

iTownHall Meeting
February 8, 2008
Page 1

WHEELER: Good evening and welcome to Senator Mike Crapo's live telephone town hall meeting conference call. This is Susan Wheeler, Senator Mike Crapo's communications director and I will be your moderator this evening. Thank you for joining us tonight, and we hope that you will find this call informative and useful. For those of you wondering if you're connected, you are. In order to allow everyone to hear however you are in listen only mode – in other words, you can hear me, but I cannot hear you.

It's terrific that we have access to the technology that lets us put thousands of Idahoans on an iTown Hall conference call. Senator Crapo hosted his first iTown Hall in November of last year, and we received such a tremendous response that he will now be hosting these about once a quarter. It provides him with another way to hear from Idahoans when votes in Washington, D.C., and other scheduling conflicts prevent him from hosting regular townhall meetings back home in Idaho.

This will be a live question and answer session with Senator Crapo. It will last about one hour, going from 6:30 Pacific time, 7:30 Mountain, or going until that time. In just a few minutes, Senator Crapo will be joining us, but first, let me run through a few items. This call will last an hour, and you can stay with us as long as you wish; we hope it will be for the full hour. During the call, you are welcome to place the call on speakerphone, if you have that capability and it makes it easier for you to listen.

Throughout the call, Senator Crapo invites you to join in with a question or concern. To do this, please press *3 on your telephone keypad. You will then be transferred to one of our staff members, who will get some brief information from you, namely your name, your question and your hometown.

It's been our experience that we do have a lot of folks who want to ask questions, so sometimes we're not able to get to all of those questions. The Senator has asked that we try and cover as many issues as we can, so we will try to move quickly. Also, if you would like to leave a comment or you just have an issue that you need help with, but you don't want to speak in the conference call, you can press *3 and a member of our office staff will help you with that. I should also note that at the end of this call those who are still with us will be given an option to leave a message for the Senator. There will be an audio file of the full meeting that will be available on the Senator's website late tomorrow afternoon and a transcript will be posted as soon as it is available.

If you're not interested in asking a question tonight you are always welcome to contact one of the Senator's seven state offices in Idaho. The phone numbers for each office are located on the Senator's webpage at <http://crapo.senate.gov>. You may also call the Senator's D.C. office at (202) 224-6142. At the Senator's website, you can also sign up for his E-newsletter.

Also, during this call, Senator is conducting a poll about the economic stimulus package that's pending before Congress. This is the question:

In an effort to stimulate the economy in the short term, the government is considering sending rebate checks to many Americans which would add more than \$100 billion to our nation's long term debt. Do you support this economic stimulus proposal?

To respond, you just use your keypad. If you want to respond "yes," as in you support this economic stimulus proposal, press 1. To respond "no," press 2. If you are "not sure," press 3.

Senator Crapo is now waiting to hear from you and the phone lines are open. Remember to press *3 if you are interested in asking a question, and you will be transferred into the question queue. With that, let's welcome Senator Crapo to the iTown Hall meeting. Mike, good evening, thanks for taking time out of your busy schedule to host this call tonight. There's a lot going on in the Senate, we briefly touched on the economic stimulus, but why don't you take a couple of minutes and talk about the budget and any other issues before we get to the questions. Senator?

SENATOR CRAPO: Hello, can you hear me now?

WHEELER: Yes, we can hear you now.

iTownHall Meeting
February 8, 2008
Page 2

SENATOR CRAPO: Ha, ha—all right. Well, thank you very much, and thank you to all of you in Idaho who are listening in and participating in this iTown Hall meeting. This is really a fortunate opportunity for us to be able to communicate like this and hook up through the advances in technology that are available to us.

I think what I'm going to do is just to lay out what's happening in the Senate right now and be a little bit brief about it, hoping that maybe if you want me to get into any more detail that you can ask a question about it. But there really are three major pieces of legislation that are being bounced back and forth on the Senate floor at this time.

The first is what we call the FISA legislation, the Foreign Intelligence Surveillance Act. This is legislation that has already been passed in Congress,* but needs to be reauthorized. It was the legislation we passed [to address evolving threats such as] the 9/11 attacks to streamline our operations and to grant authorities to our FBI, CIA, NSA and other intelligence operations to make sure that they can do their job in the very best manner possible. *[Editor's note: FISA was first passed by Congress in 1978.]

The issue before the Senate as we move forward on authorizing this legislation is whether there should be further restrictions placed on our intelligence operators, or whether we should have further loosening of those standards, and in particular, whether telephone companies that allow the intelligence operations of our country to have access to some of their data should be subject to lawsuits and litigation over whether they have done so in a way that is legal. And we are trying to figure out a way to clarify what the legal standard is so that they have no question about liability and can participate in a way that protects the privacy rights of law abiding citizens, but also gives us the maximum advantage that we can have in terms of identifying those who are planning attacks against our country.

The second piece of legislation that is before us has already been mentioned and that is the economic stimulus package. There is a House version and a Senate version but in essence, the two of them focus on spending about a \$100 to a \$150, well really, closer to a \$150 billion in terms of rebate checks to Americans in order to stimulate spending in the United States to help keep the economy stimulated and some tax packages that will help to incentivize investment in the economy and in infrastructure and hopefully generate jobs. Some of us, like myself, have a strong concern about whether it is wise to incur another \$150 billion of debt in an effort to have a short term stimulus to the economy because this \$150 billion does have to be paid back, it'll be a much higher price tag as it compounds with interest over time and our children and grandchildren face the problems that it will pose. So there is a big debate going on about that.

And then lastly, the President has submitted his budget and so now Congress, through the budget committees, the Senate version of which I sit on, will evaluate this budget and try to determine how to best move forward with our fiscal policy in this country. Notably, the President's budget is \$3.1 trillion, with a T—*trillion* dollar budget. The first time we've ever in this country had a budget that exceed \$3 trillion and there are huge issues in it in terms of spending levels, the need for reform of our spending practices and tax policy in terms of whether the Alternative Minimum Tax should be eliminated, and whether the tax relief that was provided to all Americans in 2001 and 2003 should be allowed to expire or should be continued. I have strong opinions on all of those issues, as well as many more relating to the stimulus package and our budget and tax and spending policy and I would love to answer questions on that. But, instead of me getting into the detail of that right now, why don't we go right in to the questions and Susan I believe you are the one helping to present the questions that callers are presenting. Is that right?

WHEELER: Let me step back for just a second Senator Crapo because we still have some people who are trying to join in the call so we want to welcome them and thank you for participating. I'm Susan Wheeler, Senator Crapo's communications director and your moderator this evening. This is Senator Crapo's iTown Hall meeting for the first quarter of 2008; it's going to last about an hour. If you are interested in asking Senator Crapo a question, please press *3 to be placed into the question queue, and you can do that anytime during the call. And we will try to get to as many questions as we can throughout the call. We also wanted to mention that we are conducting a poll during this call; it's about the economic stimulus package. The question is:

In an effort to stimulate the economy in the short term the government is considering sending rebate checks to many Americans which would add more than \$100 billion to our nation's long term debt. Do you support this economic stimulus proposal?

iTownHall Meeting
February 8, 2008
Page 3

If you want to respond “yes” to that question please press 1. To respond “no,” press 2. If you are “not sure,” press 3.

So, not to be confusing, if you want to ask a question, press *3. When you press *3 you will be placed into the question queue; we’ll have a staff member talk to you briefly, just get some information from you, your name, where you’re calling from, your home town and just in general what your question is. And I see that we have a few questions lined up and we’re going to take the first one about an issue that has a lot of folks concerned and that is regarding illegal immigration. Frank, you have a question for Senator Crapo about immigration.

CALLER (FRANK DAMEREL): Yes, Senator Mike, Frank Damerel.

SENATOR CRAPO: Hello, Frank.

CALLER (FRANK DAMEREL): Yes and you’re feeling well?

SENATOR CRAPO: I am feeling well, thank you.

CALLER (FRANK DAMEREL): Good good, all right now we’ll get down to it there. I have concern there which lots of other people have contacted me there about immigration there, of us, shall we say pregnant women coming into this country, illegals, and things like that. They have a child here and automatically, they become a U.S citizen. I think we need legislation to be re-drafted there that an immigrant is an immigrant and they’re not a US citizen if they’re born here like that from, you know, an immigrant.

SENATOR CRAPO: I understand the issue very well. As a matter of fact, as I think all of the people participating in the meeting tonight know, there are many aspects of the immigration issue that raise very very serious and troublesome concerns and one of them is just this, the practice that has become rather common of people coming across the border for the purpose of having a child and then that child would have US citizenship and would be able to bootstrap the parents and other family members into the country for residency and citizenship. I believe, as you’ve indicated Frank, that that practice should not be tolerated. However our Constitution is the problem there. The Constitution provides that a person that is born in the United States is a citizen of this country, and so I believe that it would probably require that the issue be put to the American people in the form of an amendment to the constitution to clarify that a person that is born in the United States whose parents are illegally in the United States would not be granted automatic citizenship and I believe that the vast majority of Americans would support that kind of reform.

WHEELER: We still have a few folks joining the call so bear with me one more time while I go through this drill. You’re part of Senator Crapo’s iTown Hall meeting, it will last about an hour, ending at 6:30 Mountain, 7:30 Pacific. If you would like to ask Senator Crapo a question, please press *3 to be placed into the question queue. You can do that anytime during the call and if you decide you don’t want to ask a question once you get there you can just drop back in to the call. We’ll try to get to as many questions as possible. We are conducting a poll during this call, and that has to do with the economic stimulus package. The question is:

In an effort to stimulate the economy in the short term the government is considering sending rebate checks to many Americans which would add more than \$100 billion to our nation’s long term debt. Do you support this economic stimulus proposal?

If you want to respond “yes” press 1. To respond “no,” press 2. If you are “not sure,” press 3. And to differentiate, you can ask a question by pressing *3. So if you want to ask a question, press *3 and vote using 1, 2 or 3.

Let’s move onto another question, since we’re talking about immigration, let’s take another question on immigration. This one is from Betty in Lewiston. She is interested about immigrants and the jobs. Betty, are you there?

iTownHall Meeting

February 8, 2008

Page 4

CALLER (Betty): I'm the judge on the election board for primary and general elections. And what do I do if one of these immigrants come in and want to vote? And I'm going to ask for driver's license, their green card and their birth certificate. Am I correct or wrong?

SENATOR CRAPO: Well I believe you are correct to do that. I actually don't know the specific rules or procedures under which you are required to operate but you certainly, anyone who seeks to vote in the United States in my opinion, certainly should be able to prove that they are a citizen of the United States. Again, I don't know what you are being given as instructions as an election judge, but I would certainly hope that our election judges in this country have the right to establish citizenship on the part of those who vote.

WHEELER: Oh I'm sorry, I hit the wrong button. Betty, I apologize. You can press *1 and get back into the queue because you were in the middle of starting something else. Um, while we're waiting for that we'll take another question. We did start off with the economic stimulus package. Judy in Santa has a question with regard to the economic stimulus package. Judy, go ahead with your question.

CALLER (Judy): Yes I've been hearing on the radio that the economic stimulus package was so that Americans could get a check to spend so that it would help the economy, but I'm concerned that, and they said on the radio, that it was going to help poor people and not only rich people but what about those poor people, I mean the *really* poor people who make under \$10,000 a year and who aren't required to file federal taxes? How are they going to benefit and stimulate the economy?

SENATOR CRAPO: Well you know you've asked a *very* very valid question and I don't know, uh I'm going to give you my best answer, but I'm going to tell you that I need to check into this a little bit myself. It is my understanding . . . let me back up. First of all, I think you have identified a weakness in the economic stimulus package that was passed by the House of Representatives, and that the Senate is now dealing with. When I raised the same kind of question, I was told that even people who do not owe taxes can still file a tax return showing that they don't owe taxes and that if they do so by the deadline established in the Act, that they will get a rebate. In other words, the rebate goes not...this is under the Senate package, the House package requires at least \$3000 of earned income, and so a person would have to earn at least \$3000. The Senate package does not require that \$3000 limit but people who wanted to obtain a rebate would have to file a return showing that they have not earned enough money in order to pay taxes. So some of them could get a rebate check through that process but I'm still not sure that they would all be covered and that's another part of the huge debate.

One other quick thing there, in an effort to address that issue, the Senate changed the bill a little bit to provide additional unemployment benefits to those who were not employed and therefore not earning money and being able to participate through the tax structure. So there were several ways to try to reach it but one of the problems with this legislation is that there was no perfect way and really no easy way to reach everyone with a rebate check.

WHEELER: We've got another question with regard to immigration. We're going to go to Dennis in Coeur d'Alene. Go ahead Dennis.

CALLER (Dennis): Good evening. It would seem to me from my point of view that if we protect our borders and not have to, not have the problem of illegals coming across in the first place, we wouldn't have to address this issue with the constitution. I'm much more in favor of making sure that our borders are closed, period, than worrying about, which would take the pressure off worrying about that, in itself.

SENATOR CRAPO: You raise a very, very good point Dennis and in fact I agree with you. I think the very first priority in our immigration policy in the United States should be to have a very vigorous and effective border program so that we reduce, or totally eliminate if possible, illegal entry across the border. I don't know that it's possible to get 100% effectiveness in such a program, but we should certainly aim for that and I have supported every appropriation and every piece of legislation that seeks to do that—to put securing the border as the first, and highest priority, and really the base of our immigration policy.

That being said I still think we're going to have to deal with the other aspects of the immigration program, or the immigration issue, but your point is right on and that is that if we can secure the borders, then many of the other issues, including the one that was asked earlier about children being born with illegal residents would be either eliminated or dramatically reduced in their impact.

WHEELER: Ah, I promise this is the last time I'm going to do this, but it looks like we've about got all of the calls made and so just one last reminder to folks – that you are involved in an iTown Hall meeting with Senator Mike Crapo. It will last until about 6:30 Mountain, 7:30 Pacific time. If you would like to ask Senator Crapo a question, please press *3 to be placed into the question queue. We'll have a staff member ask you a couple of questions – your name, home town and what your question is and then you'll be placed in the queue and we'll try to get to as many of those questions as we can. Also during this call, Senator Crapo has asked that we conduct a poll about the economic stimulus package. The question is:

In an effort to stimulate the economy in the short term the government is considering sending rebate checks to many Americans which would add more than \$100 billion to our nation's long term debt.

To answer this question you need to use your telephone's keypad. If you want to respond "yes" press 1. To respond "no," press 2. If you are "not sure," press 3. To ask a question to Senator Crapo, press *3 to be put into the question queue. We're going to keep with the illegal immigration theme that we have going here, we're going to go to Giles in Coeur d'Alene – you have a question with regard to illegal immigration. Go ahead.

CALLER (GILES): Yes thank you Senator Mike. I'm of the opinion that this illegal immigration problem is a very serious one for this country; in fact it should be treated as a national emergency. And yet the Senate has been dithering on this issue for over 20 years. Ever since Simpson Misili was passed and they were going to do everything to secure the borders and remedy the situation but they haven't done a thing – they even diddle-dally over the appropriation of funds for the fence and I would like to know how this Congress and Senate is going to deal with this issue of 30 million illegal aliens. And God forbid we elect amnesty John McCain as our standard bearer in the coming elections. You know, he and his fellow amnesty supporter Senator Craig, your colleague, have talked about this issue until I'm tired of hearing about it but they don't treat it like the national emergency it is. When are we going to start treating this like the invasion that it is? And stop pussyfooting around the issue and just talking about it.

SENATOR CRAPO: Well Giles first of all let me say to you that I agree with you, in fact I think most Americans agree, and most Idahoans definitely agree that the immigration issue *is* a national emergency. I consider it to be one of the top two or three issues that we face in this country today and it *requires* that we give it the attention that you have just called for.

Now answering the rest of your question about when are we going to do so is a tough one, and I'll tell you why. You are correct. The Senate *and* the House have ignored grappling with this issue at the level that they should have grappled with it for decades, for a couple of decades now. In the last year or two, or three, that has changed, and I truly believe that both the Senate and the House are now treating it as the emergency that it is, but we are gridlocked. In fact, right now in Congress, with the current make up of Congress, I would guess that the majority of the members of Congress would actually support a piece of legislation that had some element of amnesty in it. Although I don't think the majority of the people of the country feel that way. And it was only a filibuster in the Senate that stopped legislation last Congress that would have established amnesty for those who have illegally entered the country and granted them automatic, essentially, automatic permanent legal resident status and a pathway toward citizenship. And so the problem is, that we face now is—I'm

iTownHall Meeting
February 8, 2008
Page 6

actually one of those in the Senate who is voting to stop legislation from moving forward that would provide that amnesty, and a battle that we have, is over whether we can turn that debate back toward much more rational approach to immigration. So, I guess all I can say is that I share your frustration about the fact that Congress hasn't done the *right* thing about immigration, but that the immigration *clearly* is a *very*, very front burner issue here in the Congress. I'm just very concerned about what kinds of solutions this congress may come up with if it does eventually get the issue back on the floor of the Senate.

WHEELER: So, let's take one more call on immigration, and then we'll move to another issue. Dorothy in Cataldo—you have a question with regard to the immigrant program.

CALLER (Dorothy): Well, yes. I feel—I agree, really—uh, basically with everything, with all of the decisions that Senator Crapo states, and the other people also calling in. . . I'm just thinking, and wondering—when you talk about amnesty, whether being flexible and open to conciliation from all sides to try and get through this tough problem. . . .

Could there be a category of workers who have shown that they are learning the language, that they are employed in a—in—really usefully employed and contributing to the economy? I really don't think that we need to extend amnesty to people who are not employed, and who are a drain on the economy, perhaps even having some kind of a—you know, benefits that they are not entitled to. I'm just wondering whether, you know—we do have the, Europe often has the guest worker type program; is there any way to kind of work around this so that we don't all of a sudden send masses of people out and cause suffering that we might not have to cause and still keep the, -- or should I say that our own country's needs and—and the citizens of this country; our needs also being met? If—you kind of understand what I'm trying to articulate . . .

SENATOR CRAPO: Yes, I understand, and in fact, I agree with you, with the perspective you raise there as well. We do need to have a workable guest worker program in the United States. I believe, however, that our guest worker program should be one that is based on lawful participants. . . . In other words, I don't believe that those who have illegally entered the country should be given citizenship or permanent legal residence, but I do believe that we could, after we have focused on securing the borders, and after we have addressed the issues of clarifying that those who have illegally entered the country are not going to be given citizenship or permanent legal residence of any kind. I do believe that we can then establish a guest-worker program that would be a temporary visa, like we allow people into the country on very sensible principals and basis—for education, for travel, and so forth, and we ought to be a nation in which things like education, and travel, and opportunities for work, and so forth are available, but it should be done on a basis of a temporary visa, not a permanent residency status or citizenship. We can then—anyone who wants to then apply for citizenship, or apply for a green card and permanent legal residence, can do so by following legal procedures and getting in line behind everybody else who has already followed the law, and that way, we would totally take away the incentive for illegally crossing the border, because illegally crossing the border would then not provide a job; it would not provide citizenship, and would not provide permanent legal residence, and those who wanted those—those benefits of the American system would have to apply under our current immigration procedures, and so—I think a system like you discussed can be created, and we can have a rational guest-worker program, while having a principal-based immigration system that does not grant amnesty for those who violate the law.

WHEELER: Well, we're closing in at about halfway through the call. We've got about thirty minutes left. If you would like to ask a question of Senator Crapo, during this iTown Hall meeting, press *3. You may recall that we are conducting a poll about the economic stimulus package; if you'd like to give us your response on that, you can use your telephone keypad as well. The question is:

In an effort to stimulate the economy in the short-term, the government is considering sending rebate checks to many Americans which would add more than \$100 billion to our nation's long-term debt. Do you support this Economic Stimulus proposal?

iTownHall Meeting
February 8, 2008
Page 7

If you want to respond “yes,” press 1, to respond “no” press 2, if you are “not sure,” press 3.

And, Senator Crapo, I thought you might be interested to note the poll results so far, that 66 percent of the folks who have responded on this call, are not in favor of that economic stimulus proposal, and Phillip in Couer d’Alene has a question with regard to the economic stimulus proposal, so let’s go to Phillip. Phillip—go ahead.

CALLER (Phillip): Senator [Crapo], I think it’s ingenious what you’re doing here; my question is, you’re a servant to the public, and I just, you know—we spend so much money and we send it abroad Why not reward the people that are paying the taxes? I mean, we are the citizens of the United States. We will always have a deficit the way congress wants to spend money; why not give something back to the citizens of the United States?

SENATOR CRAPO: You ask a very good question, Phillip. In fact, somebody asked me just the other day. “Senator Crapo, why is it that you know—you are always saying that you want to keep our taxes low and that the taxpayers should be able to retain some of their own dollars, and that you now don’t like the notion of this rebate package?” Well, there is a difference there, and this is the difference: I have continued to fight, and will continue to fight aggressively for lower tax rates for everybody. I believe that the federal government takes far too much out of our gross national product and far too much out of the pocketbooks of our tax payers, and we should keep those tax rates low. What I disagree with in *this* proposal though, is that this is not basically allowing tax payers to keep their own money. What is doing is adding a hundred and fifty billion—it’s borrowing the money in order to have this hoped for stimulus in the economy, but the money has to be paid back, so if you look at it in the context of a taxpayer. . . . By the way it’s not going to be the people who pay the taxes who get the rebate—that’s one point, but secondly, if you look at it in terms of a taxpayer, we will—we’re saying to the taxpayer, “we’re going to give you a rebate check of \$600 or \$1,200 or \$500 or \$1000 this year,” but what we’re not telling you is that you have to pay it back, because we’re borrowing it, and although we may not actually pay it back, until it’s your children or your grandchildren who are paying it back, but the debt is going to have to be paid back, and so, in essence, this is not a free rebate check, if you will. It’s a rebate check that comes at a price tag of \$100-150 billion dollars of new debt that those American tax payers who are getting the rebate, or their children and grandchildren are going to *have* to pay back, and that’s just not the same kind of deal. I truly agree with the point that you make, about the fact that tax payers should be allowed to keep more of their hard-earned dollars in their own pockets, and that means, really—that instead of borrowing in able to have those tax payers have those dollars in their pocket, congress should *spend* less so that we don’t have to tax those dollars so heavily that our workers make in this country; that is the distinction that I make, but you raise a very good point.

WHEELER: Well, we’re going to keep on the economic stimulus package question, and go to John in Hayden. John, you have a question in regards to the economic stimulus package. Go ahead.

CALLER (John): You know, I am a little dismayed that this economic stimulus package, which I don’t agree with also includes a bail-out for the banks to raise the conforming loan limit to almost three-quarters of a million dollars, and, when in fact, there are very few houses in Idaho that, uh, even come close to that. You know, you’re basically asking most of the country to, in essence, subsidize expensive housing on the coast and take on a bunch of loans for the people that, uh, you know—guarantee loans to banks that never should have been written in the first place, so—I’m very skeptical of the stimulus package.

And uh, one other comment—um, as someone who speaks seven languages fluently, farsee being one of ‘em. . . . I’m a little bit concerned of the fact that, uh—I know this is off topic—but, uh—if you, in fact, claim that illegal immigration is an emergency—why do you have your web page in Spanish? I’m looking at it right now. . . .

WHEELER: I’m going to have to interrupt I think we have one page on the website in Spanish. . . .

SENATOR CRAPO: I was just going to clarify—the one page. . . the one page that is in Spanish is on the website is the one that gives them . . .

CALLER (John): . . . the “Contact Me” page. . .

SENATOR CRAPO: . . . Yeah, the contact, and I think we were having some—a discussion at our office about that, about whether to—to allow those who speak Spanish, to be able to access us, to communicate with us, and we wanted to make sure that they could. But anyway, that’s a good point, and I do believe that English should be the primary language of our nation; it should be the language that we speak. That doesn’t mean that I don’t think that we should speak, or allow, the utilization of other languages, but not officially, and—and I think that that is a very good question for you to ask.

Let me get back to the stimulus package question, because, again, I think you’ve raised a very important point. We’ve talked about this stimulus package as a \$150 billion package. The rebate portion of the package, which is the largest portion of it—is actually only about \$110 billion, and the other \$40 billion is made up by a number of other types of proposals that really don’t get a lot of public attention, and I’m frankly glad that a caller pointed out that there are other things in this rebate package. Some of them are actually some very good tax policy, and I actually support some of that other part of the package.

But with regard to the conforming loan limits in terms of the, the banking industry, I think that our caller has a very good point. Uh, there are very few homes in Idaho that reach that three quarters of a million dollar level that these conforming loan limits are being increased to—and, although the housing market nationally *is* a big part of our economic concern today in the country, I don’t believe that we should necessarily be providing any kind of a subsidized approach to bailing out the banking industry. Now—these provisions don’t actually bail out the banking industry; they authorize Fanny Mae, and Freddy Mac and the FHA to increase the size of the loans that *they* will—will handle, and that brings along with it an implicit, if not explicit, federal guarantee of those loans which is intended to stimulate more traffic, more of a market in those larger loans, and although I agree we need to do things to strengthen our economy, and improving those loan possibilities will help the housing industry, I think that we ought to be very careful to do that in a much more comprehensive way that deals with more than just the large, jumbo loans. There is a proposal that we are trying to debate on the Senate floor right now that would deal with housing and would be a part of the stimulus package that would instead grant tax credit for those who purchase homes, not just limited to the larger homes, but purchase homes that have been on the market more than a certain period of time to create an incentive for the housing market to get a little bit of a boost. But again there are number of aspect of this debate about whether and how we should focus on specific industries in this effort to stimulate the economy, and whether or not we should do it through just the rebates as opposed to these specific targeted programs, so—I think the caller raises very good questions about another aspect of the stimulus package.

WHEELER: Well, we are going to take another call; this one’s from Anita in Coeur d’Alene. She has a question also on the Economic Stimulus Package. Anita—go ahead.

CALLER (Anita): One real quick comment, and then a question on the Stimulus. My comment is on the—uh, we used to have a Bracero program on immigration— whatever happened to it? It seemed to have worked in the thirties and the forties. . . and my question is, on the Stimulus Package, we have a lot of people who have this earned income credit. Somebody making \$10-12 or \$14,000 thousand dollars a year by the time that they do their standard deduction and exemptions and stuff like that, end up without any taxable income, i.e. they end up paying no tax, and they get up to a \$4,600 tax refund . . . And, what about these people? Are they going to get another addition to this? It seems to me that it’s totally unrealistic for us to continue to give these quote and unquote “poor down-trodden people,” continued, escalating amounts of money when they end up paying no taxes.

SENATOR CRAPO: Well, you raise a couple of very good questions on the Bracero program; I'm not an expert on whether or not it's still in existence; but if it is—it's a very small and limited program, but you are right! It did work; it worked *well!* It was a way that we were able to get documented and—and legal workers into the United States for the purpose of working in, for example, the sheep industry and others. And, then we just didn't have the illegal immigration problems because it was a legal system that worked well, and the workers were well-managed by their employers, as well as by the federal agencies that were involved in managing the program. So—it can be done. The Bracero program is actually a good blueprint for how we ought to approach any guest worker program that we establish in this country.

And, with regard to your question about the earned income tax credit—again the bill we're working on is very complicated, and it's a multi-hundred page bill and I have not read that portion of it carefully, but I believe I understand it, and my answer to your question is—if I understand it correctly—the answer is 'yes.' Anyone who files a tax return, regardless of whether they pay taxes or reserve an earned income rebate check from the government, or just don't pay any taxes at all, or receive any rebate check; anybody who files a tax return would get the—the rebate. Now, that is under the Senate bill. Under the House bill, a person would have to have \$3000 of earned income, but even still, as you indicate, with the deductions and with the exemptions and so forth, it's possible that they could also be qualified—they would have \$3,000 of earned income, but they would be qualified for the earned income tax *credit*, and would still also qualify for the rebate.

WHEELER: All right, we're going to move to another topic; I think we've covered a large amount of ground on economic stimulus and illegal immigration, and for those who have questions remaining on those two topics, if you haven't been able to listen to the whole call, your question may have already previously been answered, but in an effort to try to get to some other subjects, we're going to move to some other topics.

We have about twenty minutes left in the call; if you would like to ask a question Senator Crapo, press the *3, if you would like to vote on the poll that we have running, the question is:

In an effort to stimulate the economy in the short-term, the government is considering sending rebate checks to many Americans which would add more than \$100 billion to our nation's national debt. Do you support this Economic Stimulus proposal?

If you want to respond "yes," press 1, press 2 for "no," press 3 for "not sure," and at the end of this call, which will be around — in about twenty minutes, um—if you still have comments, we'll have a option to go in and leave a message for Senator Crapo. So, although it isn't quite Economic Stimulus, it still has to do with federal spending. Okay, we're going to go to Bill in Bonners Ferry who has a question with regards to—er, comments in regards to congressional spending.

CALLER (Bill): I think I might need a new copy of the constitution, 'cause the one I have written in 1775 might be out of date. . . I can't find where we should build houses for people who live in New Orleans, uh—give stimulus checks, uh—buy digital to analog tv converters, you know—30 billion for AIDS in Africa, and I can go on and on and on and on—you know that. . . but article 1, section 7 and 8, it kind of explains what congress should be spending, and there's none of that.

SENATOR CRAPO: I agree with you—I believe that those who wrote the constitution, the crafters of our constitution would be totally surprised at the extent to which the federal government has grown, and the matter—matters of which are now parts of the federal budget. Having said that—having said that I agree with your point that we should have a much more restricted interpretation of the reach of the federal government, and we should remember the tenth amendment more often, which as you know, says that those rights and powers explicitly—I'm not going to quote it exactly here, but—not specifically given to the federal government are reserved to the states and to the *people* respectively, should be something that we pay a lot more attention to. Having said that, I can tell you the reason that Congress has gone so far off field in terms of the kinds of things that our founding fathers intended by the Constitution is that the Constitution contains the general welfare provisions and other types of provisions that the Supreme court has utilized in the past to uphold challenges to these kinds of issues, and so—this kind of spending. And it can not be challenged in

court, and when the breadth of the constitution is expansively read by the U.S. Supreme Court the way it has been, then not only in terms of spending, but in terms of regulatory policy, congress moves very aggressively into these fields, and so things that are considered to be interstate commerce, which is almost everything in the way that the Supreme Court has interpreted it, fall subject to the reach of the constitution under those Supreme Court cases, and thereby are available for members of congress who have that expansive and expensive approach to it to find a home for their ideas. I'm not saying I agree with that, but that's the—I believe the primary reason that we've gotten this far into such an expansive federal government is because of those expansive Supreme Court cases that ruled on things like commerce, interstate commerce, and the general welfare and the like. . . .

WHEELER: We're going to go to Post Falls for a question with Carla. You have a question with regard to Social Security. Go ahead.

CALLER (Carla): It was my understanding a long time ago around the depression time that one of our president's, either Wilson or Roosevelt, allowed to borrow from Social Security to pay welfare, and I'm not sure if it's still in effect or not, but if we quit giving away free money to non-U.S. citizens, it's—and quit borrowing from Social Security, would that make Social Security viable again?

My second question is: Has Congress ever thought of making it, or passing a law, that you had to be a U.S. citizen to own land in the United States; that would also help—what scares me is I've just recently heard where Saudi Arabia is putting billions of dollars buying out these mortgage companies that are in distress because of defaulted mortgages.

SENATOR CRAPO: Well, let me—let me take the second one first so I don't forget it. I am not familiar with any proposals that have been brought forward in Congress to restrict land ownership to U.S. citizens, and to be honest with you, I think that such a proposal, though it has an initial appeal as you have suggested, would probably be felt by most members of congress to be too big of a restriction on trade, and international—well, I guess that I would just say international trade policy for a restriction like that to be put in place, and I guess I would also say that I'd want to talk to a constitutional lawyer to see whether such a provision would face any kind of constitutional challenge. But—I certainly understand the concern behind your question. In fact, there is a concern, not only with regard to the purchase of real estate in the United States by foreign governments, but also the purchase of U.S. bonds and other death instruments, owning of the U.S. national debt by other nations, and that's one of the reasons why we've got to get a much tighter control on our fiscal policy in the United States so that we don't have to face these disconcerting concerns about what could be done to our economy by other nations that would intentionally buy and then sell off—at difficult times—our own debt instruments, so—or our own currencies, so—good questions!

With regard to the Social Security system and the question of borrowing from it—we have fought some battles on that in the last few years, and actually have won to the point that we have segregated the Social Security budget. But that doesn't mean that the Social Security budget is not still borrowed by the Federal government. As a matter of fact—*by law*, the revenues that go into the Social Security Trust Fund from American workers can be invested only in U.S. debt instruments, U.S. government bonds and the like. And investment in other assets, such as, say—stock in the stock market or in some other country's debt instruments—or whatever—is prohibited by the Social Security law as I understand it, and one of the parts of the debate that we have been having, is not only whether to allow individuals to have more control over what their Social Security contributions are invested in, but to allow them to have a more expansive array of choices than just government debt instruments. I personally think that we *should* allow individuals to have a greater control over the investment of their Social Security funds, their own accounts; they should have an account that they can direct, and I also believe that they should have a broader authority to invest it in a reasonable range of still conservative, but more viable, options for investment. I do not think that the government of the United States should be allowed to invest those Social Security trust fund dollars on its own in other investments, or you would see the U.S. Government starting to manipulate the economy in *very, very* aggressive ways by investing hundreds of billions of dollars in different ways throughout the economy, and you can just see the temptation that I don't think would take long for it to be yielded to, to start utilizing the investment power of one investor for the entire social security trust fund to be able to manipulate markets and

stocks, and things like that, and so—I have a concern about having the *federal government* be the investor, but I do believe that we should be allowed to invest those funds, and that it should be an individual decision by individual participants in the Social Security system.

WHEELER: Well, you only have about ten minutes left, and with any luck we might be able to get to three more questions. . . Let's go to Dennis in Sagle. You have a question in regard to the fair tax. Go ahead.

CALLER (Dennis): I want you to know that we have fortune enough to have dozens of friends up here; I'm gonna share with them the opportunity that your forum has given us. The question has to deal with fair tax. It's been months since I've looked at it, but as I recall, I don't think you've taken a position on it, and I'd like to know what your position is, and if you're in favor of it—what percentage would you want it to start at?

SENATOR CRAPO: Are you—is the fair tax you're talking about – that's the flat tax, or is that the. . .

CALLER (Dennis): Correct.

SENATOR CRAPO: All right. Actually, yes, I have long supported a flat tax; as a matter of fact, I also support some of the proposals that would give strong consideration to moving into a national consumption tax of some sort, rather than a flat income tax. *Either* of those two, I think would be better than the tax system that we have right now. I would not, however, support a consumption tax unless it was accompanied by a constitutional elimination of the income tax, because if we don't totally get rid of the income tax, if we don't move to a consumption tax, then somehow and someday, future congresses will come back with another income tax, and then we'll have both, and I *don't* think we should do that. But with regard to the fair tax itself, I do believe that we should have a flat tax system. I think that would be a significant improvement over the current code, and although I don't know the exact percentage that would work out, I'll tell you how I think we should calculate that percentage, and that is: I believe that—well, historically, at the current level of spending, the federal government has spent something in the neighborhood of just about right at 18 percent of the gross national product for the last forty years; that's the average for the last forty years, and by the way—we're about a half a point above that now. I think we're at about 18.5 percent, and *growing*. I believe that what we should *do* is identify what we believe is that proper percentage that the—of the overall GDP that the federal government should be allowed to take in—in tax structure. I would like to see it somewhere below the 18 percent level. And then, have the accountants and the analysts tell us what the flat tax rate would need to be to yield that, and I would tend to try to kind of back into the figure that way by making sure that we knew what amount of revenue the federal government should be taking in, and should legitimately be allowed to use, and again—I say that would be something less than 18 percent, and then develop the tax rates from that.

WHEELER: Well, we're going to move into a different subject, and one I'm surprised we haven't touched on yet, considering that we just finished with Super Tuesday, but we have a question from Tina in Craigmont with regard to the delegate process. Go ahead, Tina.

CALLER (Tina): I have a question about how does the process work for the Republican party when they go to pick their delegates and their super delegates? Or, do we even do that?

SENATOR CRAPO: Yes, we do, and I'm gonna—I'm not an expert on this, but I think I can generally give you how it is done—in Idaho at least. You're talking about just the State of Idaho, right?

CALLER (Tina): Yes.

SENATOR CRAPO: All right. In Idaho, the Republicans don't caucus like the Democrats just did; they actually rely on the primary vote which will happen in May—Idaho's primary is in May, and there will be a ballot, in May, for Republicans, where you will vote for the candidate of your choice, and this, presumably, would be a series of names like John McCain, Mitt Romney, Mike Huckabee, and so forth. And then, prior to that time—and this is the part I'm a little bit vague on—the Republican party will have identified delegates who are committed to those respective candidates, and if their candidate wins, let's just—you know, pick a name for an example, Mitt Romney. Let's say Mitt Romney wins Idaho. . . I don't know if Idaho is an all or none state, but I think that it's all. . . Well, you know—I'm not even going to guess. Somebody listening knows, and I wish they could pipe in and tell us, but the—the people who have been identified by the Republican party as the delegates for Mitt Romney, in this case, would be selected. . . if Mitt Romney wins the election, then *they* would be the delegates who would be selected to go to the National convention, and they would then vote for Mitt Romney at the National Convention. Now, have I confused it entirely for you? Well that's my best—that's my best expression of how it all works. Somebody who is much more involved at the county election process could probably explain it in much more detail

WHEELER: Well, we're going to go to Coeur d'Alene with a call from Jerryanne. You have a question with regard to "No Child Left Behind." Go ahead.

CALLER (Jerryanne): Yes, hello. I would like to know if Bush does re-authorize the *No Child Left Behind*, um, can you stop it? And if not, how do you plan to make it workable and properly funded?

SENATOR CRAPO: An excellent question, as—I don't know if you know this or not, but I am a pretty big critic of the *No Child Left Behind Act* that President Bush put forward in the first term of his presidency; not because a lot of it's provisions which actually did consolidate a lot of burdensome federal programs and significantly streamline the process, but because the *No Child Left Behind Act* takes significant amount of control over our public education and our public schools away from our school boards and our state school system, and removes it to Washington D.C., and I do not believe Washington D.C. should be a national school board. The question you asked is—if President Bush does seek to re-authorize it through congress, what will I do to try and fix it. A couple of things: First of all, I will work very hard in that process, which is under way—I mean, there is an effort for that re-authorization to move forward, and I will work very hard in that legislative process, to try to remove the offending parts of the bill as it moves forward. One thing that I have *already* done, is—I have introduced my own legislation to change the *No Child Left Behind Act* by dramatically removing some of the 'cookie cutter' federal requirements that are included, and returning the flexibility to primarily our state board of education and our local school boards over the kinds of decisions that have now been transferred to the counties and—er, to the federal government. So, we've identified many of the areas that need to be fixed; we've—we've worked with the Idaho Education Association, and with the Idaho School Board Association, and with parent groups and others who are very concerned about this federal intrusion on public school management, and we've identified a significant number of fixes that need to be made; they are mostly in the bill that I introduced—most of them are—and we will work very hard to get their passed in the law. Now, having said that—I have to tell you—there has been very strong opposition to my bill from the administration, and not a lot of warm support for the bill, uh—from the Democratic party, and so, when I don't have support from my own Republican party, or the Democratic party—we've had a hard time moving the bill, but we're going to keep fighting, and keep trying to make sure that these issues are raised, and again, as I say before—if the re-authorization legislation ever makes it before the Senate, I'm going to work very hard in *that* process to make sure that it can't move forward until these reforms are made.

WHEELER: Okay, we're going to try and go to one last call; it seems like a good one to end this call on. Barbara, in Lewiston, you had a question with regard to what we can all do.

CALLER (Barbara): I would like to know what the average person can do to help. . . study, read, get familiar with what's going on. . . ?

SENATOR CRAPO: I'm glad that you, Barbara, asked that question. First of all, I think many many people feel that congress is too distant and that they don't really have the ability to influence what happens in Washington D.C., and so the first thing that people can do is to realize that that's not true, and that people really can make a difference if they will voice their opinions, and the rest—you've already hinted at. People should be educated and know what they're talking about; there's a lot of information out there—it's not all accurate. A lot of it *is* accurate, but people should try to be educated and understand, not just be swayed by uninformed opinions that are being expressed, but really get educated and know what they're talking about, and then—they should engage—they should contact their senators and congressman; you can do it any way you want—a phone call, and e-mail—any of those ways work. They should get their friends and their neighbors—anyone within their circle of influence to contact their Senators and Congressmen, and not just in their own state; if they have family members or friends in other states—they should encourage them to contact *their* Senators and Congressmen, and to become vocal and active in advocating their beliefs. And, it will make a difference—it's—it is *not* rocket science, it's basic grass-roots politics, and it still does work very effectively in America.

WHEELER: Well, thank you Senator Crapo for taking the time this past hour; we've covered a lot of ground—a lot of immigration, a lot of economic stimulus. . . . For those who are interested—on the poll, 70 percent responded “no,” that they *did not* support the rebate checks with the, uh—18 percent responding “yes.”

We will be closing this call now; if you're still on the line, and would like to leave a comment or a question for Senator Crapo, you'll have the opportunity to do so.

An mp3 file of this full meeting will be posted on the Senator's website by late tomorrow afternoon, along with a transcript of it as soon as that is available. Again—we've run out of time; we appreciate those who hung in there for many minutes and did not get the opportunity to ask their question; appreciate your patience. Thank you again. Good evening!