced degrees or white-collar jobs to know when they’re being ordered around, and the so-called “common people” of Britain voted to end it, and regain their nation’s freedom.

There are, and will always be, crowds of experts and sophisticated commentators who will scoff at that kind of statement, asserting that Brexit was merely the result of a lot of ignorant voters fooled by inflammatory lies. It’s hard to resist an allusion to history here: the reason for America’s “Brexit” 240 years ago. A great many histories of the Revolution, written, naturally, by eminent scholars, tell us that America had no real grievance against Britain in 1776. It was a case of a few Boston shipping and trading firms chasing higher profits by inflaming the masses against Britain, with the goal of getting out from under Britain’s restrictions on American trade. But a few years ago one historian wrote a book which tracked the countless ways, throughout the existence of the Colonies, in which Britain had oppressed common people in America: from seizing private property to quarter soldiers, to seizing American citizens to man the British Navy—and many more, from trivial to outrageous. By 1776 a great many “ordinary” people were fed up, as people tend to become after enduring oppressions for a long time. It’s remarkable how many “eminent scholars” of the American Revolution ignore this background, just as today’s eminent scholars ignored the feelings of the Brexit voters . . . and, just possibly, how they are ignoring similar feelings among Europe’s voters.

Apple employs 6000 people in Ireland, whose economy (despite a hammering during and after the 2008 – 2009 Calamity) has been one of the strongest in Europe—and even the world. It’s been strong because Ireland embraced low business taxes and a business-friendly political environment—the very opposite of the EU’s notion that business is inherently evil, and requires heavy supervision and taxation from an all-powerful bureaucracy of experts. The EU, in the midst of enduring economic stagnation, is making it clear

that its solution is to squeeze more blood from the business rock, hence this latest of a long series of anti-American-business grabs for cash—unsupported by evidence or the rule of law, according to everyone from Apple’s Tim Cook to a surprisingly big (and vocal) crowd of European politicians, journalists and economists . . . and even by the U.S. Treasury, which hasn’t exactly acted like a Friend of Business, these past 8 years.

There are a growing number of countries and political leaders in Europe who are doing and saying things—in favor of lower taxation and regulation—which nobody stood up for, 10 years ago. Elections are due, next year, in Germany and France, and the tide of political talk is not aimed toward Bigger Government, but (though mildly, so far) toward Smaller Government. An endless leadership struggle is going on right now, in Spain, between those two directions. And, in the other interesting headline of the week, Brazil’s Rouseff is impeached and out of office, replaced by the first genuine “smaller government” man in Brazil in a very long time.

It would be a plain mistake to say, “Ah, the winds of European change are there, blowing away economic stagnation at last.” So far they aren’t “winds,” but mild breezes. But they are coming from a different direction, all the same—from over where “Hope” lives.

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