

Jack Mintz for the Cato Institute using World Bank data finds that the effective combined U.S. federal and state tax rate on new capital investment, taking into account all credits and deductions, is 35%. The OECD average is 19.5% and the world average is 18%.

We've made this case hundreds of times on this page, but perhaps Mr. Obama will listen to his own economic advisory panel. Paul Volcker led this handpicked White House tax reform panel whose recent report concluded that "The growing gap between the U.S. corporate tax rate and the corporate tax rates of most other countries generates incentives for U.S. corporations to shift income and operations to foreign locations with lower corporate tax rates to avoid U.S. rates."

As nations around the world have cut their rates, the report warns, "these incentives [to leave the U.S.] have become stronger." Companies make investment decisions for a variety of reasons, including tax rates. But as long as the U.S. corporate tax is more than 50% higher than it is elsewhere, companies will invest in other countries all other things being equal. One Volcker recommendation is to lower the corporate rate to closer to the international average, which would "reduce the incentives of U.S. companies to shift profits to lower-tax jurisdictions abroad."

Mr. Obama believes that by increasing the U.S. tax on overseas profits, some companies may be less likely to invest abroad in the first place. In some cases that will be true. But the more frequent result will be that U.S. companies lose business to foreign rivals, U.S. firms are bought by tax-advantaged foreign companies, and some U.S. multinational firms move their headquarters overseas. They can move to Ireland (where the corporate tax rate is 12.5%) or Germany or Taiwan, or dozens of countries with less hostile tax climates.

We know this will happen because we've seen it before. The 1986 tax reform abolished deferral of foreign shipping income earned by U.S. controlled firms. No other country taxed foreign shipping income. Did this lead to more business for U.S. shippers? Precisely the opposite.

According to a 2007 study in Tax Notes by former Joint Committee on Taxation director Ken Kies, "Over the 1985-2004 period, the U.S.-flag fleet declined from 737 to 412 vessels, causing U.S.-flag shipping capacity, measured in deadweight tonnage, to drop by more than 50%."

Mr. Kies explains that "much of the decline was attributable to the acquisition of U.S.-based shipping companies by foreign competitors not subject to tax on their shipping income." Mr. Kies concludes that the experiment was "a real disaster for U.S. shipping" and that the debate over whether U.S. companies can compete in a global market facing much higher tax rates than their competitors was answered "with a vengeance."

Now the White House wants to repeat this experience with all U.S. companies. Two industries that would be most harmed would be financial services and technology, and their emphasis on human capital makes them especially able to pack up and move their operations abroad. CEO Steve Ballmer has warned that if the President's plan is enacted, Microsoft would move facilities and jobs out of the U.S.

The lesson here is that tax rates matter in a world of global competition and the U.S. tax regime is hurting American companies and workers. Mr. Obama would add to the

damage. His election-eve campaign to raise taxes on American companies making money overseas may not be his most dangerous economic idea, but it is right up there.

The ACTING PRESIDENT pro tempore. The Senator from Nebraska.

#### HONORING OUR ARMED FORCES

STAFF SERGEANT MICHAEL BOCK

Mr. JOHANNIS. Mr. President, I rise today to remember a fallen hero, U.S. Marine SSG Michael Bock of Omaha, NE.

Michael was a proud member of the 3rd Combat Engineer Battalion, 1st Marine Expeditionary Force Forward, operating in one of the most dangerous areas of Afghanistan, the Helmand Province.

On August 13, Staff Sergeant Bock was shot and killed while on foot patrol.

His death is a great loss to our Nation and especially to those of us from Nebraska.

Michael will be remembered as a caring, outgoing, and responsible young man, always ready to help family and friends with a smile and a burst of energy.

From childhood, he had wanted to serve in the military.

At an age when many young Americans are not yet tackling adult responsibilities, Michael was ready to offer his service and sacrifice for our Nation.

He started Marine boot camp a month after graduating from high school.

The Marine Corps became a family for Staff Sergeant Bock.

In fact, he convinced his brother David to join and serve.

Over time Michael's family grew.

His marriage to Tiffany was followed by the birth of his son, Alexander.

By that time, Staff Sergeant Bock had already seen combat during two tours in Iraq.

He served with distinction then, and again during his third deployment—this time to Afghanistan.

The Helmand Province is a well-known Taliban stronghold, but progress toward our goals has also been significant.

Afghan citizens there today enjoy freedoms they have not witnessed for generations.

Much of that credit is due to heroes like Staff Sergeant Bock.

His Marine buddies remember him as a disciplined NCO dedicated to accomplishing the mission at hand.

Family and friends say he was always positive and ready to help.

To his wife Tiffany, he was a devoted husband with a big heart—a man whom his son, Zander, will undoubtedly admire his entire life.

His decorations and badges earned during his military career speak to his dedication and bravery: the Purple Heart, the Combat Action Ribbon, the

Marine Good Conduct Medal, the Navy and Marine Corps Achievement Medal, the Afghanistan Campaign Medal, the Sea Service Deployment Medal, the Humanitarian Service Medal, the Iraq Campaign Medal, the Global War on Terrorism Service and Expeditionary Medals, the National Defense Service Medal, the Navy Unit Commendation, the President Unit Citation, the NATO Medal for Afghanistan, and the Sharpshooter Rifle and Pistol Badge.

Today, I join Tiffany, Michael's other family members, and friends in mourning the death of their beloved husband, son, brother, and friend.

Michael made the ultimate sacrifice in defense of our Nation, and he now stands among our national heroes, never to be forgotten.

May God be with the Bock family, friends, and all those who celebrate his achievements, the man he was, and his legacy that shall remain.

There is a very special class of Americans who wear the military uniform and shed their blood so that we can sleep safe.

Michael joined that special community of patriots, past and present, which protects America and keeps us free.

They shall be remembered and honored until the end of our days.

May God bless them and their families, and see them through these difficult times.

Mr. President, I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Delaware.

Mr. KAUFMAN. I ask unanimous consent to speak as in morning business for 15 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

#### AFGHANISTAN

Mr. KAUFMAN. Mr. President, I rise today to speak about our policy in Afghanistan, which has evolved significantly since I arrived in the Senate in January 2009. After President Bush diverted our focus from Afghanistan to Iraq in 2003, President Obama redoubled our efforts to engage in an effective counterinsurgency strategy. In the past year, we have finally invested the resources necessary to make progress in Afghanistan with increased troop levels, equipment, and funding. But despite this commitment and the outstanding performance of our troops, progress in Afghanistan is riding on far more than the military. It also requires a civilian strategy, Afghan National Security Force training, cooperation with Pakistan, Afghan Governance, and tackling corruption at all levels, beginning with President Karzai.

The Obama administration has made a concerted effort to get the policy right in Afghanistan, as demonstrated