

TRANSCRIPT: iTOWNHALL MEETING AUGUST 4, 2010

Susan: Good evening, and welcome to Senator Mike Crapo's live iTownhall conference call. This is Susan Wheeler, Senator 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. In just a few minutes Senator Crapo will join us for a one hour live question and answer session, but first here's a short rundown on how the next hour will proceed. This is a live conference call with Senator Crapo, but in order for everyone to hear, you are in listen only mode. In other words, you can hear me but I cannot hear you nor can you hear each other. This iTownhall meeting is not intended to take the place of a physical town hall meeting where the Senator meets with Idahoans in person; rather it's in addition, and lets him use technology to put thousands of Idahoans on a conference call at a time when he cannot be in Idaho to meet in person. Throughout the call, you are welcome to join in with a question or comment. If you would like to ask a question, please press \*3 (star three) on your telephone key pad. You will then be transferred to one of our staff members who will get some brief information from you, basically your name and question. The call will last about an hour and you can stay with us for as long as you wish. We hope it will be for the full hour. During the call it might work well for you to place the call on speaker phone if you have that capability and it makes it easier for you to listen. Since the Senator would like to get to as many of your questions as possible, we will try to move quickly. If you aren't interested in asking a question tonight, you are welcome to stay with us to learn about the issues confronting our country. Senator Crapo is now waiting to hear from you and the phone lines are open. Remember to press \*3 (star three) if you are interested in asking a question and you will be transferred into the question queue. You will continue to be able to listen to what's going on in the conference call while you wait. With that, let's welcome Senator Crapo to the iTownhall meeting. Senator, good evening, thanks for hosting this call tonight. Why don't you take the next couple of minutes and talk about some of the issues before we get to questions.

Senator Crapo: Well thank you Susan and good evening everyone. I think in my opening remarks I'm going to talk about the Elena Kagan nomination to the Supreme Court, which the Senate will vote on tomorrow, Thursday, and then also make a few observations about the direction of our country and then let's throw it open for questions. As I indicated, the Senate will vote tomorrow on the nomination of Elena Kagan and I just, about an hour ago, finished speaking on the floor of the Senate indicating that I intend to vote no on her nomination. My reasoning is in a number of areas, but my primary reasons are two; first, I've become pretty convinced that she is going to pursue an activist philosophy on the bench. Meaning that, rather than strictly interpret the Constitution and the laws as they were written, with the intent from which they were written, as determined from legislative history, and the like, I'm concerned that she will instead do as far too many judges these days are doing, and that is, consider herself to be in a position, of not just interpreting the laws but in a position of making law and policy from the bench and she has made several statements, not only in the confirmation process but prior to being in the confirmation process, about her view of the proper role of judges and justices, indicating that she does believe that a judge has the ability to view the meaning of the terms of our Constitution, or the meaning of the terms of laws, in the context of changing societal beliefs and feelings. That gives an incredible power to judges in the third branch of our government and the judicial branch of our government that

was never intended by the founders of our nation and our Constitution. I believe that an activist judiciary is a very great danger to the system of law which we have in our nation and that we should not facilitate further activism on the court. My second major reason is with regard to a specific portion of the Constitution on which I have great concerns and that is the second amendment right to bear arms. In the last year or two we have seen the United States Supreme Court finally come through and make it clear that the second amendment does give every individual in America an individual right to bear arms, and I'm concerned that from her prior statements, Elena Kagan has a disagreement with that proposition and that she does not believe that there is a strong and broad right to bear arms in the Constitution. She has said that she would recognize existing precedent from the court as settled law, but we heard the very same thing from Sonia Sotomayor, who was before us for confirmation last year, and yet when the next Supreme Court case came up on the second amendment right to bear arms, she not only voted with the descent in a very close decision, 5-4, but adopted and supported the dissenting opinion in which she joined that said that there was not an individual right or a personal right in the Constitution to bear arms. It's that issue that I have very strong concerns about also with Elena Kagan. For both of those reasons, I intend to vote no on her nomination tomorrow. Secondly, let me make some observations just about the direction in our country in general. I am very, very concerned about the direction our country has taken. We are facing a phenomenal growth, not only in the size of government, but in the reach of government into our economy and into control of individual lives and, in my opinion, in the restriction of individual freedom. We have seen, just in the last few years, the federal government take over a significant portion of the healthcare industry, takeover of the auto industry, government ownership now, essentially, of the largest insurance company in the world, AIG, government takeover of the mortgage industry by taking into receivership Fannie Mae and Freddie Mac, complete government takeover of the student loan business and private sector of our economy and when you stop to think about it, we're talking about homes, college education, loans for businesses, and insurance, mortgages that are now increasingly either owned by or managed by government decision makers rather than being a part of the private sector economy and that is a very significant threat that continues as we see further policy initiatives here in Washington driving that trend. Secondly, we've seen an explosion in spending and Congress was already facing, literally, an uncontrolled spending habit yet the explosion that has occurred in the last eighteen months has been inexplicable. We now see deficits where just a few years ago they were in the \$200 to \$400 billion range, and that's not acceptable, but now we see deficits in the neighborhood of \$1.4 to \$1.8 trillion and projected to be over a trillion dollars for the next ten years, every year for the next ten years. And yet in the face of that, Congress refuses to stop its spending spree, and we face even more proposals right now, as we speak, for additional spending. Lastly, taxing. Now that the deficits are so high there are some who say that, while we can spend our way into prosperity, we need to keep the deficits low by taxing ourselves and essentially taxing into prosperity as well. I strongly disagree with that. There will be a big push between now and the end of the year to see taxes go up on many, many individuals in America and many companies in America, they may go up on everyone in America depending on what tax policies are adopted. The bottom line is that this is clearly a bad time for taxes to be raised. I don't know that there ever is a good time to raise taxes. But in a recessionary type economy that we have, this is definitely not the time, when jobs are so critical, for us to be putting more and more taxes particularly on the business sector. With those comments I'm going to throw it open for questions. I

know that those were kind of negative observations about the direction our country is heading, but I believe that we face very serious threats and that Americans ought to face them very squarely right now, and hopefully we can change the direction in which we are headed. With that, Susan, let's go to the phones and start answering some questions.

Susan: Thank you Senator Crapo, for those of you who are just joining us, welcome and thank you for participating. I'm Senator Crapo's communications director, Susan Wheeler, your moderator for this evening. You're part of Senator Crapo's iTownhall meeting which will last about an hour. If you want to ask Senator Crapo a questions please press \*3 to be placed in the question queue. You can do that at any time during the call and we will try to get to as many questions as possible. Let's start with Arnold in Boise; you have a questions for Senator Crapo?

Arnold: Yes I do. Senator, could you tell me what your specific recommendations will be to the deficit commission of which you are a member?

Senator Crapo: Yes. The deficit commission will not make final decisions on any of the issues it faces between now and the election because they don't want to have their deliberations tainted by the election. But I've already made it very clear, as many of the members of the commission have, that I view our major problem to be spending. In other words, spending is too high, not that taxes are too low. And the solution needs to be in the area of controlling spending. In that context I do believe we can have major improvements in making our tax code ore efficient and more competitive which will itself generate a stronger and more robust economy and a stronger revenue stream for the federal government. But our focus needs to be on controlling the spending. In that context, there are a number of procedural, as well as specific, proposals that I suggest. First and foremost, we need to have a balanced budget amendment or requirement in our system. We need to have very strong process requirements that require congress to follow budgets, and not just one year at a time, but over projected years and periods, and we need to have the kinds of enforcement mechanisms in our budgeting process that will literally prohibit congress from overspending. I really do belive that those process types of controls are some of the key kinds that we will need to impose in order to control the spending appetite of congress.

Susan: For our next questions we are going to go to Caldwell to Robert. You have a question with regard to immigration?

Robert: Yes, Senator. I was curious about what we do or what you plan on doing with the immigration that we're having in Idaho. I believe that if we can control that it would help our budget and deficit as well.

Senator Crapo: Very good question. Idaho, as do many states, faces a problem with increased costs, particularly at the county level, from illegal immigration into our country. I personally believe that we need to work at the federal level very aggressively to achieve a broad and effective immigration reform. And what I mean by that is we must start by controlling the boarders, we have not had the kind of commitment to control illegal entry at the boarders for several years now that I believe we need to have. Secondly, I bleive we need to make it very clear in our immigration policy that amnesty will not be

a part of our national policy. And by that I mean that those who have illegally entered the country will not be granted a privilege or a benefit or access to either permanent residence or citizenship as a result of their illegal entry into the country. That being said, we also need to adopt a workable guest worker system where those who are here to work come through a legal program and one in which they return to their country of origin after their work permits are expired. And that they are able to, if they want to become a permanent resident or a citizen, that they apply, just like anyone else in any other part of the world would, to get in line and apply through our standard immigration procedures. By doing so I believe we will meet the needs that we need to face as a nation in terms of restricting illegal entry and also help those employers in our state who seek to employ those who come from outside the country, to have a way to do so. And in the context of employment I believe that it also ought to be the policy of our immigration reform, that Americans have the first right of access to jobs that are available and that only after American citizens have had the first right of access to those jobs are they opened up to those from other nations. And our employers need to have a very clear way to determine who is here legally and who is not here legally in the country so that we can make it so the incentive to cross the border illegally is reduced because those who are not legally present would not have access to the jobs that are available.

Susan: Well we've got a lot of folks who are waiting to ask questions. If you would like to ask a question you can press \*3 to be placed in the question queue. I'm pretty sure we're not going to be able to make it to all the questions, so I might mention this now. At the end of the call you will have an opportunity to leave a voicemail message that the Senator will receive. We would be pleased if you would stay around until the end of the call, and if you want to take advantage of that, if you are not able to ask your question, you certainly can leave a voicemail message at the end of the call. So, Senator Crapo, let's go to Lea in Bonner's Ferry, you have a question for the Senator on unemployment extension.

Lea: Yes. Senator Crapo, my question is what your view is on continuing to sign extensions for unemployment under the fourth tier for the people who are either newly on unemployment or on the first or second tier in November.

Senator Crapo: I have accepted the fact that we need to have the extended unemployment benefits for a number of our citizens with the high unemployment rates we are facing right now. For many of these individuals and their families, it is their life-line. Because of that, I have supported in the past a number of the extensions. That being said, I did not support the most recent extension and whether I will support further, future extensions will depend on how they are handled. What I am referring to is that in the last extension it was pure deficit spending, in other words, we did not seek in any way to offset the cost of this unemployment issuance to our federal budget. And I believe that although it may be proper, in some of these occasions, to recognize the need for some extension of the unemployment benefits, that means that we are facing a situation in which we need to do what families and small businesses around the country do when they face unexpected or unbudgeted needs for spending, and that is we need to make cuts in other parts of our budget and fit it in so that we do not simply add more debt. And unfortunately this congress refuses to do that. With regard to the last unemployment extension that we faced, which was just a few short weeks ago, it was pure deficit spending, meaning

pure new debt onto our national debt, which is going to hurt all Americans, and increasingly so. When we could have offset it and many of us who felt this way came forward with different proposals as to how we could offset it and where in our budget we could find places to cut or restrict and to pay for or offset if you will, the cost of these unemployment extensions. And yet those efforts were rejected every time because this congress does not want to face the need to live within its own budget as, like I say, people across America have to do in their own personal budgets.

Susan: Now for the next question we are going to go to Halley to Steve, you wanted to talk about the Second Amendment.

Steve: It's more of a questions/statement. Senator Crapo, I just want to say thank you for supporting the Second Amendment the way you have and you said earlier that you weren't going to vote for Elena Kagan tomorrow, and I just wanted to say thanks for helping support the Second Amendment and our western way of life here in Idaho and I really appreciate the job you're doing and I'm glad I tuned in tonight, or stayed on the line, because I wasn't sure how you were on the Second Amendment, and it's very important that we get to keep those rights. And I'm glad you're doing what you can to help us keep those rights.

Senator Crapo: Well thank you Steve. I really appreciate questions like that! The kind comments that you made. I truly do appreciate it and let me just elaborate very briefly. I very strongly support the right to bear arms, the Second Amendment right that is included in our constitution. Over the years I've had a consistently strong rating by the National Rifle Association and other association who are focused on our right to bear arms, I know my ranking this year with the NRA is an A+ because I have worked very hard on preserving and protecting these rights. I think most Idahoans not only understand but also agree with that and unfortunately we don't see that kind of support for Second Amendment rights so consistently across the country, and it's a very challenging time in that context. So I appreciate your comments as well, Steve, and I will continue to fight to support the Second Amendment.

Susan: For the next questions let's go to Dick in Coeur d'Alene. You have a question regarding health care reform, go ahead.

Dick: Yes. Thanks Senator Crapo for having me on. I have a question, two-fold question, on this reform bill that was passed, unfortunately, by the Obama administration. First of all, will Idaho, the state of Idaho, have a popular vote referendum like Missouri did yesterday in which the people voted 73% to 27% not to have it? And second of all, should we, in 2012, providing a republican president gets in in 2012, can we get this socialistic bill repealed once and for all?

Senator Crapo: Excellent questions, Dick. First of all, I don't know whether Idaho will have a popular vote. That's more of an answer that the governor could provide is he's willing to do so, or the legislature, to move towards a popular vote in Idaho. But I can tell you that our governor, Butch Otter, was actually the first governor in America to publicly launch a challenge to this health law and Idaho is one of the states now, the first as I indicated, to stand up and indicate that they are going to sue the federal government and to litigate this issue in terms of their belief that it's not a constitutionally acceptable mandate on the states. So Idaho is engaged. Now whether they will have a vote, I don't

know, that's up to the legislature and to the governor. But it certainly would not be bad in my mind, in fact, I'd guess that Idaho would vote just kind of like the vote in Missouri that took place and that they would have a vote of somewhere over 70%, maybe even higher, in Idaho. With regard to your question about whether we can repeal the law my best answer is I hope so. I am a co-sponsor today of legislation to repeal the health care bill. And I understand that that legislation won't pass in this congress, but I believe that everybody who's on the ballot this year for the election needs to be asked whether they will support that and to be committed before the people in their state or district vote for them. And my hope would be if, as you say, we are able to get a president in place who is willing to support removal of the health care law, that congress would move forward and vote to do so, to repeal it. It all really depends on the election, to be honest with you, on the election this November, and of course in the following election in 2010. Elections do have consequences. I believe Americans do want a different direction. And I believe it's possible that Americans, because I know that across this country a strong majority want the bill repealed today, I believe it's possible that that new direction could be a strong message that is send and that we might have a chance for it and I'm certainly willing to fight for it.

Susan: For the next question we've got several people in the cue who want to ask you about public lands and wilderness, the Boulder White-Clouds, and the CIEDRA bill. So we're going to go to one of those questions and hopefully that cover the answers that the other folks are looking for as well. Ben, in Boise, you have a question for Senator Crapo. Go ahead.

Ben: Yes. Senator Crapo, thank you for your time. You mention how the government has taken control on a lot of different area, as far as taxes and several different institutions, and to me one of those should be public lands as well as far as designating these wilderness areas in Idaho. That's the strictest form of federal government control. And it seems like we don't need that right now with the way the economy is. It doesn't allow any opportunities at all, except maybe to someone to hike or ride their horse and that's about it. And it seems like it affects the economy greatly, and plus it is the strictest form of government control that I don't think we need in the state and I just want to know what your take is on that.

Senator Crapo: Well thank you Ben. You've asked a very, very critical question that in one context or another we address in many ways here at the federal level. Let me answer that on several different levels. First of all, not only land but water is an issue where the federal government is taking control, and I should have mentioned that. There is a bill in congress right now that's called the Clean Water Restoration Act, which if passed, would literally give the federal government control over all the waters of the United States wherever they occur. And this is not just rivers and streams, it's literally mud puddles and wherever you might find water. I strongly oppose that bill, in fact I have put a hold on that bill and have indicated I will filibuster it if it's brought to the floor. So far they haven't tried to bring it to the floor to face that filibuster but I strongly oppose that. Secondly, the president has historically had the authority to simply declare, by designating national monuments, that he would restrict the access to and use of public lands, of federally owned public lands, in America, and that has been abused. That has been abused in Idaho and it has been abused in other parts of the country by various presidents. And I'm part of a group of senators who have introduced legislation just recently to stop the president from being able to do that and to make those kinds of designations without congressional approval. And

finally, the wilderness issues which you talk about. That's a more difficult one, frankly, because we have a wilderness law on the books in this country and, candidly, it won't be repealed. I don't see any likelihood that that law would be repealed. And we have federal agencies, both the Bureau of Land Management and the Forest Service, managing many of the lands in Idaho, the federal lands in Idaho, as though they were wilderness if they are potential wilderness designated areas and so some of these potential wilderness areas are being restricted as much as if they were actually wilderness areas. And what I have done is to work in a collaborative fashion with the people who live in the area to see if we can't sit down with people from Idaho and regional interests to collaborate in a way that identifies a path forward where we can reach the compromises that help our multiple use to be expanded and made more effective but also, frankly, some of these compromises, like the one we reached in the Owyhee Wilderness over in the southwestern part of the state do involve an agreement that there will be wilderness designations as well. And I have been willing to support those collaborative decisions when they were reached on a consensus basis, where the ranchers, and farmers, and private property owners in the area also agreed to the kinds of solutions that would help free up their access to use their private property as they see fit. So, like I say, the wilderness issue is a little more complicated than the water issue and the monument designation issue, in my mind, but the bottom line is that if we work together collaboratively I think we can solve a lot of these issues and I believe that the Owyhee Wilderness negotiation and process that I was involved in for the last eight years is a good example to the whole country about how we should approach public lands management decisions.

Susan: Well we only have about 25 minutes left. If you'd like to ask a question to Senator Crapo and want to be placed into the questions queue please press \*3. If we are not able to get to your questions this evening, at the end of the call you will have the opportunity to leave a voicemail message that the senator will receive. We have several questions in the queue about Social Security and Medicare, so we're going to take one of those. We're going to go to Boise, to Wally, you have a question for the Senator. Go ahead.

Wally: Yes. Senator, as a senior, I'm very concerned about what congress intends to do about Social Security and Medicare. There's a lot of talk about reducing it and putting that money into the general fund. It's awful tough for us to live on Social Security alone.

Senator Crapo: Again, a very, very important question. Let me talk about them each individually. With regard to Social Security, if congress does nothing, our Social Security system will, in about 20 years, go bankrupt in the sense that it will not only not be able to be supported by existing workers who pay into the system but its large trust fund will be spent. At that point benefits will probably drop for everybody, literally overnight, when that point is reached benefits can drop as much as much as 30% for everybody. And congress must take some action to avoid that happening. I don't know what action congress will take, but I do believe congress will take some action, will do everything it can to try to make sure that on Social Security people are able to expect at least the level of benefits that they are receiving today. Like I say, I can't promise what congress will do because obviously there are a lot of other ideas out there that I'm sure you've heard about that prompted your question about how to restrict Social Security. But one of the things that we have learned about Social Security is that if we were able to adjust the rate of growth of benefits to make it equal the rate of growth of the economy, or something close to that, that

the value of Social Security benefits would not be diminished, because they would continue to be adjusted to meet the growth level of the economy and the inflation in the economy, but we could significantly address the fiscal stature and fiscal sustainability of the social security system by doing so. And that's just one idea that's out there. I don't know which ideas Congress will approach and support. But I think your question is very well stated, because something is likely to be done by congress simply to keep the system from financially collapsing and stopping a much further difficult problem from occurring. Again, as I say, I don't see that problem hitting for about 10-20 years, but the sooner congress gets a handle on it, the better congress is going to be able to deal with it in a less painful way. With regard to Medicare and Medicaid. Again, these two programs are growing at rates much faster than the rate of growth of the economy. And I believe that part of the problem with them is, and they will collapse financially too if we don't do something to reform them, but I believe if we could address waste, fraud, and abuse in these programs and if we could address the mounting cost of health care and slow down the rate of the growth of the cost of the health care we could have very huge impacts on protecting and preserving Medicare and Medicaid without reducing Medicare and Medicaid benefits and that's what I would prefer to see done. One of the reasons I voted against the recent health care bill is because, not only did it do very little, if anything, in fact it drove the cost of health care up rather than down, but it also cut \$500 billion from the Medicare program over the next 10 years and that's the kind of step congress should avoid taking. So I can assure you that I will look for solutions in the context of finding waste, fraud, and abuse and of trying to find ways, which we have good ways of how to do it, to reduce the growing costs of health care and solve the problem there rather than simply continuing to try to find ways to restrict the cost of Medicare and to cut Medicare benefits.

Susan: Well there are a lot of folks who are concerned about budget and fiscal responsibility so we are going to go to Bryan in Camei for the next question. Go ahead.

Bryan: Thank you very much for taking the time Senator. My question is, with all of the expenditures, including the stimulus package that all of congress said that we couldn't do without, the country was going to go broke, that kind of thing, at the state level we have had to do nothing but cut back to the bear bone and basically eliminate some programs because of the tax revenue and because of the lack of tax revenue. So my question is, is the stimulus package that was passed, regardless of the rhetoric that went on, where is Idaho in the mix of that and when can we expect the economy to start straightening out and start doing things, start growing, start producing jobs, that kind of thing?

Senator Crapo: Well Bryan, people have very different perspectives on the stimulus package across the country. I for one voted against it. I voted against it for one major reason and that is that it was pure debt on our national debt. It added \$800 billion, in fact when you add the interest growth on it, it was a trillion dollars within a year or two of its passage and added a massive new growth to our federal debt. And that new addition to our federal debt literally took \$800 billion of capitol out of the private markets. And I think that most economists acknowledge that although there may be a short term stimulus impact, the long term impact of doing that would be to restrict the growth of the economy. And by long term I mean 18 months and longer. And we are already into that sector of the stimulus package. And frankly the stimulus package did not work as it was projected by many of the economists and the politicians in Washington. I don't believe that he stimulus package was very beneficial to the economy,

in fact, even in the short run I don't believe that we as a nation can continue to pursue the philosophy that we can spend ourselves into prosperity. Our debt is too high. And so your questions is where's Idaho in all that, Idaho probably got a portion of those stimulus dollars, relative to our portion of the national population. And admittedly some of those stimulus dollars have been used in Idaho in ways that have helped to increase consumption. But I think the overall loss of benefit that we got from the mounting national debt is much greater than that benefit. What we can do and when we can expect the economy to start rebound, in my opinion, at the federal level we can stop the overspending and to stop the notion that we should have increased taxes and instead get the federal government on a pathways of fiscal responsibility and I don't think anything could be a stronger message to our markets. And yet while our markets and our global markets are waiting for the United States government to show some fiscal restraint, instead what we see is a proposal for yet another stimulus bill, more debt, and on top of that, increased taxes. And I think both of those things are the wrong steps for congress to be taking today.

Susan: Let's stay on the financial theme here for a bit, we're going to Meridian to Jo, you have a question for Senator Crapo, go ahead.

Jo: Senator Crapo, this estate tax, this death tax, it looks to me like people have worked so have to accomplish something. When they die then the government really steps in. Something needs to be done shortly so that people can make arrangements, there's only five months left of this year, make some arrangements to protect some of our assets.

Senator Crapo: Jo, a very, very critical question. Just to give you a little bit of background on my position on that. I have supported legislation and co-sponsored legislation for 10 years that would permanently eliminate the estate tax. I think that it's wrong that when people die that the federal government gets to step in and take their assets. Having said that, your question is where are we. As you know the estate tax has been dramatically wound down to the point that this year it has been eliminated but it is all going to come back in in its full strength next January. Congress has to do something to extend this elimination of, or at least a reduction of, the estate tax or we will see a huge new estate tax spring back into place. I and many other, Senator Kyl from Arizona being one of the major leaders, have been fighting hard to get a bill through this congress that would, we wish we had the votes to eliminate the estate tax, we don't, and so we've got a compromise that would have about a \$3.5-5 million exemption per person and a stepped up basis and put that agreement into place. And that's a compromise I'm willing to accept since we can't get the votes for a total elimination. Unfortunately, we had a deal for a vote on that compromise, and the majority leader, Senator Reid, about a month ago told us that that deal was not going to be honored and that we were not going to be able to have that vote. We do know that there is a tax bill coming along the lines, probably in September, at the time when the majority leader is going to propose legislation that would result in a tax increase for about half the small business income in America. And although we oppose that tax increase, we will, I'm quite sure we will, try to bring an amendment to that bill to try to get the estate tax compromise put into place no matter what happens with the rest of the bill. And I just don't know, Jo, whether we will win that vote. We've had the vote on it about 5 times in the last few years, I'm sure you know, and we've always fallen a few votes short. My hope is that Americans like you are paying

attention and that in September where I hope we have a vote that people across this country will weigh in and will telling their senators they want them to vote for the estate tax compromise. But we will have a shot at it in September, in my opinion, but it's going to be a hard fought battle. So pay attention and tell all your friends and relatives to pay attention as that battle shapes up for September.

Susan: Well, taxes are something that we've got a lot of folks interested in talking to you about. We're going to go to Hailey for the next call. Michael you have a question for Senator Crapo. Go ahead.

Question: Yes, Senator Crapo, thanks for doing this. I think it is a great way to connect with your constituents.

Senator Crapo: Thank you.

Question: I had a question about the Bush tax cuts. My main concern is with the top two percent of people, income earners. These are people who could really help with the deficit and if they did receive increased tax and I don't support, and I know the Republican Party has said that they want to have the Bush tax cuts continue, but I see this as a way to help us all out and reduce the deficit with the rich people paying a little bit more. Studies have shown that, in general, they will not be adversely affected by this, this is not going to make too much of a difference to them. So I just want to know what your feelings are on this issue.

Senator Crapo: Well Michael I don't really support increasing taxes on anybody. I think that the tax load that Americans pay right now is actually generating a little bit higher revenue to the government, in terms of the gross domestic product, than it historically has. By that I mean that I think our taxes are not too low right now. In addition, those who are in the upper brackets actually pay, already, a huge portion. I don't have the statistics in front of me but it is something like the top five percent of income earners pay something like fifty percent of all of the taxes already. So I do believe that we've already gone down that road of saying that the wealthy should pay a larger share, and in fact a much larger share. But having said that, you are exactly right; the debate that we will have in September is this, if Congress does nothing, everybody's taxes are going to go up. Every single person in America who pays income taxes or some kind of capital gains tax or has dividend income will see their taxes go up. And frankly, those who are in the lower and middle income categories will see their taxes go up a higher percentage than the wealthy and President Obama has said he is willing to extend the tax relief for those in the lower and middle categories, which I support, but he said he is not willing to extend the tax relief to those in the upper brackets, upper top-two brackets. Again, I disagree with that in principle, there's another reason why I think today, in this congress, it's the wrong time to do that. It's not just really rich people who that hits, it's every entity, every tax entity that makes more than \$250,000 and that's small businesses in our country, in fact that tax increase will hit fifty percent of all small business income and will impact over twenty million employees in America at a time when jobs are critical, and that income that is hit is the very investment income that we need to have put into our economy rather than taken out of the economy by congress and spent. So although people can and do argue over whether the rich are paying enough already, but my point is, if we want our economy to get a shot in the arm, if we want more capital available and more investment available for our economy to get out of the doldrums, it's

the wrong time to be putting a tax on that sector. And again, I just point out that that sector is not just really rich people, you know like hedgefund managers and so forth, who could pay some more taxes, this is small businesses. It's a huge number, I think its 750,000 small businesses across this country, who would be seeing a tax increase, and they, and their employees, would see a reduction of their capacity to engage in robust business activity. So, for those reasons I disagree, but I understand your question and I just hope you understand my thinking on that.

Susan: For the next question we are going to go to Eagle.

Question: Robert you have a question regarding fraud and waste in the government. Go ahead. Yes, Senator Crapo thanks, ditto on all the thanks for holding this type of meeting. American people have a tremendous distrust of the government and of Congress; I think is a general feeling. You take Charlie Rangel for instance, Obama says "Well, let him resign with dignity," that's ridiculous. We would be put in jail. Now we have fraud and abuse in every government program. I wonder, what bills have you introduced or what aggressive stand have you ever taken to try and eliminate this? We have it in Medicare, we have it in the military, we have it in every aspect of anything the government tries to do. Now we have to stop it. What have you done or what do you intend to do?

Senator Crapo: Well Robert, I can tell you with confidence that I have focused on and worked on that aggressively in my political career, in fact back when I served in the House I supported legislation that we were actually able to get put into law, where we forced oversight reviews of every budget of every agency and evaluated the effectiveness of their budgeting activities and tried to identify waste, fraud, and abuse. As we've moved forward on specific issues relating to things like health care, as a recent example, and I've fought in this way all the way through, but take the recent health care bill, although there was a lot of talk about "oh well we'll find some savings of health care in waste, fraud and abuse," we lost the votes, but I, and many of my colleagues, fought aggressively to put into place programs that would enable us to reach into the Medicare system and the Medicaid system and identify the waste, fraud and abuse and root it out. I have worked very closely with programs to do that, in fact one of them we worked with back in the days when I was in the House of Representatives, was to allow private citizens, when they a bill that they got from a hospital or doctor that they thought had some waste or fraud or abuse in it, you know like the huge charges for a water bottle or something like that, we were setting up systems then to allow them to report it and yet we were not able to get the votes to do it. Last thing I will say is that even today, as we are talking here in this town meeting, I and many of my colleagues continue to look program by program at areas where we can find waste, fraud, and abuse. Senator Tom Coburn, whom I work with here in the Senate, has just worked with Senator John McCain to put out a report in the last few days of a number of programs that they, and those who are working with them have identified in the stimulus package that were purely wasted or were fraudulently utilized. And so, although I can agree with your frustration and in fact I do agree with your frustration and with your concern on the way Congress has operated, and I share that frustration because Congress has not been willing to do a lot of the things that I and a lot of others have worked to try and fight to get done. I do have to tell you that waste, fraud and abuse in the federal government is something that I have consistently fought to address as I've been here.

Susan: Next we're going to take a question with regards to term limits. There are several in the question queue about term limits and we're going to go to Rupert, to Penny. Go ahead.

Question: Yes, thanks for the town hall meeting, I do appreciate it. Watching the national health care debate where clearly the populous vote doesn't want it and many other votes that have come up in the last year and a half. How do you feel about either term limits for our Senators and our House of Representatives, where often times they vote by their party, not by their state, or how do you feel about going back to some kind of amendment where the state legislature puts in the Senators so when they quit voting the way the state populous, which isn't Idaho, Idaho has pretty much voted the way we want, but you can look at the whole country and many states might have changed who they had in there as far as Senators, or whatever, when they saw that they were voting by their party and not what the state wanted. How do you feel about term limits or representatives that way?

Senator Crapo: Well let me say first of all, the term limits issue has been around now for probably twenty years and Idaho has actually had several votes on it which have gone both ways in different elections. When Idahoans have expressed that they wanted to see term limits imposed, I have honored that request of the Idaho constituents and I have in fact, in the House when that issue came up, voted for it. As it comes forward again, if Idahoans indicate that they believe that that's what we should do, I would support the wishes of Idahoans in moving that direction. Personally, I don't think that term limits have shown themselves to be a very effective tool. In one of the studies that I saw, where they studied members of Congress who had been around longer than a particular term limit proposal would have allowed, compared to those who were there shorter periods of time, what they found was there was almost no difference between the way they voted that it was much more, as you just indicated, they voted more along party lines than they did tenure lines, meaning that those who were Conservative stayed Conservative and those who were Liberal stayed Liberal and they were either replaced by someone who was similar or not when they were newer. I tend to think that that is the way it generally works out, but like I say, if the public in Idaho were to say that they were ready to go try that again, I would, as I have in the past, support it. With regard to the way that the Senators are chosen, I do have strong opinions. The seventeenth amendment of the Constitution was put into place back, I think it was, 1912 and which changed it from being a decision made by the legislature to a popular vote of the people, and I support that. In fact, interestingly, historically, back in the 1907-08 to 1912 range, Idaho was one of the states that was pushing the hardest in the country and one of the first states to try to go to a popular vote rather than a legislative vote. I actually believe that Senators should be accountable to the individual voters of the state, rather than to the smaller body like the elected legislature. I believe there is more accountability that way, the Senators can represent their states just as effectively if they are selected by the popular vote of the people as they can if they are selected by the legislature, and in fact I don't really think that a selection by the legislature would really result in a change of any significance of the type of individuals who were selected, because I think the legislature would reflect the general political leanings of the public. But, like I say, I personally think that we've got it right, right now, and that is our seventeenth amendment was proper and correct and that the public ought to be able to, the registered voters of a state, should be those who make the decision as to who is elected Senator.

Susan: I think we have time for probably one more question and we do have a fair number who are in the questions queue so let me remind you that following this call you are welcome to leave a voice mail message for senator Crapo and he will be listening to all of those and responding. You need to make sure to leave your full name and mailing address so we can respond back to you. For the last call this evening we are going to go to Coeur d'Alene to Dan, Dan you have a question with regard to small business. Go ahead please.

Dan: Yes. Thank you. I'm self-employed for 20 years and I'm seeing that the construction around here, I'm now down to 52 years old and I'm back to working and having my son help me work instead of having 10-20-30 employees and I'm just struggling to try to make ends meet and I'm not asking for a hand-out from the government but you know it just kind of irks me sometimes when I see some of these big companies getting stimulus packages to help them out. Isn't there some way to possibly stimulate the economy by helping some of the smaller employers? That's the heart of our country is the small businessman. That's what's going to save us. And we need to somehow stimulate so we can kind of get back to work and get out people back employed again and I'm not asking to say give me money, I'm just saying have the banks don't look at you like you're some kind of scum bag every time you are trying to do business.

Senator Crapo: Dan, you know you're absolutely right. The small businesses are the economic engine that will help our economy get out of this difficulty that we now face. Before I further answer your question, I want to go back and answer Penny's question on term limits with one more sentence, and that is I do believe any term limits should apply to every state, not just on an individual state-by-state basis. But let me come back to your small business question because you have put your finger on one of the keys to our economic recovery. We need to stop doing things that take capitol away from small businesses. Stop raising taxes on small businesses, and stop increasing spending by taking capitol about of the markets that could be available for lending to small businesses for their operating loans or for investment in more equipment or more staffing or what have you, and we need to get the government back into a posture of getting out of the way of small businesses. I like what you said about not looking for a hand out, I really interpret what you are saying is you'd like the federal government to get out of the way and allow the economy to work again and allow some capitol to be available for small businesses and allow the credit system to start operating again because if that were to happen we would see a strong rejuvenation of the small businesses in our country. And yet instead congress continues down this path of sucking up the available capitol through debt spending and now as I said there's a proposal on the table for more taxes that are going to hit directly small businesses. So although I tend to agree with you that there shouldn't necessarily be some kind of a new government entitlement program established to give a government hand out to small businesses, but we should have government programs where we create a positive pro-growth tax climate and where we do the kinds of things that can create incentives for lending and restarting the credit system that will make capitol available for our small businesses. And there are some every significant proposals along those lines that we are debating here in congress. I promise you, I'll support those kinds of proposals. And my hope is that we can let the small businesses of this country start doing the job that they've been doing so well for so long, and that is providing the fuel for a strong vibrant economy.