terrorist attacks and military strategies using explosive devices. I guess we knew this could be a tactic, but, honestly, we did not have what we needed to protect our troops to win the battles.

So this program steps up and says: OK, this is what we need. Let's go out and see who has the best technology. Instead of spending billions and billions and millions and millions of dollars giving a contract to a big company and getting them to go through all the rigmarole to develop it—it is kind of an off-the-shelf technology almost, except that we develop the idea and give a small business the opportunity.

Unlike large businesses, these small firms approach the project unencumbered by past research and approaches. They start with a clean slate. They often have innovative approaches that would be challenged by conventional large businesses. They often attract researchers fresh out of a university, such as iRobot, which started with two MIT students and their professors. Ideas that started just off the MIT campus have turned into a company with a market cap of now $400 million, with strong military and private sector sales.

My colleagues have probably heard of the private sector spinoff of the military robot, the Roomba, a product that vacuums while one is at work and has now sold over 5 million units in the United States. This is a different product than the IED robot I will speak about in a minute, but it is an example of one of these programs.

When our forces needed to go into caves and find IEDs, there was some technology that was developed in order to do that. The Navy has many examples. The Army has many examples. I am encouraged to see these outstanding opportunities.

This was in Bedford, MA. This is the iRobot I mentioned. I will get the chart for the IED explosive in just a moment. This is an example of some of the projects that have been funded. This is not just good for our soldiers, but obviously this company then became a company that went on to sell other products in the conventional market and created jobs along the way.

I know Senator BINGAMAN wants to speak on energy, and I am going to yield the floor and then come back later and put a few more things into the RECORD before this week ends so that when we come back in a couple of weeks, we will have built the strongest record possible for a vote as soon as possible on a program that works, that is cost-effective, that really creates some new technologies that help our soldiers overseas and help us vacuum our floors here at home and create American jobs in the process and help us to close this deficit and debt gap.

I yield the floor.

The PRESIDING OFFICER. The Senator from Pennsylvania.

BUDGET PROCESS

Mr. TOOMEY. Mr. President, I wish to share a couple of thoughts on the budget process that is underway and where we are with the continuing resolution we voted on this afternoon.

First, with respect to the CR, that was a tough vote for me. It was a tough vote because this is no way to run the government. We are here now dealing with business that should have been done last year. Unfortunately, last year the Senate didn't get its work done, didn't even do a budget, didn't go through the normal appropriations process. They started kicking the spending can down the road last year, and we are still in the midst of that. I am not sure how many continuing resolutions we have had at this point—three, four, five, six; I am losing track—but this last one for this next 3 weeks, frankly, is the last one I will vote for. This one I could support because it does sustain the lower level of spending as passed by the House. There are some tough cuts in that bill, but it is very necessary that we get serious about getting our spending under control. This is a small step in that direction.

I really want to urge my colleagues to bring an end to these 2-week, 3-week, short-term CRs. It is just kicking the can down the road. Let's resolve this. Let's get a funding measure in place that will fund the government for the remainder of this fiscal year and be done with it. We have serious work to do. We have a budget resolution we need to govern the spending that will occur for next year. We have process reform that we badly need. There is an awful lot that needs to be addressed, and this really just needs to get done. So I hope we will do that soon.

As we discuss the level of spending we are going to have in this CR that will continue from when the current one ends—hopefully, there will be just one more that will take us through the remainder of this fiscal year—it is very important that we get that level of spending down to at least the level that was passed in the House, and I want to talk about why.

I have looked at some of the individual cuts, and they are tough. They are going to make things difficult in many cases. But it is very necessary that we do this for the sake of beginning to restore some sense of fiscal sanity to get us on a sustainable trajectory.

One of the arguments I have heard from some of my friends on the other side of the aisle who have real concerns and objections in some cases to adopting a spending measure that does reduce spending—I would argue modestly over all—is that this will cost jobs; that if the government doesn't spend more than what is contemplated in the House-passed continuing resolution, we will lose jobs; that if we cut government spending, we will have lower employment. I am here to suggest that is exactly backward. That is precisely wrong. In fact, it is the exact opposite.

At the point we are now, the more the government spends, the fewer jobs we will have. And the sooner and the more quickly we bring this government into some sense of fiscal stability, the more employment we are going to have and the more job creation we are going to have. I think for many people that is common sense, but it is not universally accepted here. I understand that. But consider this: If all we needed to do was have the government spend more money to create jobs, then recessions would always be a trivial matter because we would just crank up some government spending and everybody would be back to work and we would be fine. But we know that doesn't work. It has never worked. If that is what worked, frankly, the economy would be booming right now.

We have been spending on a scale we have never even contemplated before. As a percentage of GDP, deficit spending, total spending, by any measure—the spending is at a record high, and yet unemployment is persistently much, much higher than we had hoped it would be, much higher than it typically is at this stage in what should be an economic recovery.

It isn't just this experience we can look at. We can look around the world. Countries that have lived beyond their means and where the government occupies a big segment of the economy and spends a great deal, those are not the more successful economies. In fact, those are the least successful economies. They have persistently high unemployment, low economic growth, low job creation, and a low standard of living. I think this is all widely recognized but not entirely so here in Washington.

Of course, it is true that the government can always create a job. The government can have a program that instructs someone to go out and hire someone, give that person a wage and, bingo, they have created a job. Government can always do that. Of course, the problem is that in the process, the government destroys jobs in the private sector. That is because the money that is necessary to create that government job has to come from somewhere, and it always comes from the private sector unnecessarily.

When the money comes from out of the private sector and goes to the government for the government to create a job, that does several things. First of all, the government tends to allocate resources much less efficiently than free men and women do in the voluntary exchanges of the marketplace, so you get politically motivated allocation of resources rather than market-oriented allocation, and this is widely acknowledged to lead to lower investment returns, less efficient investment, and therefore less job creation.

This isn't just theory. There is plenty of empirical data on this issue. I wish to observe for my colleagues and talk about one particular chart that I think is a very helpful illustration because this kind of goes to the heart of my point. My point is that the job creation we desperately need right now is only going to come from the private sector. The sustainable jobs that lead to solid economic growth, permanent jobs, wealth creation, and real opportunity are going to come from the private sector, and that is driven by private investment. The more government spends, the more it crowds out private investment and precludes the very engine of economic growth and job creation we need.

The chart behind me is a great illustration of this. It is provided by John Taylor, a very well regarded economist whose work is highly respected and widely circulated. In this chart, Mr. Taylor illustrates that the unemployment rate is inversely related to private investment.

So when the private sector is making investments—and this can be investments in new business or in capital, but when private money is being put to work by business, as the percentage of the economy, the amount of this investment declines as a percentage of our economy, we see the unemployment rate go up.

When we see private investment growing, as it did for a sustained period from the early 1990s until the early part of this decade, we see the steady upward trend, and it was driving down the unemployment rate. It is clear that as this line goes down—the private investment line—the unemployment rate goes up. When it turns around and private investment as a percentage of our economy grows, the unemployment rate declines—not just for this period—and you can see the trend continues.

Again, we have another period after about 2000 of declining private investments as a percentage of GDP and a rising unemployment rate. Now that we have seen in recent years a long, pretty precipitous decline in private investment as a percentage of our economy, we see this huge increase in the unemployment rate.

These lines—at a quick glance, you can see it—are almost a mirror image of each other. This is a great illustration of a simple and well-known fact: It is private investment that drives job growth.

When the government gets too big, as ours is today, and when it spends too much money, as this one does, and when the deficit gets too big, it crowds out and precludes the private investment that drives job growth. That is why it is so important that we get spending under control. That is why it is so important that we pass a continuing resolution that will fund the government for the rest of the year, at the lowest possible level we can reach an agreement on, because lower spending is going to drive job growth.

There are several other aspects to this fact that lower spending will lead to greater job growth. Everybody knows that higher government spending eventually leads to higher taxes. We are at this point now where we have this huge shortfall in the revenue relative to the amount of money that is being spent. So any potential investor wonders, how much are taxes going to go up? When will they go up? Are they going to go up on me, or on my investment, or on my labor?

These are the uncertainties we in Washington have introduced into the economy. But everybody who is contemplating an investment has to wrestle with this question. Uncertainty is the enemy of private investment and job growth.

The other possibility is that instead of a tax increase, maybe there will be a debt crisis. We are borrowing money on such a huge scale, it is not at all clear that we can continue that. I guarantee we cannot continue this indefinitely. I don't know how much longer it can continue. That is a very dangerous thing to flirt with—ever higher levels of debt and the expectation that lenders will lend us money when there are such large percentages of our economy.

There is another variable in the mix, and that is the danger that the central bank, the monetary authority, will decide maybe the easiest way out of this mess is to print money.

This is a road that has been gone down many times before in many parts of the world. It always leads to a disaster. Monetizing the debt is the way many governments have chosen to deal with excessive spending. I am very worried now about the policy of the Fed, and QE2 is the policy by which they are currently monetizing more than half of the deficit we are running this year. That is a dangerous policy. Combine that with the beginnings of this fiscal imbalance and imprudent policy, together with this very accommodative monetary policy, and this is a very dangerous mix.

What we can do in the short run, and what we ought to be doing right now, is addressing the spending problem that is at the heart of all of it. It is driving this. In my view, that starts with the continuing resolution that will fund the government for the remainder of this year. We passed one that will fund the government for the next 3 weeks, but I wish it had been for the remainder of the year. We have no time to waste; we have to get this resolved and we have to move on to a budget that brings our spending and revenue into balance, without raising taxes and ruining economic growth.

This should be the big priority for this body. I hope when we get back from this recess, this is what we will be working on—the spending measure to close out this fiscal year, a budget that will put us back on a sustainable path, and progrowth policies that will lead to the job creation we need.

With that, I yield the floor.

The PRESIDING OFFICER (Ms. KLOBUCHAR). The Senator from New Mexico is recognized.

Mr. BINGAMAN. Madam President, I ask unanimous consent to speak for 15 minutes as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

OIL AND GASOLINE PRICES

Mr. BINGAMAN. I want to take a few minutes to discuss high oil and gasoline prices. I think when we get home to our respective States this next week, we are going to find that many of the people we represent are understandably concerned about the rising price of gasoline at the pump. They have good reason to be concerned.

Senator MURKOWSKI and I hosted a Senate-wide briefing on Tuesday afternoon with three top oil industry analysts. We had Dr. Richard Newell, the head of the Energy Information Administration; Mr. Bob McNally, who was part of the Bush administration's White House team on energy markets; Mr. Frank Verastro, who is the head of the Energy and National Security Program at the Center for Strategic and International Studies. They gave us their insights and explanations as to what is causing the rise in the price of gasoline at the pump.

Let me go through four charts to try to summarize what they told us at that briefing. I think it is very useful information for my colleagues, and anybody else who is interested in the subject.

This first chart is labeled "Gasoline Prices Reflect the Cost of Crude Oil." A fundamental truth, which they all subscribe to, is that the primary driver of the price of gasoline at the pump is in fact the price of crude oil on world markets. This chart demonstrates that. It shows the price trends since 2005 for gasoline; that is the yellow line on the chart. It shows the price of crude oil; that is the green line. While some past gasoline price spikes can be attributed to phasing out the additive MTBE, for the last 3 years gasoline price movements have tracked global crude oil prices. So the idea that our gasoline prices are high today because of some particular action the Obama administration has taken is not supported by the facts.

The reasons for the current crude oil price increase are equally straightforward. In listening to each of the analysts highlight the factors he thought were important in explaining why crude oil prices are at the levels we have not seen since 2008, I was struck by two explanations advanced in many of the political speeches in Washington and around the country about oil and gas prices. Frankly, the conclusions, or the allegations, or the arguments made in those political speeches did not comport with what the analysts told us.

First, none of the experts who talked to us highlighted the administration's permitting process in the Gulf of Mexico as being a significant factor in determining world oil markets. I asked Dr. Newell whether the current pace of permitting had any implication for the